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OF BANKS**

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2021

# ANNUAL REPORT





Ghana Association of Banks

# ***Annual Report***

PROMOTING  
INTEREST OF BANKS  
AND CUSTOMERS

FOSTERING  
PARTNERSHIP AND  
SUSTAINABLE  
BANKING

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# NOTICE AND AGENDA

**N**OTICE IS HEREBY GIVEN that the 39th Annual General Meeting of Ghana Association of Banks will be held in the Adlon Hall of the Kempinski Hotel, Gold Coast City Accra, on Thursday, September 8, 2022 at 11am to transact the following businesses:

1. Review and adopt the President's Report for the financial year ended December 31, 2021.
2. Receive a report on GAB activities for 2021.
3. Receive, consider and adopt the audited financial statements as of December 31, 2021, together with the auditors' report.
4. Confirm and ratify the appointment of Auditors and their remuneration.
5. Adopt the framework for Youth Skills Development Programme as committed in the national budget.
6. Vote and elect an Executive Council Member to replace Mr. Akin Ogunranti.
7. Adopt the Revised Articles of Association of GAB.





# About

# Ghana Association of Banks

The Ghana Association of Banks (GAB) is the country's mouthpiece and advocacy lead for the universal banking sector, currently representing the interests of 24 member institutions (including the ARB APEX Bank, which represents all Rural Banks). It is a not-for-profit organisation that was formed to protect the interest and aspirations of its members; and to provide a platform for bank-to-bank networking among members.

At inception on May 29, 1980, there were seven universal banks in Ghana serving a population of approximately twelve million; our member banks have increased in number (currently at 24) mostly arising as a consequence of the economic liberalisation of the country in the late eighties; and partly in line with the economic expansion and population growth of the country.

GAB supports and promotes policies and initiatives that balance the interest of member banks; customer population; and wider stakeholder targets. The Association acts as the connecting rod between its members and the industry regulator; the media, law and policy makers; Civil Society Organisations; other business

organisations/associations and the wider community; and promotes good and continues business relationship among members. GAB also proposes and highlights programmes, initiatives and emerging best practices to member institutions; facilitates better understanding of developments in the country; and beyond our borders.

Working with similar global bodies, GAB's work is underpinned by three core priorities:

- **championing and shaping the interest of the industry;**
- **helping customers; and**
- **promoting growth, including supporting Ghana's initiative as the financial gateway to the West African Sub-Region.**

We carry out research, analyse and disseminate information on issues affecting the banking industry's performance and growth prospects. As the mouthpiece for our members, we deploy creative channels in communicating with our stakeholders; and act as thought-leaders in our market and beyond. We invest in and support initiatives aimed at reducing risk factors affecting the industry; and influence policy discussions that create enabling business environment

for our members and customers alike. We undertake self-introspection by conducting market surveillance to assess and evaluate the conduct of our members in the market in connection with compliance with banking laws, directives from the regulator, data protection and treating customers fairly, amongst others.

Given the difference that knowledgeable and talented workforce can bring to bear on market performance, we assess people's development as critical to the attainment of industry objectives. As a result, we encourage our member institutions to ensure their employees have access to continuous professional development. This is achieved by providing business-specific educational opportunities to member banks.

We conduct our activities by liaising with key stakeholders such as the Bank of Ghana, Ghana Revenue Authority, Ghana Interbank Payment and Settlement Systems, Association of Ghana Industries, Ghana Employers' Association, Private Enterprise Federation; and a host of other business associations, community leaders and Civil Society Organisations.

## VISION

GAB aspires to become the leading advocacy and network group utilising our unparalleled combination of quality, reach, high standards, openness, collaborative and innovative culture to create a forward moving platform for our member institutions; and other stakeholders. As a national association of universal banks, GAB would progressively work towards being the most influential financial institution body in Africa and beyond.

## MISSION

GAB's mission is to support the banking industry in developing best practices and standards; by advocating regulatory, financial and economic policies and reforms that are in the broad interest of its members; and foster stability in the financial services industry, thereby ultimately engendering national economic growth and prosperity. We aim to be the sole voice of banks in Ghana; deploying unified voice for universal banks in the country in the areas of legislations, economic and fiscal discussions, market conduct, financial stability, media interaction and community development initiatives.

## VALUES

As a representative body of an industry that builds on trust, our core values hold supreme and true to our 'Trust' foundation. As a consequence, our corporate values are a balancing act of Fairness, Responsiveness, Integrity, Sustainability and Confidentiality (FRISC):





# STRUCTURE & GOVERNANCE

The Ghana Association of Banks remains the national organisation of banks in the country. It was formed on May 29, 1980. Contemporary activities and operations of GAB are governed by the Revised Articles of Association adopted during 2020 financial year.

The Association seeks inter alia to promote, strengthen and improve on relations among Ghanaian universal banks; ensure effective representation of member banks on national discourse related to fiscal, monetary and other economic issues; with significant impact on effective performance of the financial system.

Further, GAB seeks to advance the cause of member banks through effective contribution of the banking industry to accelerated development of agriculture, industry, commerce and services; while engaging and dialoguing with regulatory authorities, government and other key stakeholders in the private sector towards shaping policy; and regulations related to financial intermediation, among other pertinent considerations.

Membership of the Association is open to all licensed universal banks operating in accordance with the Banks and Specialised Deposit-Taking Institutions Act of 2016, Act 930; or any other legislation that remains in force and regulates the activities of Ghanaian banks and the Association of Rural Banks (ARB) Apex Bank. The latter represents rural banks in the country. The Governor of the Bank of Ghana remains an Honorary Member of the Association; and

may attend the Association's meetings in person. Alternatively, the Governor may be represented by a nominated Deputy Governor of the Bank of Ghana.

Respective Managing Directors (MDs) of member banks are expected to attend all meetings of the Association. In their absence, Senior Executives not below the grade of a Director shall attend. A Senior Executive so-appointed should have been appointed by the implied Managing Director in prior period or periods.

Pursuant to its fundamental objectives, the Association strives to champion the exchange of ideas and experiences in the fields of banking and financial intermediation through the organisation of periodic meetings, seminars, conferences and short courses. Further, the Association sponsors research on pertinent issues with impact on the banking and financial sector; or issues bordering on the economy in general. Outcomes of the research are published or disseminated as the Governing Council may deem appropriate.

The Association has three major organs. These include the Governing Council, General Assembly and Administrative Office. The Governing or Executive Council remains the supervisory arm of the Association. Its membership comprises Managing Directors of the five largest banks, referred to as Tier I banks; two Managing Directors who are representatives of the next five large banks (known as Tier II banks); two Managing Directors,

representing all other banks (called Tier III banks); and the Chief Executive Officer of the Association. The Governing Council may co-opt one additional Managing Director to the Council. This may become necessary if the Council seeks specific interest or skill that is not available in its constitution or composition by tiers.

The highest decision making body of the Association is the General Assembly or Council. It comprises a representative each of all member banks of the Association. Specific functions of the General Council include, but not limited to granting of honorary membership; amendment of the Articles of Association; election of persons to various offices of the Association; readmission of a suspended Member after successful appeal; review of Membership fees and other financial contributions; exclusion of a Member; and dissolution of the Association.



# MEMBERS OF THE EXECUTIVE COUNCIL OF GHANA ASSOCIATION OF BANKS



**MANSA NETTEY** — **PRESIDENT**  
Ghana Association of Banks



**MD, STANDARD  
CHARTERED BANK**



**DAN SACKEY** — **VICE PRESIDENT**  
Ghana Association of Banks



**MD, ECOBANK**



**ABENA OSEI-POKU** — **MEMBER**



**MD, ABSA BANK**



**HENRY CHINEDU  
ONWUZURIGBO** — **MEMBER**



**MD, ZENITH BANK**



**JULIAN OPUNI** — **MEMBER**



**MD, FIDELITY BANK**



**KOFI ADOMAKOH** — **MEMBER**



**MD, GCB BANK**



**KWAMINA ASOMANING** — **MEMBER**



**MD, STANBIC BANK**



**PHILIP OWIREDU** — **MEMBER**



**MD, CALBANK**



**SAMUEL SARPONG** — **MEMBER**



**MD, NATIONAL  
INVESTMENT BANK**



**JOHN AWUAH** — **MEMBER**



**CEO, GHANA  
ASSOCIATION OF BANKS**



# GENERAL COUNCIL OF THE GHANA ASSOCIATION OF BANKS



**ABENA OSEI-POKU**  
MD / ABSA



**OLUMIDE OLATUNJI**  
MD / ACCESS BANK



**JOHN K. MENSAH**  
MD / ADB



**ALEX K. AWUAH**  
MD / ARB APEX



**KOBBY ANDAH**  
MD / BOA



**PHILIP OWIREDU**  
MD / CAL BANK



**DANIEL ADDO**  
MD / CBG



**DAN SACKEY**  
MD / ECOBANK



**VICTOR ASANTE**  
MD / FBN



**JULIAN OPUNI**  
MD / FIDELITY



**ODUN ODUNFA**  
MD / FAB



**DOMINIC ADU**  
MD / FNB



**KOFI ADOMAKOH**  
MD / GCB



**THOMAS ATTA JOHN**  
MD / GT BANK



**SAMUEL SARPONG**  
MD / NIB



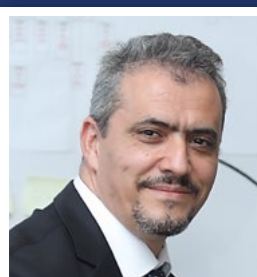
**DANIEL ASIEDU**  
MD / OMNIBSIC



**JOHN K. ADDO**  
MD / PRUDENTIAL



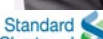
**BENJAMIN DZOBOKU**  
MD / REPUBLIC



**HAKIM OUZZANI**  
MD / SG BANK



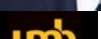
**KWAMINA ASOMANING**  
MD / STANBIC



**MANSA NETTEY**  
MD / STANCHART



**CHRIS OFIKULU**  
MD / UBA



**NANA KWADWO  
DWEMOH BENNEH**  
MD / UMB



**HENRY CHINEDU  
ONWUZURIGBO**  
MD / ZENITH



# ADMINISTRATIVE OFFICE

Administrative Office of the Association is located at Number 12 Tafawa Balewa Street, North Ridge, Accra. The Office is headed by the Chief Executive Officer, appointed by the Governing Council. The Chief Executive Officer is supported by three Divisional Heads, namely Head, Banking Operations, Risk and Cyber Security; Head, Research, Media, Business Intelligence and Market Conduct; and Head, Legal, Ethics, Compliance and Welfare. Employment terms and conditions of the Chief Executive Officer and Divisional Heads are determined by the Governing Council.

## GAB SECRETARIAT TEAM



**Mr. John Awuah**  
(Chief Executive Officer)



**Dr. Ebenezer Ashley**  
(Executive Head of Research, Media, Business Intelligence & Market Conduct)



**Mrs. Audrey Mnisi Mireku**  
(Banking Operations, Risk and Cyber Security Specialist)



**Mr. Dan Opare**  
(Convener; Anti-fraud and Forensics, Security, Compliance & Anti-Money Laundering)



**Ms. Jane Keziah Karikari**  
(Administrative Manager)



**Mr. Lawrence Sackey**  
(Research Manager)



**Ms. Rita Alifo**  
(Administrative Assistant)





## THE PRESIDENT'S MESSAGE

### MANSA NETTEY

President of the Ghana Association of Banks (GAB)  
& MD for Standard Chartered Bank

The current financial year marks the 39th Annual General Meeting (AGM) of our distinguished Association; and it is with deepest sense of gratitude and great pleasure that I acknowledge invaluable contributions of the entire Membership of the Executive and General Councils; and our Auditors to the significant milestone in the annals of the Association's history. Further, I deem it honoured and privileged to present highlights of some of the major events recorded in the banking sector after December 31, 2018; and prior to this year's AGM.

Banks play unique and vital role in global economies. They serve as forebearers for social change; and actively participate in national and global efforts aimed at building robust and sustainable finance initiatives; with the ultimate objective of propelling growth while ensuring greater financial inclusion.

Performance of the Ghanaian economy and most economies around the world was stymied by the predatory COVID-19 pandemic; albeit economic consequences of the pandemic on the banking industry were not as dire as those experienced during the global financial crisis of 2008 through 2010. This notwithstanding, the adverse effects of COVID-19 are expected to spiral into successive financial periods; with banks in general incurring substantial losses. For instance, a forecast by Deloitte (2021), revealed global banks were envisaged to make provision for US\$318 billion in net loan losses between 2020 and 2022. Further, yields are projected to remain below historical levels; while unemployment is estimated to surge above the rate recorded during the global financial crunch.

Beyond the foregoing, global banks are envisaged to experience unprecedented challenge to the quality of

their assets and profitability; while banks in Europe and North America required considerable financial periods to recover to 2019 or earlier best-performance levels. Moreover, the value of global gross domestic product (GDP) for 2021 was envisaged to be US\$9.3 trillion lower than the value recorded during the preceding year.

Indeed, COVID-19 succeeded in reshaping the banking sector across multiple dimensions; it succeeded in accelerating digitisation in every sphere of banking and capital markets; prompted new wave of innovation; and ushered in new competitive landscape. Further, it equipped banks to accelerate economic transformation; strengthen resilience; and offer practical industry insights to improve operations, customer engagements, talent, sustainable finance, cyber risk and technology.



In spite of the challenges, performance of Ghanaian banks during 2021 was an improvement over the previous year. Available data affirmed about GH¢1.52 billion or 24.91% increase in profit before tax during 2021 comparative to 2020 financial year's value (GH¢6.09 billion). Net interest income within the banking sector witnessed 13.71% growth during 2021 to end the financial year with GH¢11.83 billion. However, the increase was 9.64% shy of the growth recorded during the previous financial period (23.35%). One of the reasons ascribed to the foregoing differential was the consistent decline in market interest rates.

The respective fees and commissions recorded during 2019 through 2021 were GH¢31.19 million; GH¢47.60 million; and GH¢79.75 million. The observed increase in net fees and commissions (in monetary terms) during 2021 (GH¢32.15 million) remained nearly twice the increase recorded during 2020 (GH¢16.41 million); whereas the percentage increase during 2021 (67.54%) remained 14.93% superior to the rate recorded during the previous year (52.61%). This was a significant reflection of continued recovery in trade finance-related and other businesses of institutions within the banking sector; and an overall increase in operating income to GH¢25.94 million or 33.81% during 2021 (GH¢102.66 million - GH¢76.72 million).

At the peak of the pandemic, banks' provision for loan losses was aggressive to reflect the uncertainties of the period. However, this initiative was intended, inter alia, to mitigate contingent operating costs and losses that may be incurred due to the pandemic. Nonetheless, the estimates were in excess of the actuals. Further, the operating costs during 2020 (GH¢7.31 billion) were comparatively lower than the costs incurred during 2021 (GH¢7.97 billion). For instance, the increase in operating costs during 2020 (GH¢1.02 billion or 16.14%) was nearly twice the increase (GH¢657.44 million or 8.99%) recorded during 2021; implying operating expenses were moderated by banks during 2021.

**Loan loss provisions recorded during 2020 (GH¢1.17 billion) were equivalent to 0.85 times the value (GH¢1.39 billion) recorded during 2021 financial year. Overall, the banking sector performance depicted sustained growth in investments, assets and deposits; and significant improvements in the financial soundness indicators.**

The banking industry's capital adequacy ratio (CAR) during the period under review was 19.6%. This ratio remained above the regulatory minimum of 10% and prudential threshold of 11.5%; and affirmed solvency of institutions in the banking sector. The value of total assets during 2021 was estimated at GH¢174.83 billion. This represented GH¢31.88 billion or 22.30% increase over the value (GH¢142.96 billion) for the previous year.



The quality of banks' assets during 2021 was a reflection of the general repayment challenges occasioned by COVID-19, coupled with some bank-specific loan recovery challenges. Consistent with gradual recovery within the real sector, credit performance in the banking sector witnessed marginal improvement. The annual nominal growth in private sector credit increased marginally during 2020 and 2021 financial periods. The growth was indicative of banks' commitment to accelerated economic stimulation during post pandemic periods.

New advances extended by universal banks to the economy during 2020 was estimated at GH¢633.86 million (GH¢861.74 million - GH¢227.88 million). This was relevant to structural growth of the Ghanaian economy; and comparatively higher than total new advances during 2021 (GH¢468.74 million) [GH¢1.33 billion - GH¢861.74 million]. Net income after tax during 2021 amounted to GH¢72.26 million, implying 56% increase. Fluctuations in interest rates in response to variations in Policy Rate and the Ghana Reference Rate were some of the major underlying factors that influenced growth in banks' net income values during 2021.

However, stress test report released by the Bank of Ghana for August 2021 revealed institutions within the banking sector are resilient under mild to moderate stress conditions. This is ably supported by strong liquidity and capital buffers; and the regulatory reliefs introduced by the Bank of Ghana during the pandemic. Overall, the banking sector remained strong and well-capitalised; with tremendous growth in deposits, investments and total assets.

Over the years, the banking industry has been making strenuous efforts to improve on relations with customers, consumers and other relevant key stakeholders through diverse initiatives. During November 2020, the Chartered Institute of Bankers (CIB), Ghana, together with the Ghana Association of Banks (GAB) and Bank of Ghana (BoG) launched the Ghana Banking Code of Ethics and Business Conduct. The Code serves as useful guide to all banks and professionals; while meeting their obligations to customers and other key stakeholders. The Code was developed to cover four major areas. These include inter-bank relationships; obligations of financial institutions to Bank of Ghana and other relevant regulators; financial institutions and their customers; and professional code of conduct for members.

The underlying objective of the Code is to ensure banks adhere to best practices and uphold high

professional and ethical standards in the banking sector. Specifically, the Code seeks to impel banks to maintain excellent standards in the delivery of banking services, products, quality and performance; avoid potential conflict of interest; comply with applicable laws and regulations; and to exhibit fair-mindedness, honesty, integrity and objectivity towards the discharge of duties in both formal and informal capacities.

The latter is intended to ensure public confidence and mutual trust are maintained. Further, the Code seeks to provide for the obligations and rights of members; promote banking services as an instrument of economic growth; and to provide framework for gift policy.

The launch was in line with Section 3(d) and Section 14 of the Chartered Institute of Bankers, Ghana Act of 2019, Act 991 which mandate CIB to set standards; and ensure strict adherence to professional conduct and ethical standards within the banking industry; and among banking professionals and members of CIB throughout the country. In tandem with prior expectations, banks across the country are co-operating with CIB and BoG to ensure strict enforcement of the Code.

It is imperative to state, the Code was carefully developed, so it could be implemented along with all relevant Directives, Notices and Circulars of the Bank of Ghana; Code of Business Conduct of the Ghana Association of Banks; and where applicable, code of conduct of institutions regulated under the Banks and Specialised Deposit-Taking Institutions Act of 2016, Act 930; and Non-Bank Financial Institutions Act of 2008, Act 774.

Another important milestone in the financial journey of banks across the country was the process towards the development and launch of another unique service in the sector. Series of key-stakeholder engagements were held during 2021 financial year to identify strategic measures that would facilitate banks' development of and emergence with another financial service platform couched in the form of mobile money service (known as GhanaPay); to effectively support government's efforts which are primarily aimed at ensuring accelerated financial inclusion within the economy.

I wish to state unequivocally that all universal banks across the country, through their operational teams and working groups, embraced the challenge; and worked assiduously in partnership with the Ghana

Association of Banks (GAB), Ghana Interbank Payment and Settlement Systems (GhIPSS); and the Bank of Ghana towards realisation of this noble objective; which has the potential to increase the banked population segment while reducing the unbanked population. Further, it has the potential to create massive job opportunities for agent distribution networks; stimulate the economy; and inch the entire economy close to realisation of the cash-lite and financial inclusion drive.



Available statistics on banking sector performance suggest, the turn-around in revenue growth within the banking sector in post-pandemic period occurred faster than envisaged; the performance depicted positive development of the Ghanaian economy and effective risk management in the banking sector. The latter was invariably powered by innovative technologies; and improvements in efficiency, effectiveness and quality of banks' assets management.

Majority of respondents (79%) in a recent global banking survey conducted by Deloitte (2021) admitted, COVID-19 succeeded in uncovering deficiencies in their institutions' digital capabilities. Moreover, it uncovered numerous lessons that could be drawn to effectively reimagine the future. Nonetheless, some notable positive effects of COVID-19 during 2021 financial year included banks' ability to scale-up and accelerate several megatrends including digitisation, training and maintenance of virtual workforce; corporate responsibility, emphasis on cost reduction, emergence of pop-up ecosystems; and focus on safety and surveillance.

Net effects of the foregoing megatrends coupled with macroeconomic realities sufficed to fundamentally reconfigure the banking sector during the financial period under review. It is no exaggeration to state, Ghanaian banks accelerated the progress of



technology empowerment and digital transformation; they discovered new path to profitable growth by establishing segments; and boosted online retail banking trends during 2021 financial year.

Empowered by advanced technological capabilities, Ghanaian banks ensured successful development of accurate profiling of customers in the micro and small businesses category. It is refreshing to state, online banking products and financing services for micro and small enterprises are now more popular than they were in prior periods; customers are able to confirm credit in relatively shorter time frame. Banks increased the convenience in lending services to customers by leveraging fully their business network transformation; mobile service terminals; and digital process during the financial year under review.



Further, banks practically institutionalised lessons learnt from the COVID-19 pandemic by building new bold plays. That is, they ensured agility in their operations; accelerated decision making; introduced flexible workplaces and workforces; and empowered employees to achieve corporate targets. Banks introduced touchless services to improve on services delivery; and to meet specific needs of customers and requirements under the work place protocols for COVID-19. Some sustainable results from the above include surge in the volume of transactions on online channels (online payment, mobile banking and online banking) relative to offline, onsite or traditional banking channels.

**During December 2020, the Bank of Ghana issued a directive to banks to ensure standardisation of cash movement operations. The directive was in response to the high incidence of robbery attacks on Cash-in-Transit (CIT) vans and other banking facilities across the country. The directive emphasised the**

**need for banks to ensure the fleet of bullion vans deployed for cash movement were armoured with clear ballistic specifications.**

Banks heeded positively to the directive by putting the necessary arrangements that would facilitate cash movements through the support of the Regulator; and other key stakeholders such as the Ministries of Interior and National Security, Cash-in-Transit companies and Regional Police Commanders, among others, in place. Deliberations by GAB with these key stakeholders allowed for the identification of measures essential for retooling the existing Cash-in-Transit infrastructure to ensure less disruption in CIT operations.

On behalf of the interim association of registered Cash-in-Transit companies, the Ghana Association of Banks engaged the Ministry of Interior to expedite the process of issuing No Objection Certificate (NOC) to companies that had applied to the Ministry. The initiative was intended to facilitate the companies' importation of standardised bullion vans for CIT operations.

As part of its corporate social responsibility (CSR), the Association made monetary donation of Fifty Thousand Ghana cedis (GH¢50,000.00) to the parents of the late Lance Corporal Emmanuel Osei at the National Police Headquarters in Accra. Lance Corporal Osei was formerly with the National SWAT Unit, Police Headquarters, Accra. He lost his life while providing escort duties on Monday, June 14, 2021. Another victim of the robbery attack was the late Joyce Amankwah, a trader, who was shot by the armed robbers. The Association participated in the funeral rites; commiserated with the family; and made a donation of Five Thousand Ghana cedis (GH¢5,000.00) to the family.

The economic knock-on effects of COVID-19 are felt in the form of moderate instability and volatility in global capital markets. Further, recent Global Economic Prospects report released by the World Bank (2022) expressed grievous concerns about how Russia's invasion of Ukraine has exacerbated the damage handed the global economy from COVID-19; by heightening slowdown in the global economy. Many global economies are compelled to grapple with disruptions in investment, trade and other activities; fading demand for pent-ups; and withdrawal of fiscal and monetary accommodations; while developing economies are envisaged to

experience nearly 5% reduction in per capita comparative to pre-pandemic trend.

The World Bank's (2022) report revealed, the global economy is transitioning to an era that could be aptly described as period of rising inflation and feeble growth. Growth of the global economy is expected to slump from 5.7% during 2021 to 2.9% at the end of the current financial year. The revised global growth rate for 2022 (2.9%) remains significantly lower than the rate (4.1%) projected during January 2022; while recession remains inevitable for some global economies (World Bank, 2022).

Among advanced economies, growth at the end of the current financial year is projected at 2.6%, which is 1.2% lower than the projection during January 2022; and 2.5% lower than the rate for the previous year (5.1%). Growth forecast for 2023 is 2.2%. This moderate projection further reflects the economies' unwinding of the fiscal and monetary policy support provided during the pandemic. Growth in developing and emerging economies is expected to decelerate from 6.6% during 2021 to 3.4% during 2022; which is below the annual average of 4.8% recorded from 2011 through 2019.

Some noted effects of the foregoing economic challenges are the risk of stagflation; which could prove potentially harmful to low-income and middle income economies. Should the advanced economies resort to steep increases in interest rates as strategic way of recovering from stagflation, the impact on developing and emerging economies may be string of financial crises, including vulnerabilities and weakening growth borne out of tight monetary policy needed to tame inflation. Within the Ghanaian economy, banks have an arduous task of distinguishing between economic challenges that could be described as purely temporary; and have the potential to be reabsorbed in the immediate-term; and challenges with long-term effects. The latter, however, could be addressed through reclassification and strategic management actions.

The current economic situation impels banks to review existing operation and investment strategies to assure sustainability in profits; while maintaining effective credit management and significant reduction in cost of risk. Another challenge relates to how universal banks could ensure forward-looking information is updated and incorporated

into risk parameters through careful analysis, so banks could continue financing the real economy uninterrupted; and contribute significantly towards its recovery. Lower economic performance could have adverse effects on the quality of credit; and lead to surge in non-performing loans (NPLs) or provision for loan losses.

To ensure sustained operating performance and meaningful contribution of banks towards economic recovery, decisions related to monetary policy would have to be communicated clearly; while credible monetary policy frameworks are leveraged. Beyond the foregoing, banks must be given the necessary regulatory incentives to effectively anchor inflation expectations; the Bank of Ghana should take steps to reduce the level of policy tightening required to achieve the desired effects on activity and inflationary levels.

It is imperative for the government to ensure policies related to debt and climate; monetary and fiscal policy are reviewed thoroughly to effectively counter capital misallocation and inequality. Fiscal sustainability is needed to effectively mitigate the impact of today's overlapping financial and economic crises on banks and the entire population.

Banks need decisive policy action to avert the worst consequences of prevailing economic conditions on their performance. As a result, the banking sector landscape would require massive transformation through the acceleration of online business development and traditional banking channels. This has the potential to result in long-term sales transformation and seamless technology empowerment; while enhancing the competitiveness of banks. The various chief executive officers (CEOs) and managing directors (MDs) are urged to look forward to this dynamism; and remain firmly committed to maintaining operational resilience through transformed digital services. These strategic measures are necessary to sustain operating performance; anchor economic recovery; and effectively rewrite the performance script of banks in the immediate-, medium- and long-term.

Thank you.

Mansa Nettey  
President.

## CEO's MESSAGE



**JOHN AWUAH**

Chief Executive Officer (CEO) of the Ghana Association of Banks (GAB)

On the occasion of the 39th Annual General Meeting of the Ghana Association of Banks (GAB), I wish to acknowledge the Ministry of Finance (MoF), Bank of Ghana (BoG), Ghana Interbank Payment and Settlement Systems (GhIPSS), KPMG; and other key stakeholders for their co-operation, inputs and strategic interventions toward ensuring Ghanaian banks are empowered to remain competitive; and to adequately meet the needs of customers and consumers; while effectively assuming their enviable role in national economic growth.

Indeed, GAB would not have journeyed this far without the dedication, sacrifice, commitment and unwavering support of the twenty-four Chief Executive Officers (CEOs) and Managing Directors (MDs) who anchor its administrative and other functions. I say, thank you for collectively demonstrating deep sense of a common purpose in the midst of strong competition in the banking industry in particular; and within the financial sector in general.

Institutions in the banking sector are becoming increasingly competitive. This is attributed to the increased sophistication of customer needs coupled with global competition; and the banks' ability to tailor their products and services to meet specific needs of existing and potential customers. Each bank aspires to provide superior services in order to achieve overall customer satisfaction and value; while increasing shareholders and employees' value.

Although some industry analysts have expressed concerns about the minimum capital requirement, others believed the new capital requirement has

created level playing field; and enabling environment for relatively smaller universal banks to effectively participate in bigger-ticket transactions that hitherto were mostly the preserve of the larger banks.

GAB's Strategic Plan was carefully pursued during the financial year under review. This allowed for the Secretariat to be restructured; new job roles to be introduced; and staff capacity to be professionally beefed-up to sync with contemporary challenges and dynamics in the banking industry. One of the derived economic benefits from the strategic initiatives of the Association and member banks is adequate provision of critical financial solutions to leverage banking sector and national growth.

The banking sector comprises smaller, but more sustainable banks that are well-capitalised; and capable of responding positively to stress test; or key financial soundness indicators such as liquidity, asset quality, efficiency and solvency. The foregoing strongly affirms the banking sector's preparedness to lead the path to Ghana's economic recovery through the provision of pertinent financial services.



During the financial period under review, banks provided the capital needed for investments in new ventures; expansion of existing businesses; and national development projects. This investment support created employment opportunities; contributed to effective development of human capital; facilitated national development; and accelerated economic growth. Loans processed by banks allowed individuals and businesses to finance intended projects; which ultimately promoted private sector and national economic development and growth.



The success of every economy is nucleated around the effectiveness of its financial system. In view of the foregoing, some economists argued, a vibrant banking sector has the potential to enhance savings and investments which could increase the productivity level of resources; and positively chart growth of the financial sector and economy. The strong capital base occasioned by high minimum capital requirement could strategically position institutions in the banking sector to effectively stimulate the economy towards recovery.

The capital requirement directive (CRD) remains one of the top-three reforms with significant impact on the activities of the banking sector. It requires banks to improve their capacity in areas such as counterparty risk and stress testing by establishing tougher capital standards through capital definitions that are more restrictive. The higher liquidity standards have the potential to impel banks to adjust their balance sheet strategies, so as to minimise illiquid assets.

Nonetheless, the competitiveness of Ghanaian banks allows them to respond promptly to changes in technology, business environment, cultural diversity; and the national economy. Further, versatility of the banking sector helped to improve inter-sectoral performance during 2021. Indeed, most Ghanaian businesses have a global focus; and this increases the pressing need for financial support from banks to sustain their existence in the growing rate of change within the global business environment.

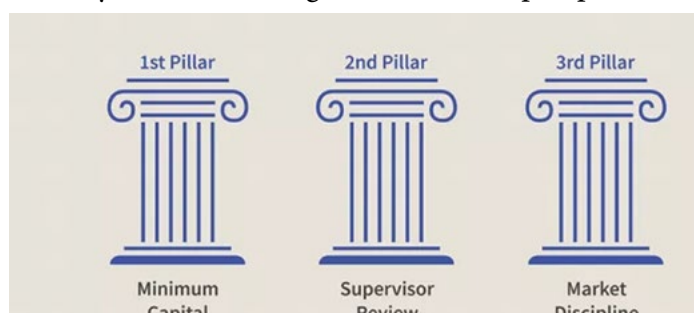
Moreover, Ghana's open market policy promotes active private sector participation; which in turn, engenders keen competition among businesses within the economy. This development accentuates further, the responsibility of banks to ensure economic stimulation and growth by providing the requisite funding to deserving businesses.

The banking sector has proven that it has the magic wand to effectively lead the Ghanaian economy from recession to the path of recovery and prosperity by ensuring member-institutions uphold and sustain the basic tenets of their operational requirements. That is, member-institutions are characterised by strong provisioning and capital investments; while sustaining and consolidating remarkable strides in asset quality and other key financial soundness indicators.

Capitalisation of surplus income and capital injection are some of the strategic ways through which banks have consistently met the requisite capital requirements; and to be more resilient to shocks; while contributing to realisation of government's economic strategy through the support of policies related to industrialisation and investment.

Further, governance and management functions within the various banking and financial institutions are well-structured. This ensures improved efficiency in operations; effectiveness of the sector towards financial inclusion and global competitiveness; strict adherence to supervisory and regulatory requirements on corporate governance; and enhances soundness and stability within the banking sector.

Efficiency and effectiveness of governance and management within the banking sector boost public confidence; increase the volume of business operations and value of total deposits and assets. Consistent with **Basel II and III frameworks**, banks have developed strong mechanisms that enable them to make provision for capital buffers to improve resilience; assure business perpetuity; and efficient services delivery to their existing customers and prospects.



Banks have taken proactive steps to partner financial technology (Fintech) companies to create new products to adequately meet growing financial needs of the under-banked and unbanked segments of the population. Further, the new Payments Systems and Services Act, which was passed into law during March 2019 is expected to facilitate collaboration among Fintech companies, insurance and banking sectors; while blurring the existing lines between the new business models of non-bank financial institutions and traditional banking activities.

However, the regulator could effectively complement the efforts of banks by improving the soft infrastructure related to credit administration through the development of new regulations to support existing ones. This initiative would proactively identify and improve weaknesses inherent in existing Acts; and provide additional channels for payments and settlements.

The Association is not oblivious of its social existence and obligations. As a result, it remains proactive to its corporate social responsibilities. During December 2020, the Executive Committee of GAB held a meeting with the Police Management Board; and the Inspector General of Police. The purpose of the meeting was to ensure effective collaboration between GAB and the Police Service towards collective deterrence of surging security incidence in the banking sector.

At the request of the former Inspector General of Police, Mr. James Oppong-Boanuh, GAB donated one thousand (1,000) units of ballistic helmets; and another thousand units of bulletproof vests to the Ghana Police Service. The donations were intended to assuage the adverse impact of recent attacks on some police officers while on duty, especially those at banks; and those on Cash-in-Transit duties.

Members of the General Council of GAB had the opportunity to appreciate further, the underlying principles of effective creditor and debtor rights; and insolvency systems as important constituent of financial system stability. The sensitisation programme was organised by the Ghana Association of Restructuring and Insolvency Advisors (GARIA) in collaboration with the Ghana Association of Banks.

Similar collaboration between GAB and UNIDO led to the organisation of capacity-building workshop on “Green” Financing for Chief Risk Officers; and Heads of Business Development and Credit. The workshop formed part of a broader programme organised by UNIDO in Ghana under the caption: Ghana Industrial Energy Efficiency Readiness Project. The basic tenets of the programme were in tandem with national development priorities and global sustainability principles.

Practical efforts and measures rolled out by GAB in close concert with key stakeholders such as the Financial Intelligence Centre (FIC), Bank of Ghana (BoG), National Investigations Bureau (NIB) and Economic and Organised Crime Office, among others, proved and still remain useful to the collective fight against financial crimes (such as money laundering, fraud, etc.) in the banking sector.

Due to perceived lapses in the implementation of the country’s AML and CFT policy, the European Union, during May 2020, included Ghana and eleven other countries on its Grey List. This impacted negatively on the smooth flow of financial transactions from Ghana into the European Union, vice versa. To reverse the trend, some measures were adapted, implemented; and the outcomes were submitted to the Financial Action Task Force (FATF) under strict timelines. The initiatives of the General Council of GAB, BoG,

Network and FIC in this regard yielded positive dividends; at its plenary session in June 2021, FATF expunged the name of Ghana from the list of countries with significant deficiencies in the implementation of AML and CFT policies.

The recent reforms embarked on by the Bank of Ghana has been described by some experts in the field as unique opportunity for banks to acquire larger capital; and to improve on their governance structures. The cumulative positive effect is increased ability to assume greater capacity to respond effectively to increasing financial demands from the private sector; while diligently driving the economy towards recovery and sustained growth, controlling for external shocks.

COVID-19 did not only succeed in accelerating digital adoption, but also served as litmus test for universal banks’ digital infrastructure. Banks that consistently prioritise strategic investment in technology would possess stronger competitive advantage. Fortunately, digital inertia has faded in the industry; more banks have developed strong appetite for technology-driven transformation, especially in core banking systems.

The current economic crises, including rising inflationary level do not support sustained growth. The phenomenon is attributed in part to the raging war between Russia and Ukraine; and the country’s import-driven posture. Nonetheless, Ghanaian banks could strategically position themselves to provide investment capital to indigenous businesses and start-ups to increase local production of manufactured goods; improve on the quality of exports; and to limit the economy’s insatiable desire for imports.

Banks are consistently urged to deploy novel engagement strategies, intelligent use of data, optimal mix of human and digital interaction, compelling service delivery models; and new partnerships, among other useful strategies, to fully realise their digital and operational promises; maximise productivity and profits; and to assure sustainable growth in the medium- and long-term.

Thank you.

John Awuah (CEO),  
Ghana Association of Banks.



# ECONOMIC REVIEW

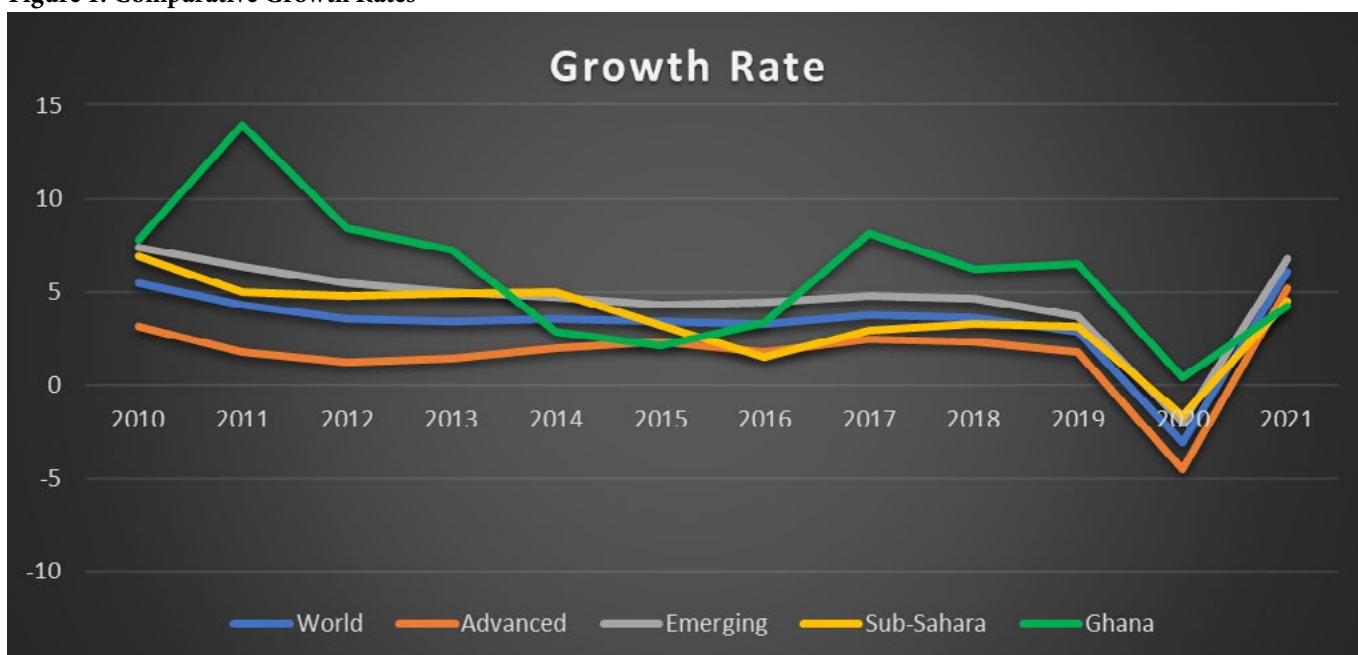
The global economy showed signs of recovery within the first three quarters of 2021. However, growth in the last quarter of 2021 moderated owing to persistent supply chain constraints; and increasing concerns about the economic impact of the more transmissible Omicron COVID-19 variant. The International Monetary Fund's latest World Economic Outlook Update reveals a downward revision of global growth predictions for 2022, from 4.9 percent to 4.4 percent, mainly due to growth downgrades for the United States and China.

The projection is hinged on unfavourable financial conditions and reemergence of the COVID-19 pandemic, which is characterised by new waves of infection and virus mutations. In particular, global growth in 2021 was 6.1 percent, up from -3.1 percent in 2020. Advanced countries' output increased by 5.1 percent, compared to 4.5 percent in Sub-Saharan Africa (World Bank, 2022). According to the International Monetary Fund (IMF), Ghana's GDP growth in 2021 was 4.23 percent compared to 0.41 percent recorded in 2020 driven mainly by the

negative impact of the pandemic. The growth rate in Ghana for 2021 was slightly lower than the global and Sub-Saharan Africa averages. Non-oil growth was 6.9 percent in 2021 as against 1.0 percent in 2020.

A cursory observation of growth data (in Figure 1) from 2010 to 2021 shows from 2010, Ghana's GDP growth rate remained higher than that of the sub-region, advanced countries, emerging economies and the global average, until 2014 and 2015 where economic growth dipped as a result of erratic power supply and other negative macroeconomic conditions. Ghana's growth rate bounced back to its dominant position in 2017 with a growth rate of 8.12%. Economic growth declined steadily in 2018 and 2019, but decreased sharply in 2020 as a result of the Coronavirus pandemic which caused global recession. Ghana's growth and that of the world in 2021 witnessed a recovery. However, recovery in advanced, emerging and Sub-Sahara Africa was higher than that of Ghana.

Figure 1: Comparative Growth Rates



Source: IMF: World Economic Outlook Data 2022.



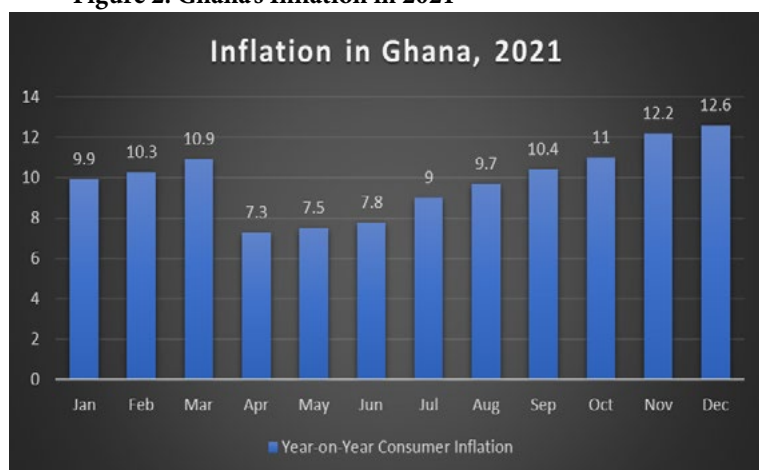
# Macroeconomic Highlights

Below are some macroeconomic highlights for the year 2021, sourced from the Bank of Ghana reports, Ministry of Finance, Ghana Statistical Service (GSS) and the World Bank.

## INFLATION

General price level inched marginally in 2021 across the globe; this according to the Bank of Ghana (BoG) was as a result of sharp increase in energy prices, rising demand pressures; and ongoing supply chain disruptions which has caused headline inflation to rise above its target in several advanced and emerging economies (BoG, 2022). The price trend resulted in reversal of expansionary policies put in place to aid recovery from the pandemic. As illustrated in Figure 2, headline inflation fell from 10.9 percent in March to 7.8 percent in June 2021; which was slightly below BoG's 8.0 percent medium-term target. However, year-on-year inflation rate rose sharply to 12.6 percent by the end of December, resulting in an average inflation of 9.98 percent for 2021. According to the Ghana Statistical Service (2022), inflation was generally influenced by non-food

Figure 2: Ghana's Inflation in 2021



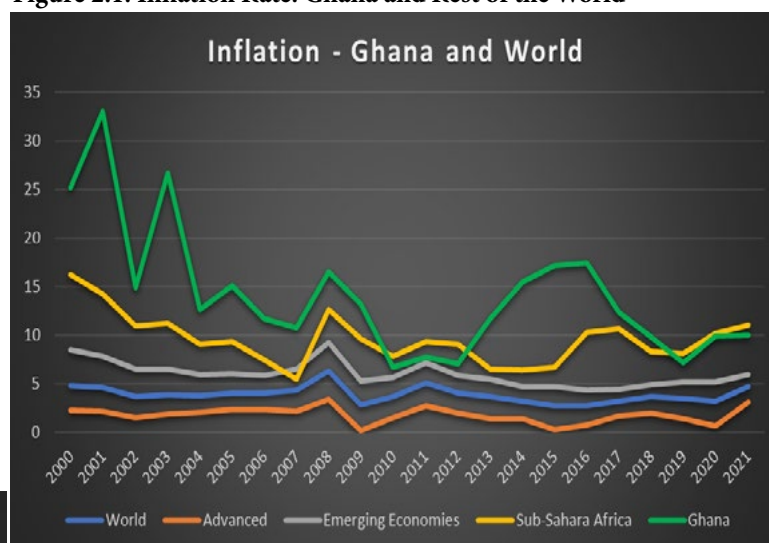
Source: Ghana Statistical Service (2022)

Furthermore, inflation data spanning from 2000 to 2021 accessed from the World Bank and presented in Figure 2.1 shows on average, Ghana's inflation over the afore-stated period decreased marginally. Taking into consideration the years under review, inflation in Ghana peaked in 2001 at 32.93 percent; and declined to 10.73 percent in 2007. Inflation remained below 20 percent from 2007 to 2021; and this can be partly attributed to the Inflation-Targeting policy introduced by the Monetary Policy Committee (MPC) of BoG, where maintaining inflation rate at certain threshold (i.e. price

stability) became the primary objective of the Central Bank.

Averagely, Ghana's inflation is higher than that of Sub-Sahara Africa (SSA), emerging economies, advanced countries; and the global average. However, at the end of 2021, Ghana's average inflation rate was 9.98 percent; which was slightly below that of SSA (10.99%). Emerging economies, advanced countries, and the world's average inflation rates recorded during the period were 5.90, 3.09, and 4.71 percent respectively. Over the twenty-one-year span, emerging economies, advanced countries and the world maintained single-digit inflation.

Figure 2.1: Inflation Rate: Ghana and Rest of the World

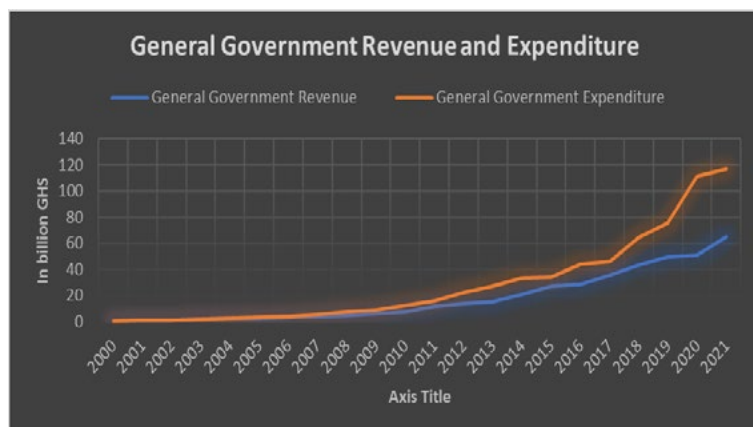


Source: World Bank (2022)

## GOVERNMENT EXPENDITURE

According to the Ministry of Finance (2022), Ghana recorded primary deficit of GH¢8.464 billion (1.9% of GDP). Broadly, government's total expenditure often outweighs the revenue generated, hence resulting in deficit. Data from the World Bank as depicted in Figure 3 exudes increasing deficit from 2006 through 2021. Total government revenue in 2021 was GH¢64.99 billion, as against expenditure of GH¢116.49 billion. Since 2009, the deficit gap continues to widen due to huge government expenditures. According to the Ministry of Finance (2022), total revenues and grants for 2021 amounted to GH¢67.9 billion (15.4% of GDP), short of the targeted GH¢72.5 billion (16.7 percent of GDP).

Figure 3: Government Revenue and Expenditure



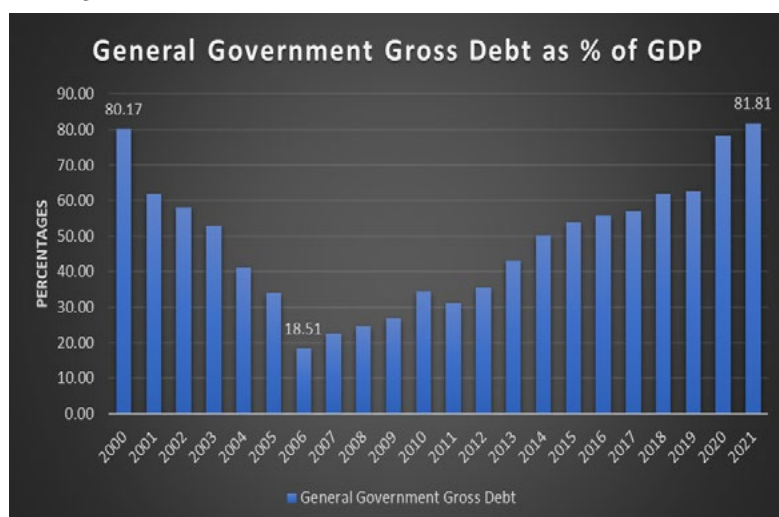
Source: World Bank (2022)

## PUBLIC DEBT

Owing to huge deficits, government has to borrow to shore up revenue in meeting its expenditure; and this has direct effect on public debt levels. According BoG (2022), the stock of public debt levels increased to 78.4 percent of GDP (GH¢344.5 billion) at the end of November 2021, compared with 76.0 percent of GDP (GH¢291.6 billion) at the end of December 2020. However, at the end of December 2021, government gross debt surged to 81.81 percent of GDP (see Figure 4 for details).

As at November 2021, domestic debt made up GH¢179.4 billion (40.8 percent of GDP) of the overall debt portfolio, while external debt constituted GH¢165.1 billion (37.6 percent of GDP). The high debt levels caused Ghana to be rated poorly in Fitch Ratings; and this has the capacity to exacerbate the already elevated inflationary expectations. To this end, the 2022 budget focused extensively on achieving fiscal and debt sustainability through fiscal consolidation due to unsustainable levels of debt.

Figure 4: Debt Levels



Source: World Bank (2022)

## TRADE

As compared to US\$2.0 billion (2.8 percent of GDP) in 2020, the provisional trade balance for 2021 showed surplus of US\$1.1 billion (1.6 percent of GDP). Imports increased as the economy expanded; and this decreased the trade surplus. Exports were predicted to increase from US\$14.5 billion in 2020 to US\$14.7 billion in 2021. A 25.2 percent decline in gold receipts as production volumes declined by over 1 million fine ounces was the primary factor in the lower overall export growth of 1.8 percent (BoG, 2022).

Revenues from cocoa and crude oil both rose by 20.3 and 35.6 percent, respectively. Imports slightly climbed from US\$12.4 billion to US\$13.6 billion, representing an increase of 9.7 percent year-over-year. Import growth was fuelled by 43.8 percent increase in oil and gas purchases. The 2020 pandemic limitations caused a US\$1 billion increase in refined petroleum products during the year (BoG, 2022).

## BALANCE OF PAYMENT

Though there was lower trade surplus in 2021, BoG (2022) noted, significant inflows into the financial and capital account offset the deficit in the current account, resulting in an overall Balance of Payments surplus of US\$510 million compared with surplus of US\$377.5 million in 2020.

## GROSS INTERNATIONAL RESERVES

Gross International Reserves was US\$9.7 billion as of December 2021, equivalent to 4.4 months of import cover. This was an improvement over the reserve position at the end of 2020, which was US\$8.6 billion (or 4.0 months of import coverage). In sum, the local currency in 2021 had some buffers owing to the large reserve position.

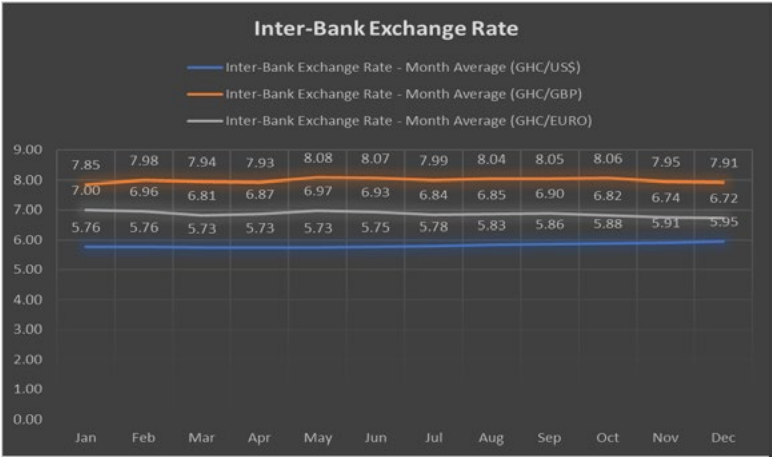
## EXCHANGE RATE

Cumulatively, while the Ghana Cedi depreciated by 4.1 percent and 3.1 percent against the respective US Dollar and Pound Sterling in 2021, the Ghana Cedi appreciated by 3.5 percent against the Euro during the same period. In 2020, the Ghana Cedi recorded depreciation of 3.9 percent, 7.1 percent; and 12.1 percent against the US Dollar, Pound Sterling; and the Euro, respectively.



On inter-bank exchange, the Ghana Cedi to US Dollar, Euro and British Pound rates were 5.76, 7.00 and 7.85 respectively. The Ghana Cedi however appreciated slightly against the US Dollar between March and July, but depreciated marginally in December at a rate of 5.95 percent (See Figure 5 for details). Although the Ghana Cedi depreciated at the end of 2021, it performed steadily along the afore-mentioned major international currencies throughout the year.

Figure 5: Inter-Bank Exchange Rate for 2021



Source: Bank of Ghana (2022)

## MONETARY POLICY DEVELOPMENT

Monetary Policy is basically aimed at accommodating fiscal pressures. The Central Bank implements this strategy through inflation-targeting, which is its primary objective. Owing to inflationary pressures that were attributed to rising crude oil prices and its transmission to ex-pump petroleum prices and transportation costs, rising global inflation, food price uncertainties and fiscal outlook, the Monetary Policy Committee raised the policy rate in November 2021 to contain the inherent aggregate demand pressures likely to drive prices in the economy.





# INDUSTRY ANALYSIS





# INDUSTRY ANALYSIS

The banking sector plays a phenomenal role in mobilising funds for both short- and long-term investment, which promotes economic growth and development. The sector serves as the conduit through which monetary policy is transmitted in the economy. Despite the shock and disruption from the COVID-19 pandemic globally, the Ghanaian banking sector remained robust and resilient due to innovative measures taken by banks alongside prudential measures introduced by the central bank. Credit growth picked up in the course of 2021. However, overall credit level and other indicators of financial performance remained below pre-pandemic levels due to the lingering effects of COVID-19 on the credit environment. Notwithstanding the residual impact of the pandemic, the banking sector continues to provide world-class financial services to its customers.

This industry report presents key highlights on banks' assets, profitability, liquidity, efficiency, asset quality, payment systems; and the sector's performance on the stock exchange. Though there are currently 23 universal banks in the sector, financial data on two of the banks were not available; hence, the industry analysis was advanced based on 21 banks, which constituted more than 91% of the entire banking sector. Therefore, all estimations on the 21 banks are representative of the banking sector.

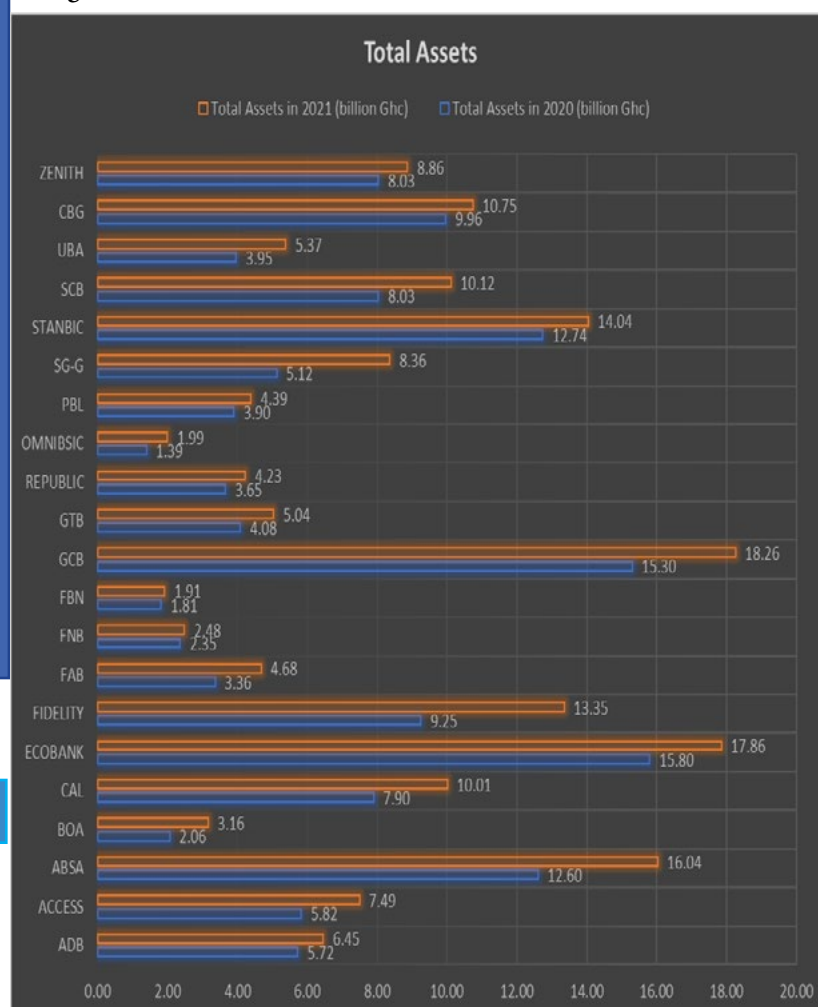
## BANKS' BALANCE SHEET

### TOTAL ASSETS

The total assets of banks consist of cash and cash equivalents, investments, loans and advances, property, plants and equipment (PP&E), and other assets. Figure 6 below presents the 2020 and 2021 total assets for the 21 banks. Juxtaposing the end-of-year results of 2020 and 2021, it is evident that all the banks recorded increases in their respective total assets, with Absa, Fidelity, GCB Bank, SG Bank, Ecobank, Standard Chartered Bank (SCB), and Cal Bank (CAL) experiencing surge in their total assets. The year-on-year percentage increase in total assets from 2020 to 2021 was 22.3%.

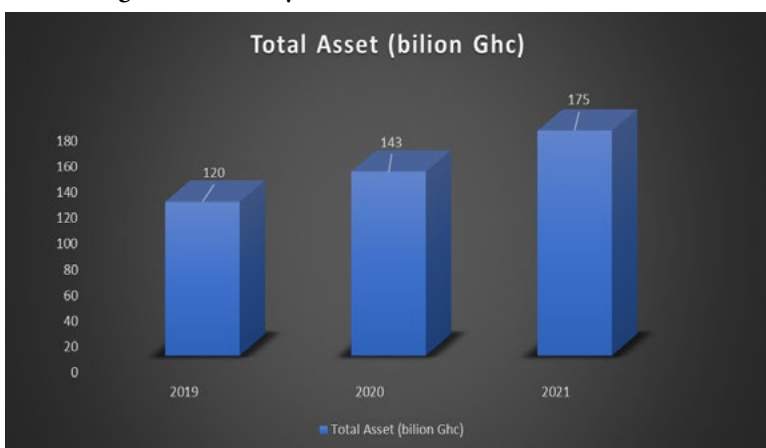


Figure 6: Total Assets of Banks - 2020 & 2021



The post-pandemic increase in total assets in the banking industry during 2021 was 22.3%. This was higher than the pre-pandemic increase in total assets during 2019 (19.52%). Additionally, the compound annual growth rate (CAGR) in the sector's total assets between 2019 and 2021 was 13.21%.

Figure 7: Industry Total Assets



## TOTAL DEPOSITS

Preponderance of the banks have recorded increase in total deposits from customers at the end of December 2021. With the exception of FNB, SG and CBG who recorded lower deposit during 2021 compared to 2020, all other banks experienced an increase in their respective customer deposits levels during 2021. This culminated in 24.64% increase in customers' deposits within the banking industry during 2020-2021 financial year. Nonetheless, the percentage increase in industry deposits at the end of December 2021 was higher than the 16.60% growth recorded during the prior year; which was befogged with the COVID-19 pandemic. The increase in customers' deposits in 2021 could be predicated on economic recovery from the pandemic where businesses have started operating, wages being paid; and consumers saving for unforeseen crisis or pandemic in the future because of the lingering effect of COVID-19. Indeed, cumulative effect of the forgoing was significant in banks customers' deposits during the period.

Figure 9: Total Banking Industry Deposits

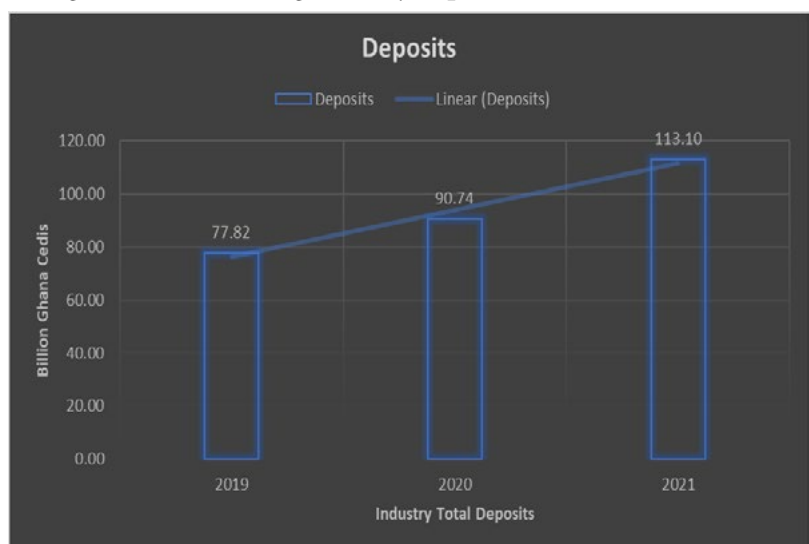
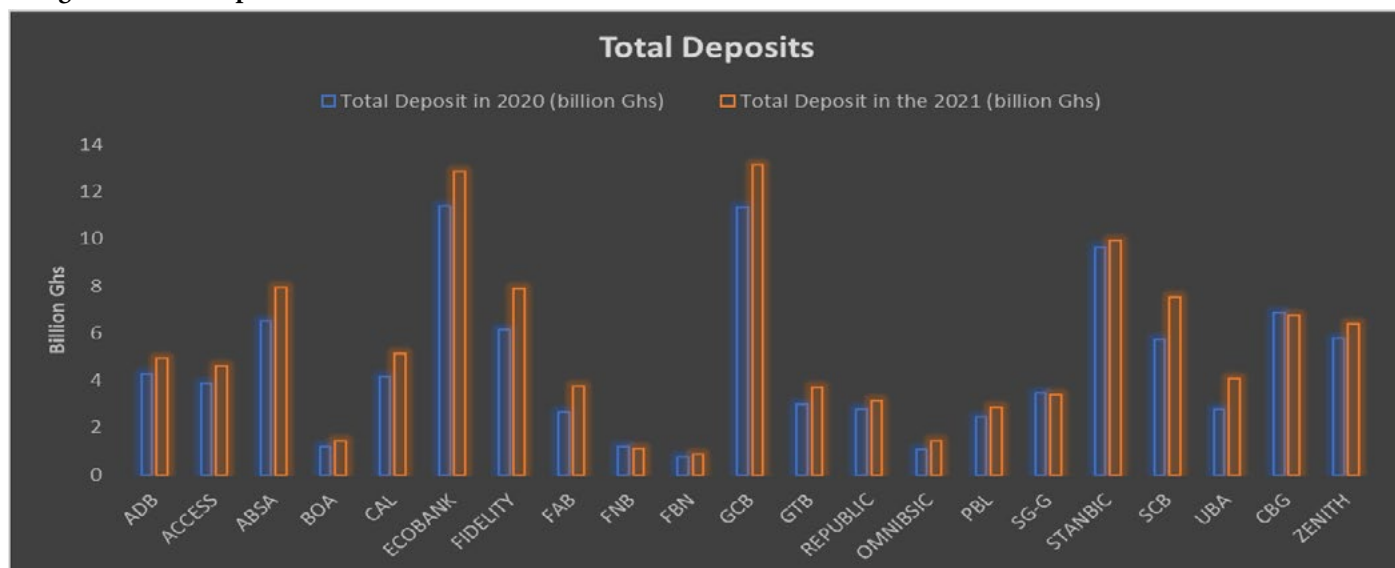


Figure 8: Total Deposits of Banks



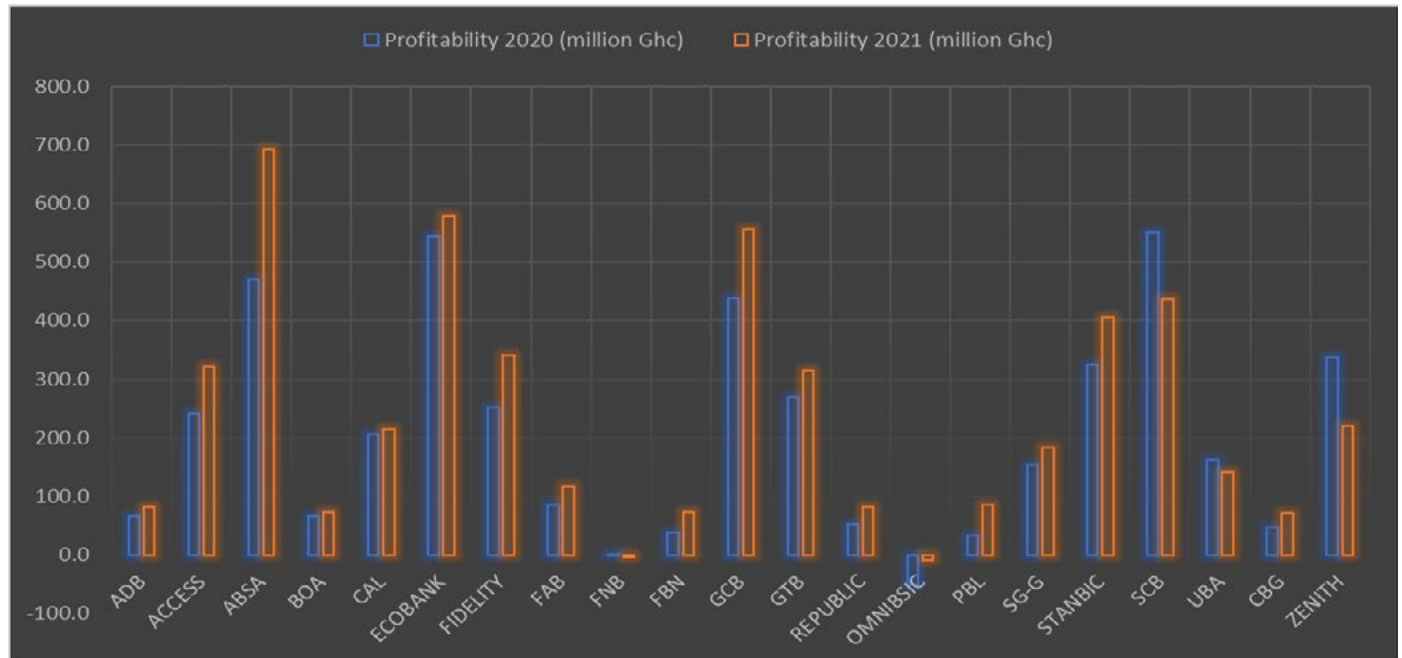


# EARNINGS AND PROFITABILITY

## PROFITABILITY

The banking industry remained profitable and robust; indicative of a strong capital base to withstand shocks. Although the rate of increase in industry profit during 2021 was lower than the previous year, the industry profit after tax grew by 16.2% to GH¢4.98 billion during the period.

Figure 10: Bank's Profit After Tax - 2020 & 2021



Source: Audited Bank Financials

NB: Computations based on 21 banks

Figure 11: Industry's Profitability



# ASSET UTILISATION AND EFFICIENCY TRENDS

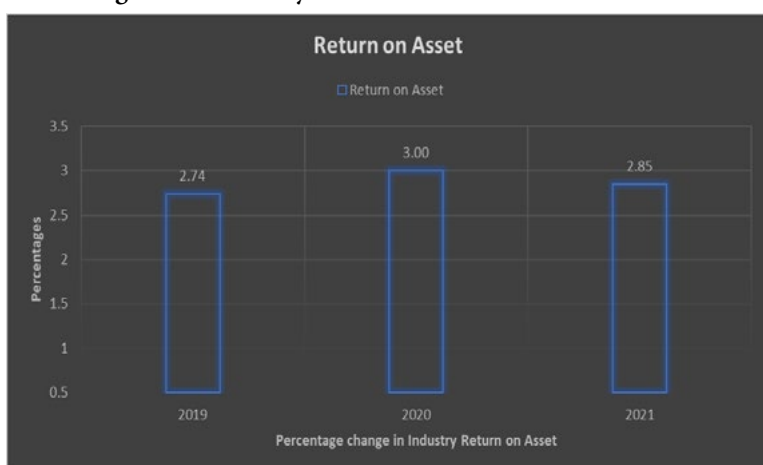
## Return on Assets

Industry Return on Assets (ROA) experienced consistent increase from 2019 to 2020, but declined from 3.0% to 2.85% in 2021. Banks that recorded increase in Return on Assets in 2021 relative to the previous year were ADB, ACCESS, ABSA, FAB, FBN, GCB, RBL, OmniBSIC, PBL, STANBIC, and CBG. The rest had lower ROA in 2021 comparative to 2020. FNB and OmniBSIC recorded negative returns on assets during the period. Though all the 21 banks recorded some level of returns on their assets, FBN recorded 86.11% increase in return on assets which was the highest rate of change from 2020 to 2021.

Figure 12: Banks' Return on Assets



Figure 13: Industry's Return on Assets



Source: Audited Bank Financials  
NB: Computations based on 21 banks

## Return on Equity

Consistent with the ROA results, the industry's Return on Equity (ROE) also dropped slightly from 19.33% during 2020 to 19.17% in 2021. There was relative increase in return on equity with ABSA recording the highest increment from 24.18% in 2020 to 30.14% during 2021. The percentage increase in return on equity could be attributed to the increase in profitability of the banks.

Figure 14: Banks' Return on Equity

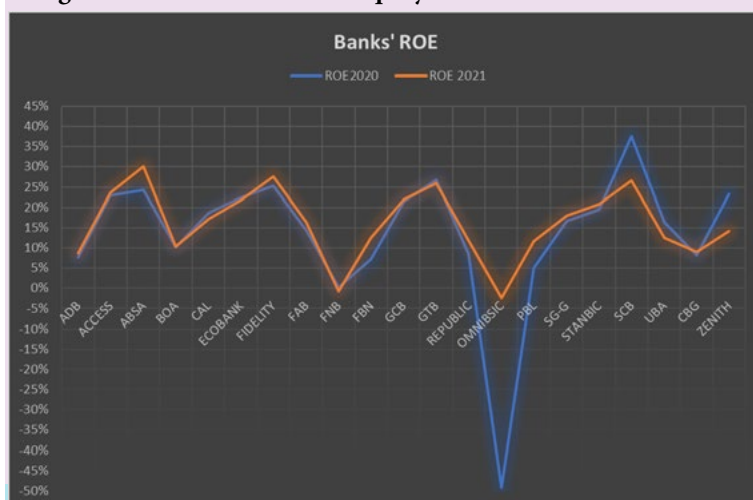


Figure 15: Industry's Return on Equity



Source: Audited Bank Financials  
NB: Computations based on 21 banks



# EARNING ASSETS

## Earning Assets Ratio

The asset mix of banks is dominated by investment securities which constitute a huge proportion of banks' assets. The industry's Earning Assets Ratio (EAR) has not seen any significant change, as it only declined slightly from 69.25% in 2019 to 68.96% in 2020. However, it increased marginally during 2021 to 69.62%. With the exception of ACCESS, BOA, ECOBANK, FBN, RBL, OmniBSIC, PBL, STANBIC, SG; and ZENITH, the remaining banks experienced decline in the rate of their respective earning assets ratios.

Figure 16: Earning Assets Ratio (EAR)



Figure 17: Earning Assets Ratio - Industry



Source: Audited Bank Financials

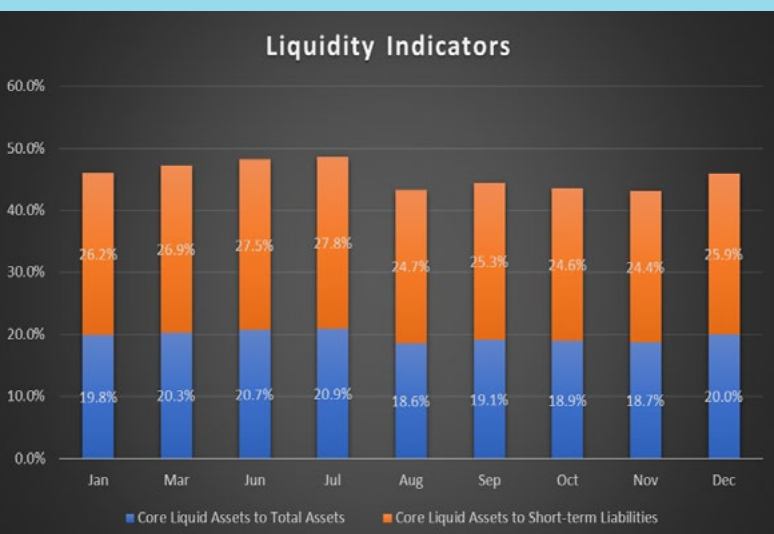
NB: Computations based on 21 banks



## LIQUIDITY INDICATORS

Liquidity of the banking sector is very essential to averting bank runs and its cascading effect on the entire financial system. Data on the banking sector in 2021 indicated the banking sector is relatively liquid; as the average ratio of core liquid assets of banks to short-term liabilities remained 25.92%; and the ratio of core liquid assets to total assets was 19.67%. The latter (19.67%) was above the required minimum limit for liquidity ratio (11.5%) sanctioned by the Regulator. The analysis suggests liquidity of the banking industry remained strong and efficient, in spite of the economic uncertainty experienced during 2021.

Figure 18: Liquidity Ratio



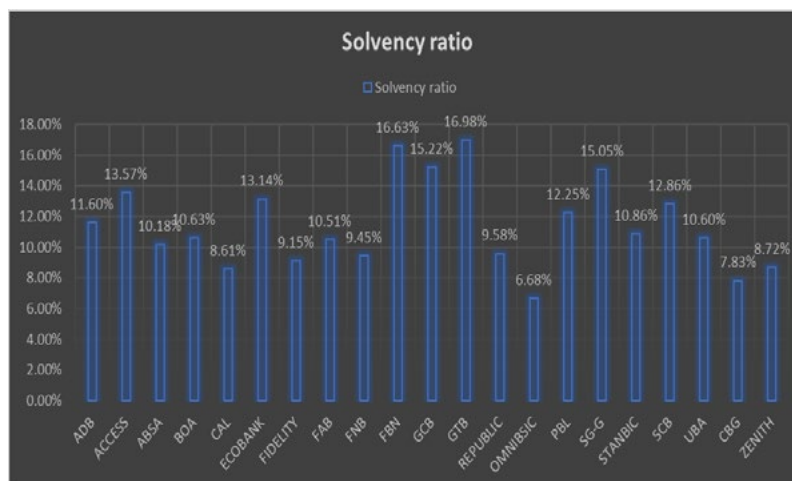
Source: Audited Bank Financials

NB: Computations based on 21 banks

## SOLVENCY

The ability of banks to meet their long-term debts and current financial obligations is paramount to the overall health of the banking sector. There are several solvency ratios. However, this report adopted  $[(\text{net interest income} + \text{non-funded income} + \text{depreciation}) \div \text{total liabilities}]$  ratio to measure solvency in the banking industry. Data on the banks' solvency ratio indicates there are more income (net interest income, non-funded income consisting of fees, commissions, and other incomes) compared to liabilities in the banking sector. This reflects on the banks' capacity to meet their long-term debts and financial obligations. The industry's solvency ratio (11.43%) is above the 8% requirement stipulated in Basel III. The analysis suggests the banking industry is solvent; and has the capacity to meet long-term and current financial obligations. The solvency ratio for all the banks was above the 8% threshold, except for OmniBSIC (6.68%) and CBG (7.83%) whose respective ratios were 1.32% and 0.17% below the threshold. GTB recorded the highest solvency ratio of 16.98%, followed by FBN (16.63%). The solvency ratio recorded by GTB (16.98%) was nearly 2.12 times the threshold (8%); the ratio recorded by FBN (16.63%) was about 2.08 times the threshold. Performance of GTB and FBN in terms of solvency during the financial period under review could be described as outliers.

Figure 19: Solvency Ratio



Source: Audited Bank Financials

NB: Computations based on 21 banks



## MANAGEMENT EFFICIENCY

- **Total Cost to Gross Income Ratio**
- **Operational Cost to Gross Income Ratio**
- **Net Interest Margin**

Management efficiency of the sector takes into consideration the industry's total cost-to-gross income ratio; operational cost-to-gross income ratio; and net interest margin. The average total cost-to-gross income ratio for the banking industry improved marginally from 79.2% in December 2020 to 78.7% during 2021. The average operational cost to gross income ratio was 53%, whilst the average net interest margin remained 10.01%, indicating the industry operated profitably during 2021. The key efficiency indicators remained adequate; implying the banking sector was relatively cost-efficient during the review period.

Figure 20: Management Efficiency

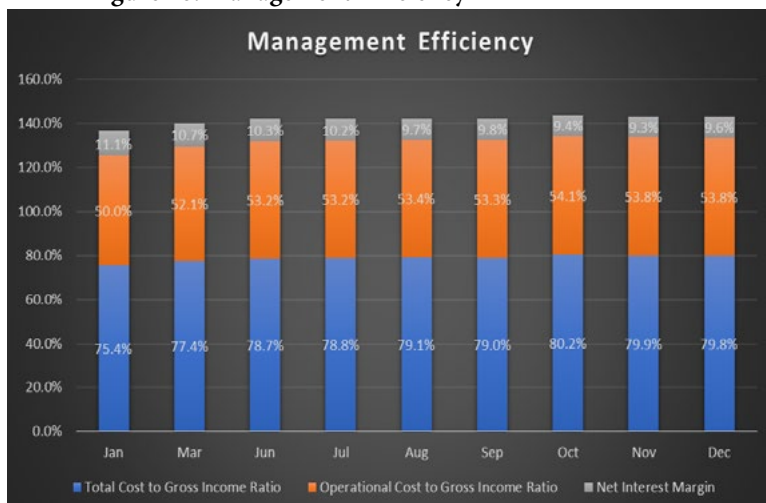
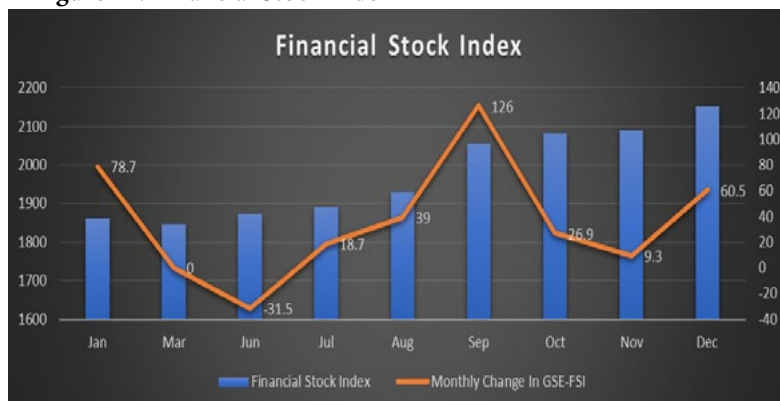
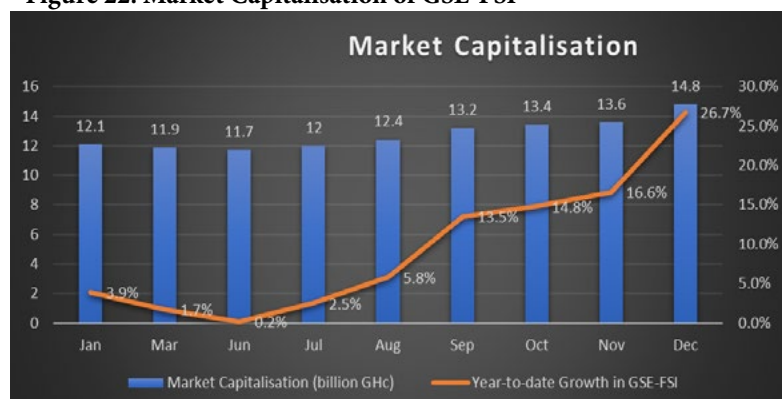


Figure 21: Financial Stock Index



Source: Bank of Ghana

Figure 22: Market Capitalisation of GSE-FSI



Source: Bank of Ghana

## FINANCIAL STOCKS PERFORMANCE ON THE GHANA STOCK MARKET

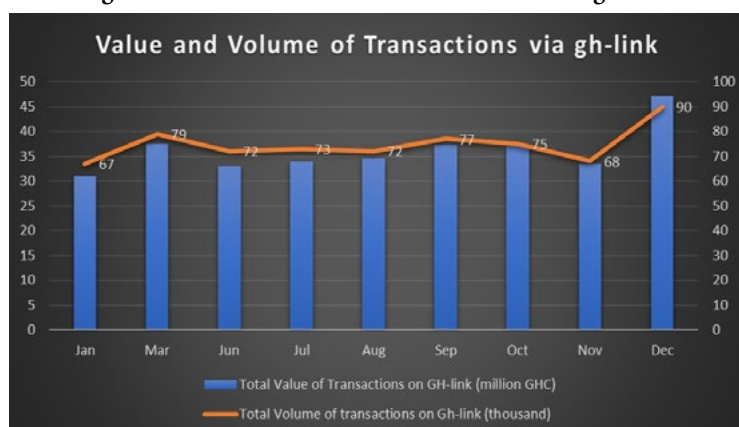
The listed banks on the Ghana Stock Exchange performed creditably with persistent increase in the Financial Stock Index from March to December 2021. Market capitalisation of financial stocks also increased considerably during the period to GH¢14.8 billion. The performance of listed banks on the Exchange could partly be attributed to the high demand for financial stocks. All things being equal, high demand for financial stocks is indicative of the sector's remarkable operational and financial performance.



# PAYMENT SYSTEMS IN THE BANKING SECTOR

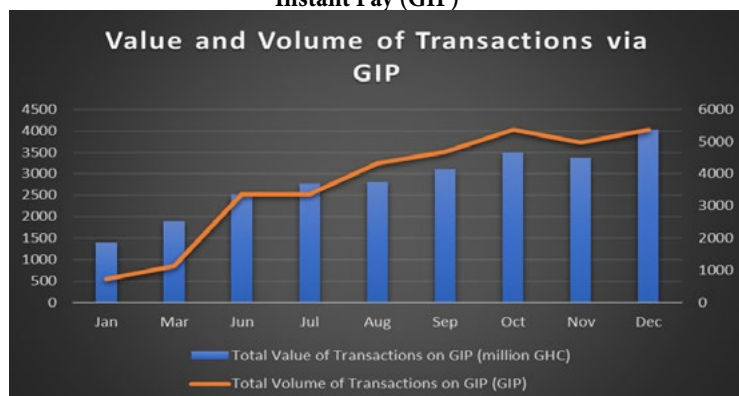
**P**ayment system in the financial sector plays a critical role in promoting financial inclusion, the velocity of money in the economy; and the harbinger for determining industry's efforts in creating a cash-lite society. Figures 23 through 27 present the various payment systems that are mostly patronised in the banking sector. Mobile money tops the chart as the most widely used payment system in the financial industry with average transaction value of GH¢82.23 billion; and average of 364.79 million volumes of mobile money transactions.

Figure 23: Value and Volume of Transactions via gh-link



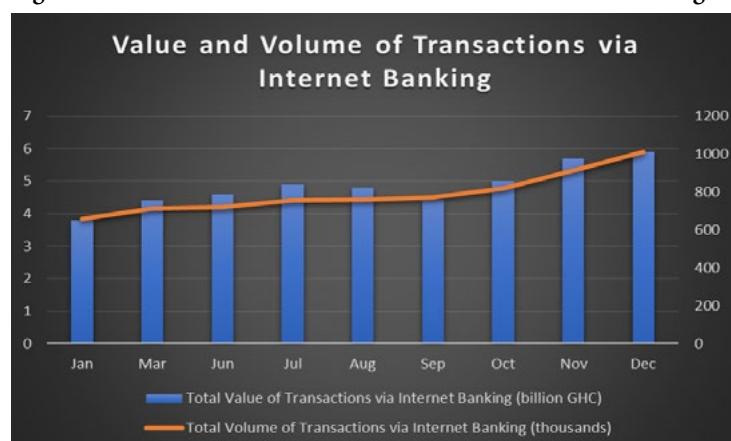
Source: Bank of Ghana

Figure 24: Value and Volume of Transactions on GhIPSS Instant Pay (GIP)



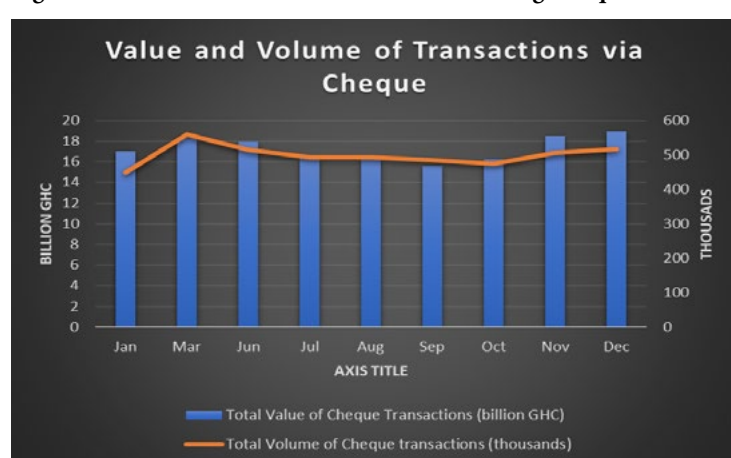
Source: Bank of Ghana

Figure 25: Value and Volume of Transactions via Internet Banking



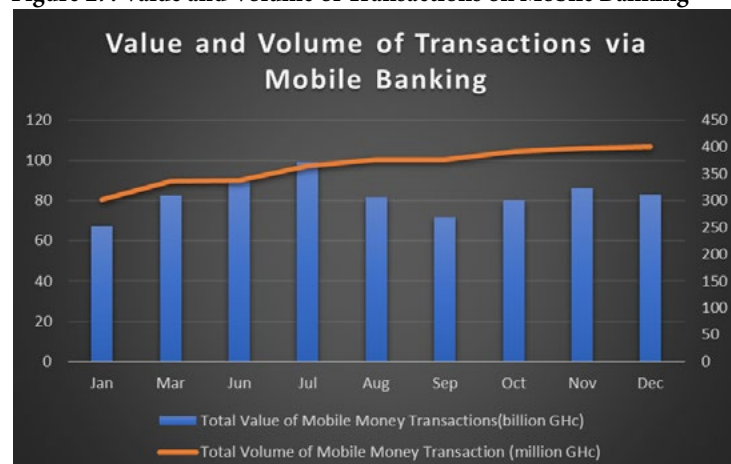
Source: Bank of Ghana

Figure 26: Value and Volume of Transactions using Cheque



Source: Bank of Ghana

Figure 27: Value and Volume of Transactions on Mobile Banking



Source: Bank of Ghana





# **GAB ACTIVITIES**

# ACTIVITIES AND ENGAGEMENTS



## Banking Supervision, Financial Stability and Payment Systems Departments

During the period under review, the Ghana Association of Banks (GAB) held series of engagements with the Banking Supervision, Financial Stability and Payment Systems Departments of the Bank of Ghana (BoG). These engagements sought to address challenges saddled with banks in loan recovery; discuss Single Obligor Limit and Sovereign Guarantee in connection with proposed GETFUND Bond programme to refinance existing debt and enhancement; consolidate capital and liquidity measures to strengthen the banking industry; align new write-off policy with relevant provisions of IFRS 9 and the Companies Act 992; and to ensure financial publications incorporate corporate governance directives; while market competition is strongly emphasised.

Furthermore, the engagements ensured issues related to the following were addressed in earnest: Exposure draft – Unclaimed Balances and Dormant Account directives; Anti-Money Laundering (AML) Bill; Cheque printer accreditation standard - Payment Systems Bill; Borrowers and Lenders Bill; Guidelines on setting interbank limits; Guidelines on Treasury intervention in liquidity market; and concept paper on development of digital space and banking.

## Ministry of Finance (MoF)

The Association's engagement with the Ministry of Finance (MoF) focused on key areas such as fiscal deficit and national debt profile; with special emphasis on the need to initiate infrastructure development and funding programme; recommend stakeholder engagement on the options for the introduction of E-Levy; ensure focused policies on industrialisation led growth and reduce unemployment. Other engagements were focused on financial sector clean-up levy; levy for National Fiscal Stability; and the need to build capacity of local commodity business.

Further discussions bordered on settlements of debts to contractors and other Government of Ghana (GoG) commitments; the need for banks to anchor governments' technology initiatives; and extensive engagement of banking practitioners and other funding agents on Ghana CARES programme.





# STAKEHOLDER ENGAGEMENTS:

## Committees' Report

### **Chief Finance Officers (CFOs)**

#### **1. Ghana Revenue Authority (GRA)**

The Executives held an engagement with the Ghana Revenue Authority regarding the Financial Sector Recovery Levy (5%) to discuss possible reduction in the 5% levy. However, the management of GRA indicated it was not within its power to change levies, given its status as an implementing agency. As part of efforts to address the issue, GRA suggested the need for the proposal to be directed to the Ministry of Finance.

#### **2. Ministry of Trade & Industry (MoTI)**

Discussions were held with the Ministry of Trade and Industry (MoTI) regarding the need to sanitise the processing of customer Import Declaration Forms (IDFs) to minimise the incidence of customers using the same IDF to procure foreign exchange at multiple banks. Hitherto, requests for information on customers' IDFs had been directed to bank branch managers. The Executives affirmed

the need for such requests from MoTI to banks to provide customer IDF information to be redirected to the banks' CEOs. These suggestions have since been complied with; and responses are awaited. A team was constituted from MoTI and GRA to make recommendations on how issues related to IDFs could be streamlined and improved further. In order to assure its resounding and sustained success, the team works in consultation with the international operations units of various banks.

#### **3. Banking Supervision Department (BSD), Bank of Ghana**

At the request of GAB, individual banks engaged BSD on the matter of treatment of eligible collateral. The collective views of banks were collated and relayed to GAB. GAB in turn, communicated the various comments and suggestions to BSD for its consideration and possible inclusion in the BSD's final report on eligible collateral.



# Cash in Transit (CIT) Operations

In response to rising armed robbery attacks on Cash-in-Transit (CIT) vans and other banking facilities, the Bank of Ghana issued a directive to banks in December 2020 to standardise cash movement operations. At the core of the directive was the requirement for the banking industry to ensure the fleet of bullion vans to be used for cash movement were armoured vans with clear ballistic specifications. BoG set July 2023 deadline for all the soft body bullion vans to be retired; and replaced with armoured bullion vans.

However, the robbery attack on a bullion van resulting in loss of lives of a police officer on cash escort duties and a bystander in Accra, prompted the Governor of Bank of Ghana to roll back the July 2023 deadline to July 2021. The Ghana Police Service, with a notification to the industry that police officers would not escort specie movement on soft body vans with effect from July 1, 2021, also championed the roll back of the timeline.

With the threat of service withdrawal by the Police Service coming into force, extensive stakeholder engagement was initiated by GAB to ensure banking business was not negatively impacted in the short-term.

The events prompted discussions between the banking industry and the Bank of Ghana; and the Ministries of the Interior and National Security on the most effective and efficient approach to CIT operations in the medium- to long-term.

Subsequent to the approval by the General Council, the GAB Secretariat was tasked to form a committee comprising heads of banking operations, cash management, treasurers and security co-ordinators to meet with the CIT companies and Regional Police Commanders to deliberate on measures to retool the existing CIT architecture with the view to ensuring minimal disruption in CIT operations; and to take immediate steps to commence formal process towards meeting the target timeline of July 2021.

On the recommendations from the Committee and consequent approval by the General Council, GAB notified the Bank of Ghana on a number of measures put in place by the banking industry; and sought support from the Bank of Ghana to

implement the following measures:

- Assist banks with cash movement to and from BoG vault to the cash centres of the banks across the country.
- The banking industry suspends customer onsite cash picks. Customers were advised to bank cash proceeds in a bank nearest to their operations.
- Allocate a limited number of armoured bullion vans for cash operations activities in the Greater Accra and Ashanti Regions, which together constitute over 50% of bank branches and offsite ATMs respectively.
- Under special police escort arrangement, permit use of the soft body bullion vans in the other regions. The grounded soft body vans from customer cash picks will be used to augment the fleet of vehicles available for police escort duties.
- GAB would co-ordinate with BoG to procure protective body armour to complement existing stock for the Ghana Police Service for use by officers on CIT assignment.
- GAB would engage the Ministry of Interior on behalf of the interim association of registered CIT companies working for the banking industry to facilitate the issuance of No Objection Certificate (NOC) to companies that had applied to the Ministry to import standardised armoured bullion vans.





## Establishment of Forum between GAB and CEOs of CIT Service Providers

With keen insight into what can be improved in CIT operations within the banking industry; and expand the scope of collaboration, GAB brought together service providers in CIT operations. The forum served as a tool to begin the process of exchange of ideas; share knowledge and ideas for better policy formulation and decision-making; and to facilitate efficient communication between GAB and CEOs of CIT companies to ensure effective decision making to improve service delivery.

### Postscript

Following the intervention of GAB, the Ministry of Interior issued import permit and clearance certificate to a number of banks and CIT companies to import specified number of bullion vans for their operations.

The Ministry of Interior has set up an inter-sectoral committee comprising representatives from the Ministry of Interior, Ghana Police Service and Bank of Ghana to develop a policy framework of CIT operations in Ghana.

### GAB and Ghana Police Service Collaboration

In response to the increasing security incidence affecting banks in the country, the Executive Committee of GAB met with the then Inspector-General of Police (IGP) and the Police Management Board on December 18, 2020 to deliberate on how consequences of the incidents and measures could be addressed to strengthen the Police; and to assure the industry's collective defence and deterrence for longer-term security of banks' facilities.

The IGP and members of GAB's Executive Committee were unanimous in their appreciation of the situation's collective deterrence. However, defence would require major investments in training and logistics. Hence, the IGP's proposal for the establishment of a specialised unit within the Police service for banking sector protection.

The specialised unit carries with it the responsibility to provide customised training, equipment, leadership and financial support necessary to create and maintain an effective response capability. Integral to this responsibility is the obligation on the part of the Police Command to deploy and operate these resources in a manner that is consistent with industry best practice.

### Proposed Establishment of Technical Committee to Streamline CIT Operations in Ghana

At the instance of the Inspector-General of Police and the Governor, Bank of Ghana, Technical Committee on CIT operations was set up. This technical committee comprised GAB, BoG and Ghana Police Service (GPS). Principal purpose of the Committee was to assist the three institutions to fine-tune their operating models for CIT operations to meet the requirements; and established standards as set out for the December 31, 2021 deadline.

In particular, the committee was tasked to undertake the following: review current progress of the three institutions and the CIT companies for the industry; advise same to the steering committee; design a framework for implementing the requirements and established standards; assess effectiveness of similar arrangements in other parts of the globe; and advise the steering committee on feasibility for adoption. However, the committee is yet to complete its terms of reference.



## Collaboration with Key Stakeholders on Fraud, Security Compliance and Anti-Money Laundering

At a more practical level, GAB works closely with the under-listed agencies to secure effective and efficient operational arrangements in the fight against financial crimes: Financial Intelligence Centre (FIC), Bank of Ghana, Ghana Interbank Payment and Settlement Systems (GhIPSS), Police, National Investigations Bureau (NIB); and Economic and Organised Crime Office (EOCO).

The rest are Ghana Immigration Service (GIS), National Communications Authority (NCA), Mobile telephony companies or Telcos; and Registrar General's Department. Over the years, GAB has been sponsoring training programmes for the CID and EOCO.

### Anti-Fraud and Forensics Forum

The past two years saw a lot of media (on online, radio and television) engagements on issues such as cloned cheque and Sim Swap fraud. The media engagements sought to educate the public on some fraud schemes. These engagements have seen some significant improvements in the industry's ability to tackle fraud; as criminals appear more organised with strong technical capabilities. The activities of criminal groups rely significantly on high levels of planning and co-ordination.

Collectively, as an industry, we are more aware of the threats; which remain an essential first step toward helping each bank to protect itself from fraud and defalcations. The Anti-Fraud and Forensics Forum has been a learning curve; participants picked lessons from other sectors and jurisdiction on fraud prevention; and benefits of data sharing.

It is the expectation of GAB that through the industry's continued involvement and support for the activities of COCLAB, there would be better targeting of resources; while the punishments meted out to fraudsters who cause disruptions in the banking

system are increased to raise the deterrence level. This has the potential to drive up the costs of fraud to criminals, alter their perception of risk; and to deter potential future fraudsters.

The fight against fraudsters would be much more effective when working together. By working collectively, the sum of our efforts would have more impact. For this partnership to succeed, we need to be clear on our strategic direction by articulating our ambition, strategic objectives and priorities.

By the end of 2022, our industry would be demonstrably more resilient to and less damaged by fraud. The foregoing could be achieved if banks proactively take steps to embed stronger counter-fraud controls and systems within the industry; including in future, ways of delivering services, so fraud risks are minimised; with each member of staff and customers, detecting and preventing more fraud. Our drive towards greater prevention of fraud would be balanced with enhanced, more effective and deepening relationship with law enforcement agencies such as the Police, EOCO, NIB, etc.

### Network of Heads of Compliance and Anti-Money Laundering Reporting Officers

Managements of banks in Ghana are committed to increasing the knowledge and skills of regulatory and financial crime compliance professionals across the industry. The key, as they see it, is to demonstrate the tangible benefits of investing in staff as part of an integral approach to combating the increasing range of risks they face.

The Network of Heads of Compliance and AML was created under the auspices of GAB to encourage and deepen sharing of best practice, know-how and expertise with their peers for the



common goal of achieving more effective AML/Financial Crime environment within the banking industry. It also enhances its work by seeking partnerships and affiliations with regulators, law enforcement agencies; local and international compliance and anti-money laundering associations.

During the period under review, the Network expanded its engagement with key stakeholders, namely Bank of Ghana (Financial Stability Dept.; Banking Supervision Dept.; Financial Markets Dept. (FMD); and Payment Systems Dept. (PSD)); Financial Intelligence Centre (FIC); Securities and Exchange Commission (SEC); Registrar General's Department (RGD); and Data Protection Commission (DPC). Others include Ghana Immigration Service; Ghana Investment Promotion Centre (GIPC); Ghana Revenue Authority (GRA); Chartered Institute of Bankers (CIB); National Banking College (NBC); and National Identification Authority (NIA).



## **Collaboration with BoG and FIC on Ghana's Removal from the EU 'Grey List'**

The European Commission in May 2020 listed Ghana and eleven other countries as having lapses in their respective AML and CFT regimes, thus posing significant threats to the European Union's financial system. The inclusion of Ghana on the blacklist meant financial transactions from Ghana into the EU and vice versa received extra scrutiny to ensure they did not escape the "deficiencies" identified to the benefit of money launderers and terrorist financiers.

As Ghana is determined to maintain sound financial system and join global efforts to minimise the scourge of money laundering and terrorist

financing, the General Council of GAB, Network, BoG and FIC launched several initiatives aimed at developing a mechanism for raising and interpreting contentious aspects in the FATF standards; and BoG and FIC Regulations.

To demonstrate the effectiveness of the country's AML/CFT regime, a number of measures were undertaken, implemented and accordingly, submitted to the Financial Action Task Force under strict timelines. In some cases, FATF noted Ghana had implemented some of the action items ahead of schedule. The foregoing attracted FATF's commendation as it duly acknowledged the commitment with which the country was poised to rectify its AML/CFT deficiencies.

Accordingly, at its June 2021 Plenary, the Financial Action Task Force expunged the name of Ghana from the list of countries with significant deficiencies in their AML/CFT regime. A statement was subsequently issued by FATF that 'financial transactions from and into the country will no longer be subjected to the increased monitoring process.'

Following the news of exclusion of Ghana from the FATF Grey List, the European Union (EU), which cited Ghana to be among countries with strategic deficiencies in their AML/CFT acknowledged the effective measures the country has put in place to fight money laundering and terrorist financing; and accordingly excluded Ghana from the blacklisted countries on January 7, 2022.

News of the removal came as a big relief to banks and the financial sector in general. Beyond creating convenience for banks and financial institutions, GAB was optimistic the action would boost the confidence of industry partners and customers to deepen their business relations, leading to increased inflows of funds and investments.

## **Collaboration between GAB and GARIA on the Corporate Insolvency and Restructuring Act**

GAB's interest in the promotion of law reforms in effective business recovery measures and insolvency resulted in the organisation of sensitisation programme for the General Council of the Association by the Ghana Association of Restructuring and Insolvency Advisors (GARIA) on the Corporate Insolvency and Restructuring Act.

The presentation afforded members of the General Council the opportunity to appreciate the principles underlying effective creditor and debtor rights and insolvency systems as important element of financial system stability. Efficient, reliable and transparent creditor and debtor regimes; and insolvency systems are of key importance to reallocation of productive resources in the corporate sector for investor confidence; and for forward-looking corporate restructuring. GARIA is an association of professionals with strong interest in restructuring and insolvency. It was established to play leadership role in corporate restructuring, business recovery and insolvency advisory in Ghana.

GARIA was incorporated as a company limited by guarantee under the Companies' Act of 1963 (Act 179) on August 8, 2006. Its goals are to encourage restructuring of distressed entities including state-owned enterprises and other business establishments; promote and play thought leadership role in connection with and in relation to business turn-arounds and insolvencies; and to promote international co-operation with respect to insolvency or business recovery and related cross-border matters.

## Collaboration between GAB and UNIDO

In line with national development priorities and global sustainability principles, UNIDO in collaboration with GAB organised capacity-building workshop on “Green” Financing for Chief Risk Officers, Heads of Business Development and Credit.

The training efforts were part of a larger programme implemented by UNIDO in Ghana, called Ghana Industrial Energy Efficiency Readiness Project which aims to support the implementation of Ghana industry-related National Determined Contributions (NDC) targets through: (i) detailed policy formulation for government on industrial energy efficiency; (ii) development of an initial pipeline of industrial energy efficiency projects; and (iii) capacity-building of local financial institutions on energy efficiency assessment to identify, assess and lend to sustainable investment projects.



*Pictures: Resource persons and participants at the GAB and UNIDO capacity building programme.*



## Technology - CISOs & CIOs

Technology Forum was created by GAB to serve as a platform to best help Chief Information Security Officers (CISOs) and Chief Information Officers (CIOs) to guide their businesses in today's evolving technology landscape. The Forum served as focal point to complement digital business growth with the required security to enhance cyber security in the banking industry; develop road map and work programme to strengthen co-operation; improve international information sharing; and to engage in timely sharing of reliable, actionable cyber security information on threats with internal and external stakeholders, including entities and authorities within and outside the financial sector.

Further, the Forum helped to ensure fundamental elements of the BoG information and cyber security directive of October 2018 are in place; while greater financial system resilience is built through support for banks in the design and implementation of cyber security policies and operating frameworks.

In addition to the foregoing, the Technology Forum provided the opportunity to consolidate functions of incident monitoring, detection, response, co-ordination; consolidate computer network defence tool engineering, operation and maintenance under one organisation; deliver measurable return for banks in support of their overall business strategy; and to invest in technology that delivers greater value and returns.

## Stakeholder Engagements

A Working Group with representatives from each bank and the Bank of Ghana was established to discuss and review among other things, the architecture and design of the proposed Security Operations Centre (SOC); develop roadmap on security assurance criteria for managing implementation of the Cyber; and to agree on definitions of protocols to allow interconnection between banks and the Bank of Ghana.

## Donation to CIT Escort Victims

In honour of the late Lance Corporal Emmanuel Osei (formerly of the National SWAT Unit, Police Headquarters, Accra) who tragically lost his life in the line of duty on Monday, June 14, 2021 during an attack on a Cash in Transit van while providing

escort duties, the Ghana Association of Banks made a monetary donation of fifty thousand Ghana cedis to parents of the late Officer at the Police Headquarters on August 6, 2021. GAB participated in the funeral rites and burial of the late officer.



*Pictures: Some executive council members of GAB, Ghana Police, and the bereaved families.*

GAB also commiserated with the family of the late Joyce Amankwah, a trader in Accra who was shot by the armed robbers during the same incident. A donation of five thousand Ghana cedis was presented to the family of the deceased.

## Food Packs to the Vulnerable during COVID-19 Pandemic

At the peak of the pandemic, the Association worked in collaboration with faith based organisations in the distribution of six thousand, five hundred and fifty (6,550) family food packs to the vulnerable in Ghanaian communities.

## GAB Supports Ghana Police Service with Ballistic Protection Equipment

The Ghana Association of Banks donated one thousand (1,000) units of bulletproof vests and 1,000 units of ballistic helmets to the Ghana Police Service. The donation was made at the request of former Inspector-General of Police, Mr. James Oppong-Boanuh. These items were to ensure police on duty, especially those at banks or those guiding the transport of money are well-protected, following recent attacks on the police.

At the items' presentation at the Ghana Police Service Headquarters in Accra, the Chief Executive Officer (CEO) of GAB, Mr. John Awuah, noted the protective items donated are to augment the inventory of these items to ensure there is enough protective equipment for officers on duty. Mr. Awuah further noted, bullet-proof vests and ballistic helmets would not completely take away the risk of police being gravely injured in the event of an attack in the line of duty. However, it could reduce the risk of having life-threatening injuries.

Mr. Awuah further shared, GAB is taking the necessary steps to ensure it complies with government's directive to use the right armoured vehicles for banks' cash operations throughout the country. He urged the public to avoid withdrawing huge sums of money from the banking system to avoid being robbed.

Mr. Awuah observed, most Ghanaians are not taking advantage of the digital payments systems such as mobile money and electronic cash transfers. Rather, they would withdraw huge sums of money to pay utility bills, which could be completed digitally devoid of physical cash.

On his part, the Director General in-charge of National Protection Directorate of GPS, Mr. Patrick Atampugre Akolgo, who received the donation of bulletproof vests and ballistic helmets, commended

GAB for the items donated and the Association's continuous support of the Ghana Police Service. In his remarks, Mr. Akolgo affirmed:

*What we are witnessing this morning is a historic event organised for the presentation of body-armour to the Ghana Police Service by the Ghana Association of Banks, which in my opinion is rare in the history of the Service, given the magnitude of logistical support they are donating to us today.*

Further, Mr. Akolgo observed, in the security industry, body-armour and shield helmets are very important protective gear for the men and women who have to brave all odds to face the sophistication with which crimes are planned and executed these days. In furtherance of his submission, Mr. Akolgo remarked: "there is therefore no doubt that the body-armour and steel helmets will greatly enhance the safety of our gallant officers and men in their daily operations to protect life and property, which is one of our core mandates."

He also mentioned, the IGP with tacit support from the Governor of the Bank of Ghana, initiated some plans to deepen their collaboration with GAB and Bank of Ghana to manage the risk of robbery attacks on cash-in-transit vehicles and personnel; and to strengthen security around all financial institutions in the country.

Mr. Akolgo was of the firm belief, crime-fighting is a shared responsibility; and it is only when there are such collaborations and resource-sharing that crime could be successfully brought to the barest minimum; and make our dear country a safe place to live in.





**Pictures: Photo gallery of GAB making donations to the Ghana Police.**

## GAB and Ghana's Financial Data Centre

To strengthen and improve the effectiveness, efficiency and transparency of the financial markets in Ghana, the Ministry of Finance and Securities and Exchange Commission initiated a policy to promote access to economic and financial market data. GAB was identified as key and strategic partner.

In pursuance of this objective, the Ministry of Finance appointed TempleData Ghana, an IT company to develop a rationale for the data centre; and detailed business plan and model for the establishment and operationalisation of the Financial Data Centre in Ghana.

The stakeholder engagement was to initiate the process of a rationale for developing a wholistic approach to financial analysis; increase access to statistical information to generate more granular data, enabling long-term and behavioural analysis, simulation and predictive analysis; provide valuable market intelligence and new insights; increase efficiency; reduce reporting burden; improve the consistency, coherence and quality of data methodologies; improve comparability of data, data standards and definitions; ensure real time snapshots, real time analysis; and to secure transfer of information from regulators, government agencies and across jurisdictions.

Key areas for consideration include access rights; sustainability of the Centre (cost implication and financing of the project); economic reasons for data sharing including ways to derive value from data sharing; and provision of set of functional modules which answer to the specific requirements of financial institutions, such as investment and retail banks, asset managers, brokers, custodians or fund administrators.

### **Benefits to the Banking Industry**

Access to economic and financial market data would help in the creation of practical cases such as competitive benchmarking, scoring and customising; risk analytics, customised services, marketing analytic, etc.

## CIMG – CSI RESEARCH – 2021

Section 3(f) of the Chartered Institute of Marketing, Ghana (CIMG) Act of 2020, Act 1021, mandates the Institute to conduct innovative research; and to promote the broader interest of Ghanaian consumers, including bank customers.

During 2021, CIMG conducted a study to measure its maiden customer satisfaction index (CSI). The study sought to measure the quality of services delivery by the various banks; assess customer satisfaction and loyalty; and to establish customer satisfaction index (CIMG-CSI) that is standardised for the banking industry.

The banking sector was selected for the maiden national pilot study; and CIMG-CSI, Banking, was envisaged to culminate in the establishment of permanent Ghana customer satisfaction index (Gh-CSI). The customer satisfaction index is expected, among other things, to serve as source of useful information for banks; and key stakeholders in the sector such as customers, shareholders, investors, government and its regulatory bodies.

Further, it is expected to facilitate measurement of banking and national economic performance by complementing traditional measurement variables. The banking sector was selected for the maiden edition due to its sterling credentials as one of the best and highly regulated industry within the Ghanaian economy. The frequent exercise of control by the Bank of Ghana (BoG) urges member banks to maintain certain minimum quality standard; which eventually inures to the economic good of banks through increased customer patronage of financial services and products.

In all, 2,230 customers actively participated in the study. These customers were selected from branches in Accra, Kumasi, Takoradi and Tamale. The study revealed the lop-sided ratio of males with account ownership (66%) is higher than females (34%). Further, most adults (66%) maintain accounts with more than one bank; while most bank account owners are within the age bracket, 21-40 years. The overall customer satisfaction for traditional and remote banking was 94% and 89% respectively. Nearly 73% of bank customers were found to be

loyal to their institutions. The CIMG-CSI, Banking Report was strictly based on the views of bank customers; without recourse to employees. The outcomes therefore, fairly reflect participants' perception of banks' operations; and relations with customers across the country.

## DIGITAL STORAGE FACILITY AT EOCO

During 2019, the Ghana Association of Banks continued to foster partnerships and collaborations with Stakeholder-Institutions.

The Association collaborated with the Economic and Organised Crime Office (EOCO) to build a digital data storage facility at their offices. This facility was envisaged to protect the institutional memory of the office through the preservation, proper storage; and archiving of salient data which are vital for a sensitive organisation such as EOCO.

The office was on the verge of losing its valuable information, in the event of fire outbreak or other unforeseen threats.

To avert these unforeseen administrative contingencies, GAB donated an amount of GH¢ 129,040.00 to assist EOCO in building a digital storage facility; and to purchase the needed logistics.





## TEACH2TEACH INTERNATIONAL

In addition to other engagements and strong commitment to corporate social responsibility, GAB during the year 2020, effectively collaborated with Teach2Teach International to address social needs of targeted communities across the country. Teach2Teach International is a Non-Governmental Organisation (NGO) which challenges poverty and inequality by expanding access to quality education; and vocational training. Further, it inspires leadership for social justice in the country's most vulnerable and disadvantaged communities.

The Ghana Association of Banks made a commitment of GH¢300,000.00 (Three Hundred Thousand Ghana Cedis) to Teach2Teach's community Teachers Programme in the three Northern Regions over a three-year period; with budgetary support of GH¢100,000.00 (One Hundred Thousand Cedis) per year.

This initiative was aimed at widening access to education for marginalised groups; raising literacy numeracy and teaching standards; as well as providing valuable skills and employment opportunities to the youth of targeted communities.



# TRIBUTE BY GAB TO THE LATE D.K. MENSAH

**G**AB was profoundly saddened at the death of the late Mr. Daniel Ato Kwamina Mensah, one of the colossuses and iconic Chief Executive Officers (CEOs) to have ever led the Association administratively, towards excellence and global recognition.

DK, as he was affectionately known by his close friends within the Banking fraternity, suddenly departed from us. He was professionally vocal and lead advocate of major reforms in the Banking Industry. DK eagerly looked forward to his retirement with much optimism. It therefore seemed cruel that he was robbed of his planned retirement scheduled for the end of 2020; as he regrettably passed away peacefully on July 17, 2020. Nonetheless, we the Members of the Ghana Association of Banks have fond memories of DK; not only for what have been lost, but also for who he was; and his valuable contribution towards the edifice of our Association during his time with us.

DK exuded humility, kindness, gentleness, generosity, respect, humanity, charm, passion and insights. He was an all-encompassing person who stood for action, decisiveness; and very growth-oriented. His extraordinary contribution to the Banking Sector therefore came as no surprise to many who observed and had knowledge of his professional skills-set and competencies.

He was a visionary leader with unwavering spirit and love for innovative programmes. Above all, he was a catalyst for driving transformational change; he achieved all of these with incredible modesty and sense of humour.

DK's banking career spanned over three decades. This enabled him to gain varied experience across all phases of banking development. He had an immediate positive impact when he joined GAB in 1993 as its first Executive Secretary. Following the restructuring of operations of the Association to enhance its administrative and operational efficiency, DK was elevated to the position of Chief Executive Officer, a position he occupied until his untimely departure from us to eternity.

As CEO, DK was popular and highly engaged with Members of the Association. He was always ready to offer professional advice; and share his perspective on any issue. Particularly, DK made valuable contributions to the Ghana Association of Banks; an Association whose constituent members comprise the Managing Directors, Chief Executive Officers and leadership of all the Banks in the country. He was respected and admitted for his enduring commitment and outstanding contributions to the Banking Sector.

DK was active and influential in raising the profile of the Banking Industry. Over the years, he succeeded in initiating thoughtful leadership activities for members of GAB to support efforts of the Banking Industry in shaping the national economy. His understanding of the local and global banking and financial environments was extremely high.

He represented GAB on matters related to policy, legal and regulatory initiatives that impacted on the Banking Industry. He was one of the architects of the review of the Banking Law – Act 930; participated in discussions on banking and financial sector reforms with the International Monetary Fund (IMF); International Finance





Corporation (IFC) and World Bank; UK Department for International Development (DFID); German Federal Ministry for Economic Co-operation and Development (BMZ), GIZ; West Africa Monetary Institute (WAM); and the Africa Development Bank (AfDB).

As Chief Executive Officer of the Association, DK had numerous invitations to speak at various local and international fora on issues related to Banking and Finance; and their impact on the Ghanaian economy. On governance and at strategic levels, he served as Board Chairman for West African Interbank Payments Systems (WAIPS); and President of West African Bankers' Association (WABA).

At various periods, DK served on the Boards of the Ghana Health Service (GHS); Ghana Urban Transport Advisory Committee; Venture Capital Trust Fund; National Investment Bank Limited (NIB); and Opportunity International Savings and Loans Limited. He was one of those whom it could truly be said, he made the Banking Industry a better place, both for those of us who were lucky enough to know him; and for the many who never met him, but benefited from his work.

He was incredibly helpful and unstinting in the amount of time and advice he was prepared to put to any task or support. He had deep and insightful appreciation of the CEO position. In all the years

we knew DK, he gave managing Directors of Banks unfailing and proactive advice on a wide range of topics.

DK's unparalleled expertise, combined with his innovative thinking and sheer passion for the work of GAB attracted all who knew him as one of the most respected figures in the Banking Sector. Very few people emerge as both visionary and practical, coupled with being genuinely ethical and generous with unwavering conviction, marked leadership and great company – DK epitomised these qualities; what a great loss to the industry, his family and to the nation.

He was unique and special individual who combined incredible achievement with great personal grace. Alas, his works, personality and looming presence are now all, but nostalgia. What a loss. However, the Association is fully comforted that he has left a significant legacy that we could continue to build on in honour of his memory.

DK, you would be sorely missed. You were the light of GAB; gone, but never forgotten. We mourn you greatly. We have so much left to say to you; we can wipe away the tears from our eyes, but we can't wipe the pain in our heart.

Rest Well, Daniel Ato Kwamina Mensah. May the Good Lord be with You.





# GAB IN MEDIA

## Banking Code of Ethics launched to consolidate financial sector cleanup gains

Continued from front page

For her, the recapitalization directive of the Bank of Ghana is one of the key pillars that has ensured a resilient, liquid, profitable and well capitalized sector with the industry's capital adequacy ratio of 20 percent as at October 2020, well above the regulatory 13 percent prudential limit under the Basel II/III framework; serving as good shock absorbers during these pandemic times.

She commended the Central Bank and the government for the timely intervention in putting in place monitoring mechanisms, policy measures and strategies when the COVID-19 pandemic broke out in the country.

"These measures, which included the reduction of the Primary Reserve Requirement from 10 percent to 8 percent and the holding of the policy rate at 14.5 percent, amongst others, helped to stimulate the economy and to a large extent has aided in

stabilizing businesses and the industry in general," Mrs. Sappor said at the 2020 Annual Bankers' Dinner and launch of the Ghana Banking Code of Ethics and Business Conduct.

She said it was on the back of these gains that the Banking Code of Ethics and Business Conduct was developed by the Chartered Institute of Bankers, Ghana in collaboration with the Ghana Bankers Association and the Bank of Ghana.

The code is in line with Section 3 (b) of the Chartered Institute of Bankers Ghana Act, 2019 (Act 991) which reinforces the Institute's mandate of setting standards and ensuring the observance of ethical standards and professional conduct among members of the banking profession in the country.

"The launch of this code is a timely and relevant milestone in the banking industry as it will serve as the bedrock and a guide to all practitioners to maintain best banking practices and strong commitment to sound

ethical and professional standards in the banking industry. This will ensure that chartered bankers continue to play critical roles in the banking industry and distinguish themselves on account of the significant contributions they make to the profession of banking as it is the only qualification customized to the core practice of banking," Mrs. Sappor said.

The Code reinforces provisions made under Sections 18 (2) (b), 24 (1) (a) and the Third Schedule of Act 991. Thus, ensuring that all financial institution employees conduct their duties fairly, honestly and with integrity so as to uphold the mutual trust and public confidence bestowed upon them.

The effective implementation of the code will foster high levels of integrity, discipline and etiquette in the banks leading to improved confidence amongst customers and the general public.

Ultimately, it will support the banks to mitigate reputational risk, enhance their corporate brands and reinforce safety and stability of the banking industry.

Governor of the Bank of Ghana, Dr. Ernest Addison noted that the supervision of

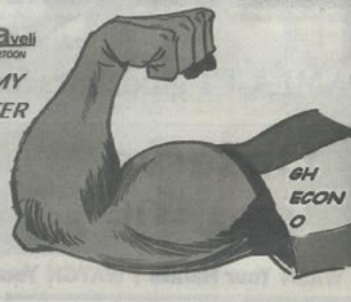
banks has been strengthened with systems and structures to identify, assess and proactively mitigate or manage vulnerabilities and threats to stability. He added that going forward, the financial sector will require constant regulatory and policy attention to mitigate the risks.

The Bank of Ghana, he noted, is putting greater focus on identifying the early warning signals and initiating prompt corrective

action. "The symptoms of weaker banks are usually poor asset quality, lack of profitability, loss of capital, excessive leverage, excessive risk exposure, poor conduct and liquidity concerns."

He urged banks to be vigilant and upgrade their capabilities, improve governance and risk culture and "we are optimistic that with this approach, we will build a robust, resilient and capable financial sector to support Ghana's beyond Aid Agenda."

**GHANA'S ECONOMY RECOVERING FASTER THAN EXPECTED - ERNEST ADDISON**



40 Business

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Daily Graphic, Thursday, March 18, 2021

## Banks could lose over GH¢300m to new tax

By Maxwell Akalare Adombla

In spite of the positives from the exercise, he said it cost the State more than GH¢100 million.

Consequently, he said the government had decided to introduce a financial sector clean-up levy of five per cent on part of banks to help defray outstanding commitments in the sector.

Mr. Kyei-Mensah-Bonsu, who is now the Minister of Finance, said the tax would be reviewed in 2024.

**Protest**

Already, the Ghana Association of Bankers (GAB) kicked against the levy, describing it as counterproductive, a recipe for high lending rates and an attempt to make the existing banks victims of the woes of their collapsed counterparts.

The President of GAB, Mr. John Sappor, said:

Already, the Ghana Association of Bankers has kicked against the

28 GHANAIAN Times

www.ghanaiantimes.com.gh

THURSDAY, MAY 20, 2021

Business

## Banks to adopt only National ID card as primary source of identification

ANSG will soon adopt only the National Identification card as the primary source of documentation for banking transactions.

This follows discussions between the banks, represented by the Ghana Association of Bankers, the National Identification Authority and the Bank of Ghana.

The discussion is said to have reached an advanced stage and a roadmap on when the decision will take effect will be created shortly.

The Chief Executive of the ID card as the primary source of documentation for banking transactions.

"Discussions are presently ongoing and I'm sure in a short while, customers will get information from banks on how to use the national ID as a primary source of identification for banking transactions," he said.

He said "With the recent decision ongoing over the national ID and others, we want a system where, for a period, we can be using a parallel system, we'll be using what we have now and national ID at the same time. But when that period is over, then the law says only the National ID becomes the primary

announced that plans were underway to ensure that all Ghanaians with SIM cards register them using the National Identification card by middle of this year.

According to him, it was part of plans to rid the country's cyberpace of fraud.

Speaking at the 5th Ghana CEO Summit which is under way in Accra, the Vice President noted that any individual who fails to take part in the exercise risks losing his or her SIM card.

"I expect that the Minister for Communications and Digitalisation, Kwadwo Owusu-Boateng, will soon announce the date for registration of the SIM

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FRIDAY, NOVEMBER 19, 2021

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**BANKING**

## Veep lauds banking industry for its role in steering digital economy

...calls for more collaboration to harness its full potential



## Banks working towards phasing out soft body vehicles as bullion vans

— John Awuah

**T**HE Chief Executive Officer (CEO) of the Ghana Association of Bankers (GAB), John Awuah, has said banks in the country are working towards phasing out soft body vehicles for armoured bullion vans in the coming months.

According to Mr Awuah, this was part of the plan to have all soft body vehicles which have been converted into bullion vans phased out by 2023 per the Bank of Ghana (BoG) issued in 2015.

"We were and are still working towards the plan to have all soft body vehicles which have been converted into bullion vans phased out by 2023 per the BoG's directive. But of course we have been oversteering by even now we have to roll back our plan and see how we can expedite the time in the interim and improve security around cash operations in the country," he noted.

Speaking further in an interview, Mr Awuah noted that the banking industry on the lack of recent attacks on bullion vans which have unfortunately led to the death of some police officers, have deepened engagement with the Ghana Police Service (GPS).

"We are having deep engagement with the Ghana Police Service because they are our number one stakeholders in the business of cash operations. Banks have taken stock of the unarmoured bullion vans in the system as well as the soft body vans, so behind the scenes there is significant amount of work ongoing between banks, the BoG and the Ghana Police Service," he added.

He stated in an interview, "We are having deep engagement with the Ghana Police Service because they are our number one stakeholders in the business of cash operations. Banks have taken stock of the unarmoured bullion vans in the system as well as the soft body vans, so behind the scenes there is significant amount of work ongoing between banks, the BoG and the Ghana Police Service," he added.

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## Business COVID-19 stimulus bolsters bank deposits to GH¢110bn

By Maxwell Akalar Adombla

**P**EOPLE and institutions saved more money with banks in the first six months of the year than they did in 2020, but not much of bank funds were used to support businesses as loans.

"Increased savings by

cent growth recorded in the same period last year.

The report indicated that the strong growth in deposits in the first half of 2021, relative to last year, was largely driven by liquidity flows within the domestic economy emanating from the COVID-19 fiscal stimulus. Part also came from payments to contractors, specialised deposit-raising institutions (SDIs) deposits and clients of firms managers covered by the Securities and Exchange Commission (SEC), according to the report.

"Increased savings by individuals and firms resulting from the pandemic-induced slowdown in consumer and investment spending in some sectors also contributed to the observed growth in total deposits," it added.

Among other things, the BoG said the strong growth in deposits caused banks to reduce their borrowings by more than half, thereby cutting cost.

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## GAB supports Ghana Police Service

**T**he Ghana Association of Bankers (GAB) has donated 1,000 units of bullet-proof vests and 1,000 units of ballistic helmets to the Ghana Police Service (GPS).

The donation was made at the request of former Inspector General of Police Mr. James Oppong-Boamah, for these items to ensure that the police on duty especially those at banks or those guiding the transport of money - are well-protected following recent attacks on the police.

At the item's presentation at the Ghana Police Service Headquarters in Accra, the Chief Executive Officer (CEO) of GAB, Mr. John Awuah, said the protective items donated are to augment the inventory of these items to ensure there is enough protective equipment for officers on duty.

"Today, as an association, we want to draw the attention of this country to the fact that as we talk about police security or security of the nation, we must also talk about how we contribute to ensuring that the people who protect us are



Mr. Awuah

themselves protected," he said.

He said the police give the citizenry comfort by their presence on streets and public places because the security situation in the country has not been the best recently, but, unfortunately, they themselves are not protected well enough, which has led to some of them being injured or killed.

He said bullet-proof vests and ballistic helmets will not completely take away the risk of police being injured in the event of an attack in the line of duty, but will reduce the risk of having life-threatening injuries.

He said GAB is taking the necessary steps to ensure it complies with government's directive to use the right armoured vehicles for cash operations of banks in the country.

"We are working with our banks, the IGP's office, the police service, Bank of Ghana, the Ministry of Interior, the National Security Ministry to ensure that we have the right and credible certificate to enable us procure the right armoured vehicles for our use," he said.

He added that the collaboration is going on smoothly, and it's his hope that very soon the banking industry will procure a fleet of armoured vehicles so it can get rid of the ordinary pickups converted to bullion vans that are presently being used.

Mr. Awuah also urged the public to avoid withdrawing huge sums of money from the banking system so as to avoid being robbed.

According to him, most Ghanaians are not taking advantage of the digital payment systems such as mobile money and electronic cash transfers, but would rather withdraw huge sums of money to pay water bills and electric bills which could have been done without the physical cash.

On his part, the Director General in Charge of the GPS, Mr. Patrick Agyemang Akolo, who received the donation of bullet-proof vests and ballistic helmets, commended the GAB for the items donated and the association's continuous support of the GPS.

"What we are witnessing this morning is a historic event organised for the presentation of body-armor to the Ghana Police Service by the Ghana Association of Banks - which in my opinion is rare in the history of the Service, given the magnitude of logistical support they are donating to us today," he said.

He said the body-armor and steel helmets will greatly enhance the safety of our gallant officers and men in their daily operations to protect life and property, which is one of our core mandates," he added.

According to him, crime-fighting is a shared responsibility, and it is only when there are such collaborations and resource-sharing that crime can be successfully brought to the barest minimum and make our dear country a safe place to live in.

He however noted that despite all the challenges of crime-fighting in Ghana, the country remains one of the safest in the sub-region, and the police administration under the leadership of the IGP Dr. George Akuffo Donkor is working tirelessly day and night to ensure Ghana is even safer.

He also mentioned that the IGP, with tacit support from the Governor of the Bank of Ghana, has initiated some plans to deepen our collaboration with the GAB and Bank of Ghana to manage the risk of robbery attacks on cash-in-transit vehicles and personnel, and also to strengthen security around all financial institutions in the country.

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Petroleum Price Indicators (As of 26th Oct, 2021)			
	PBSI Effective 19th Oct 2021 (27th Sept 2021 - 19th Oct 2021: Average)	PBSI Effective 1st Nov 2021 (22nd Oct 2021 - 1st Nov 2021: Average)	% Change
FX Rate (Commercial Bank Average USD/GHS)	6.13775	6.13780	0.00%
Credit Oil (USD/BBL)	98.00	98.00	0.00%
Petrol (USD/MET)	735.41	803.50	4.37%
Gasoil (USD/MET)	690.00	733.00	6.09%
LPG (USD/MET)	774.30	807.11	4.25%
Jet/Kerosene (USD/MET)	720.25	760.07	5.53%
Paraffin (USD/MET)	625.50	630.00	0.72%

\*PBSI - Price Build-Up

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## GHANA ASSOCIATION OF BANKERS APPOINTS NEW PRESIDENT AND VICE PRESIDENT



Mrs. Mansa Netthey



Mr. Daniel Sackey

**T**he General Council of the Ghana Association of Bankers (GAB) has unanimously endorsed the appointment of Mrs. Mansa Netthey, the Managing Director of Standard Chartered Bank Ghana Limited as the President of the Association to succeed the immediate past President Mr. Alhassan Andani. Through a similar process, the Managing Director of Ecobank, Mr. Daniel Sackey has been appointed as the Vice President of GAB.

Mrs. Netthey has over two decades of experience in banking. She combines a breadth of leadership, corporate and investment banking, digitisation, innovation, sustainability, as well as governance and risk management experience. She has contributed extensively to the development of the financial and capital markets in Ghana and across West Africa, pioneering risk management solutions for corporates and sovereigns.

Mr. Sackey, an accomplished career banker with over 25 years of banking experience within Sub-Saharan Africa, brings a deep understanding and an invaluable executive experience to an industry that is at the forefront of transformation in the country. He is currently the Managing Director of Ecobank Ghana and Regional Executive in charge of Ecobank's business in Anglophone West Africa, excluding Nigeria. He has also served as the Managing Director of Ecobank Zimbabwe and Ecobank Rwanda, with additional responsibility for Ecobank's business in the SADC region.

Commenting on the new appointments, Mr. Alhassan Andani, the immediate past President

Chief Executive Officer, Salomon and Partners

Chief Executive Officer, Consolidated Bank of Ghana (CBG)

Country Managing Partner, Deloitte Ghana



Dr. BENJAMIN AMOAH  
Lecturer, UDS  
MODERATOR



Mr. JOHN AWUAH  
Deputy CEO,  
Ghana Assoc. of Bankers (GAB)

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RESETTING THE ECONOMY  
BEYOND COVID-19; BUILDING  
ECONOMIC RESILIENCE AND  
SELF-SUFFICIENCY

9-10  
NOVEMBER  
2020

# GHANA ECONOMIC FORUM

26 **GHANAIAN Times** TUESDAY, SEPTEMBER 14, 2021 **Business**

## Lending rates could drop 10 - 15 % if economic fundamentals improves

—Ghana Bankers Association

**A**VERAGE lending rates could drop significantly as 15 to 10 per cent if the current economic fundamentals improves, Chief Executive of the Ghana Association of Banks, John Awuah, has said.

He maintained that the banks were committed to reducing interest rates as long as the economic situation and variables improve, rates would drop automatically.

Speaking on JoyNews PM Express Business Edition programme on the topic 'Bank Changes and Service Delivery in Ghana' said "We have seen rates dropped from over 30 per cent some years ago to average 20 per cent, when the situation (economic fundamentals) did improve."

"We are never excited when interest rates are high because it hurts our businesses too. This is why we are all working together, with the relevant regulators to drive down the cost of credit", Mr Awuah noted.

The Chief Executive of the Ghana Association of Banks also made a strong case for businesses to respond to these leading rate cuts.

According to Mr Awuah, this was one of the surest ways that the reduction in interest rates by banks would be felt by all sectors of the economy.

**Rising NPLs and role of judiciary**

Non-Performing Loans (NPLs) continue to hit levels which many have described as worrying.

"The Bank of Ghana put the total industry NPL at the end of June at about GH¢1 billion, a development that has been compounded by COVID-19 which has made it difficult for most businesses to honour their loans because of the negative impact of the pandemic on their operations.

Referring to the issue of NPLs, Mr Awuah said the judiciary had not been helpful with respect to checking the high loan default rates in the country.

"We need to let businesses understand that when they default there are consequences and I think that the judiciary is not helping in this area", he added.

Mr Awuah noted that "there have been a lot of instances where banks have secured judgment and later someone pops up that the property belongs to them and the court grants their requests by freezing enforcement."

"We don't think that enough has been done to deal and check persons that default on loans", he said.

"I will put the current judiciary support at around 30 per cent in terms of assistance" the Chief Executive of the Ghana Association of Banks noted.

On the question of capping charges, Mr Awuah said apart from regulators that sought to check illegal fees, commercial banks should be left to allow the forces of demand and supply to guide these charges.

about GH¢1 billion, a development that has been compounded by COVID-19 which has made it difficult for most businesses to honour their loans because of the negative impact of the pandemic on their operations.

Referring to the issue of NPLs, Mr Awuah said the judiciary had not been helpful with respect to checking the high loan default rates in the country.

"We need to let businesses understand that when they default there are consequences and I think that the judiciary is not helping in this area", he added.

Mr Awuah noted that "there have been a lot of instances where banks have secured judgment and later someone pops up that the property belongs to them and the court grants their requests by freezing enforcement."

"We don't think that enough has been done to deal and check persons that default on loans", he said.

"I will put the current judiciary support at around 30 per cent in terms of assistance" the Chief Executive of the Ghana Association of Banks noted.

On the question of capping charges, Mr Awuah said apart from regulators that sought to check illegal fees, commercial banks should be left to allow the forces of demand and supply to guide these charges.

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## Levy Policy: Industry players step in to support burden sharing

By Vincent Amenuveve & Nana Konadu Agyeman

**T**WO industry operators have come up with interventions to help reduce the overall impact of the proposed taxes, particularly the Electronic Levy (E-Levy) by the government in the 2022 Budget and likely to be implemented next year, following the approval of the Appropriations Bill by Parliament last Friday.

The decision to come up with the interventions followed extensive deliberations between the two industries and the government on the need to lessen the impact on consumers.

The industries are the Ghana Chamber of Telecommunications (GCT) and its mobile money operators and the Ghana Association of Banks (GAB).

**Interventions**

While some companies under the GCT, namely, Mobile Telecommunications Network (MTN) and AirtelTigo, have both agreed to a downward revision of their

Dr Ken Ashigbey, said the decision was taken to help provide some relief for its customers, as the proposed 1.75 per cent E-Levy would no doubt impact on customers.

"We support the government's plan to raise revenue for its development agenda, and after extensive deliberations on what the industry could do to support and alleviate the impact, consideration was given to the reduction in transaction charges by up to 25 per cent," he said.

Dr Ashigbey explained that the reduced charges would be operational when the E-Levy took off after the bill had been passed.

He further said the various customer service centres would provide assistance for customers during the implementation of the new levy and also do all they could to maintain the convenience of the digital platforms as the chamber supported the digital transformation effort.

**GAB supporting YouStart/SME**

The GAB for its part, would be focusing on supporting small and medium enterprises (SMEs) and YouStart, an intervention to help young people start

and grow small businesses.

Through the initiative, dubbed, "YouStart" government hopes to create one million jobs with a seed capital of GH¢1 billion and would take effect from March 2022 as contained in the 2022 Budget 2022 presented at Parliament.

It is intended to be a vehicle for supporting young entrepreneurs to gain access to capital, training, technical skill and mentoring to enable them to launch and operate their own businesses.

A document sighted by the Daily Graphic regarding an input from the GAB for inclusion in the 2022 Budget stated: "In discussions with banks operating in the country under the GAB, they have resolved to collectively accelerate their portfolio allocation to qualifying small and medium enterprises to help uplift their contribution to economic growth and fast-track our pace to aggressive economic recovery in the post-COVID-19 era."

To achieve this noble objective, the

• Continued on page 42



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## The Role of banks, telcos and fintechs in driving financial inclusion



**Financial Inclusion: Cards vs. Mobile**

At the end of 2020 a total of 77 million transactions were processed across all digital platforms leveraging the GhIPSS Instant pay technology, compared to the 38 million transactions processed in 2019, representing a 103 percent increase. The value of transactions processed in 2020 was GH¢254 billion, a 16% increase compared to the GH¢219 billion processed in 2019.

The real-time payments portfolio, which is made up of GhIPSS Instant Pay, Mobile Money Interoperability (MMI), Proxy Pay, GhQR etc also recorded significant growth, closing the year with the strongest performance. The major contributor to this performance was MMI; processing a total of 43.9 million transactions, representing a 367 percent increase from 9 million transactions processed in 2019.

cash transactions and card payments that required physical presence has changed to allow cashless and remote participation for all even with the most basic mobile device, propelling financial inclusion amidst social distancing.

**The Role of Banks, Telcos and Fintechs**

Access to financial services and products is one of the most important drivers of economic development. At a time of rapid economic prospects where financial institutions are searching for new market opportunities, the benefits of bringing the unbanked and underbanked into Ghana's financial system are more important than ever. There is a need for banks to invest time and effort in building trust between banks and communities and to develop innovative banking products to serve the demographics that typically would not be





# OUTLOOK FOR 2022

In spite of the simmering odds in the general business environment, banks in the financial sector demonstrated resilience and robustness during 2021 financial year. These sterling operational attributes and qualities translated into scintillating banking sector performance and growth during the period. All else held constant, the banking sector is expected to improve on its performance during the current financial year.

It is refreshing to state, the Ghana Association of Banks (GAB) is committed to complementing the efforts of member banks towards sustainable business operations; efficient customer service delivery; and accelerated growth of the sector and the national economy. To this end, series of activities have been planned by GAB during the current financial year to support anchor banks towards the realisation of both bank-specific and industry-wide objectives.

Notable among these activities include development of strong interest in matters related to cash in transit (CIT). Specifically, GAB seeks to resolve no objection certificate (NOC) issues with the Interior Minister; liaise with the Currency Department of the Bank of Ghana (BoG) to undertake certification of the Armoured Bullion Vans of CIT companies contracted by banks in the country; and to formulate victim support policy. The objective is to ensure vendors licenced by the Ministry of Interior and BoG; and contracted by banks to undertake CIT and Bullion services meet regulatory

requirements; as well as deadline set by BoG and the Ghana Police Service.

Further, GAB is committed to publication of the Second Edition of The GH Bankers' Voice. The publication would highlight operations, trends, opportunities and challenges in the banking sector; connect with and update stakeholders; and enhance credibility, integrity and visibility of GAB.

The launch of industry-wide mobile wallet services remains one of the priorities of GAB. The overarching idea is to ensure banks have a shared platform that provides bigger transactional ecosystem by pulling resources; and penetrating the Wallet space. This would inch the banking sector close to its aspiration. That is, leading the digital drive; and transformation of the Ghanaian economy.

However, strategic relevance of this initiative is predicated to a large extent on the sector's ability to tap into the expected growth in the operations of key service providers such as the Ghana Interbank Payment and Settlement Systems (GhIPSS). Fortunately, GAB is spearheading an initiative of member banks to acquire 51% stake in GhIPSS through an offer for a considered sum of GH¢272 million.

As part of the inclusive drive through behavioural change and informed decisions on the part of customers and consumers, GAB is co-ordinating centralised public education and campaigns on the

socio-economic use of banks' digital platforms for transactions. GAB serves as the central repository of content for public education on how to ensure safety and effectiveness in banking transactions through the use of digital platforms; and other banking instruments.

As part of its proactive measures, GAB is committed to the presentation of quarterly report on the assessment of market conduct and mystery shopping of various banks. The underlying objective is to identify strengths, weaknesses, opportunities and threats (SWOT); and how member banks could improve on services delivery to customers.

Comprehensive assessment of risk in the banking sector to identify areas of vulnerability and risk; and their impact on the industry forms an integral part of activities outlined by GAB for the current financial year. GAB is strongly committed to competitor review of the banking sector to ensure the protection of integrity; and stability of the financial system through the conduct of comprehensive assessment of mainstream and underground actors within the banking sector.

Re-igniting programmes related to sustainable banking principles to guide banks in mainstreaming the basic tenets of sustainability in their businesses and operations; thereby leading to enhanced growth and increased returns remains one of the major transformative strategies of GAB. These principles are expected to guide banks in the conduct of their businesses; and to ensure they remain environmentally friendly and socially responsible.

In order to build credibility for institutions in the banking sector; and position GAB as a repository of reliable source of valuable insight, knowledge and information, GAB deemed it expedient to organise thought leadership breakfast meetings during the current financial year. This initiative would allow stakeholders in the banking industry to periodically meet to express and share business ideas.

Consistent with practices in other industries within the country and across the globe, GAB is proactively assessing the impact of COVID-19 on performance of the banking sector; and how banks could stay competitive in this novel business and economic environment. It remains a fervent hope that post COVID-19 industry-wide review would

culminate in a report that would catalogue the socio-economic effects of the pandemic on the banking sector.

To ensure effective implementation of its mandate as the banks' voice, GAB has outlined measures to ensure its regular engagement with the public through various media channels to highlight socio-economic contribution of the banking sector. In effect, GAB has mapped-out strategies to ensure its effective representation of member banks; management and dissemination of factual information to stakeholders; and building of strong brand trust.

The recent national Budget presented by the Minister for Finance underscored the need for the banking sector to develop a framework that would facilitate the sector's assistance to small- and medium-size enterprises (SMEs). In order to actualise the Finance Ministry's proposition, GAB has instituted measures for development of a practical framework that would improve access to finance; empower SMEs to expand; and create jobs that would improve domestic capacity for revenue mobilisation.

In addition to the foregoing, GAB has taken steps to ensure effective co-ordination towards the development of a functional structure for the youth skills and entrepreneurial development programme. The principal objective is to ensure the youth gain access to technical support and capital; and growth in their businesses.

As part of its efforts to mitigate and deter fraud; while creating awareness among stakeholders, GAB has rolled out public education on fraud and cybersecurity. This initiative is expected to increase public knowledge on the risk of fraud, improve on the retention of customers, consumers and investors; while increasing their confidence in the banking sector.

One of the cardinal objectives of GAB is to build credibility; and ensure banks operate in line with regulatory requirements. To achieve this objective, GAB consistently collaborates with regulators and other stakeholders such as BoG, MoF, CSA, Judiciary, Lands Commission, NCA, DVLA and GRA, among others, to ensure banks' compliance.

Demonstrably, GAB has rolled out measures to build banks' capacity to assure their response and

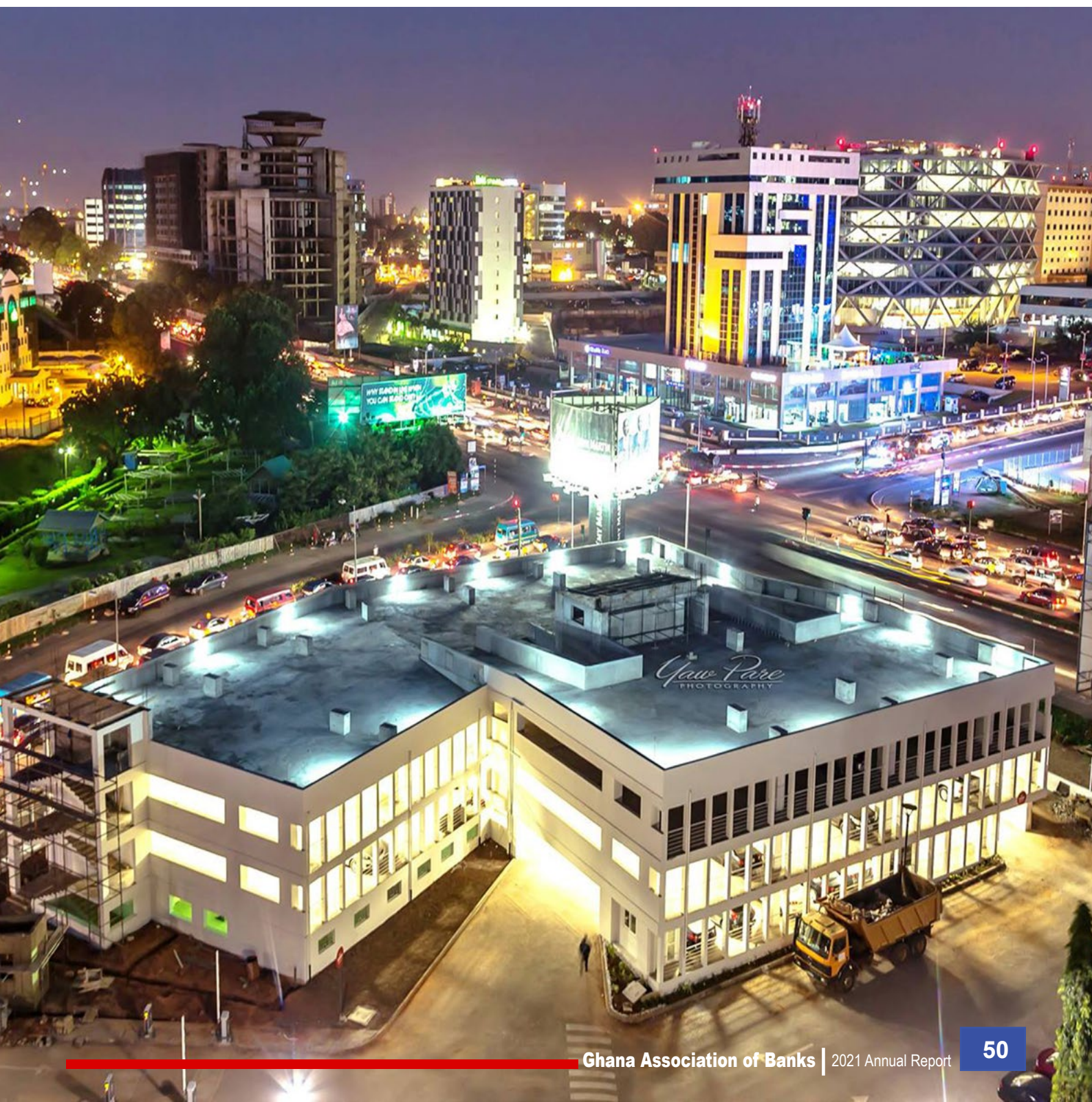


readiness for participation in operationalisation of the Central Bank Digital Currency (CBDC); and implementation of the Electronic Transfer Levy (E-Levy) as announced in the 2022 National Budget. Similarly, organisation of this year's annual general meeting (AGM) by GAB is to ensure full compliance with all independent statutory requirements.

GAB acknowledges the mutual non-exclusivity of the above-listed activities; and the need for concerted efforts of all key stakeholders in the banking and financial sector; to assure expeditious turn-around and positive outcomes from all the initiatives intended to project the banking sector;

and to accelerate growth at the industry and national levels.

Finally, GAB requires the unequivocal support of member banks and other key stakeholders to succeed in its quest to ensure the banking industry consistently remains a unique brand; and highly competitive among a comity of banks at the national, sub-regional, regional and global levels.





# GAB 2021 FINANCIAL STATEMENT

## GHANA ASSOCIATION OF BANKS LBG STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2021

ASSETS		2021	2020
Non-Current Assets	Note	GH¢	GH¢
Property, Plant and Equipment	3	641,110	122,567
Investment in Subsidiary	4	5,500,000	5,500,000
<b>Current Assets</b>			
Account Receivables and Prepayments	5	859,916	775,857
Short-Term Investments	6	1,455	3,001,450
Cash and Bank Balances	7	<u>3,207,059</u>	<u>434,436</u>
		<b><u>4,068,430</u></b>	<b><u>4,211,743</u></b>
<b>Total assets</b>		<b><u>10,209,540</u></b>	<b><u>9,834,310</u></b>
<b>LIABILITIES AND FUNDS</b>			
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Account Payables and Accruals	8	<u>439,450</u>	<u>121,714</u>
<b>Total Liabilities</b>		<b><u>439,450</u></b>	<b><u>121,714</u></b>
<b>Funds</b>			
Accumulated Fund		<u>9,770,090</u>	<u>9,712,596</u>
<b>Total Funds</b>		<b><u>9,770,090</u></b>	<b><u>9,712,596</u></b>
<b>Total liabilities and funds</b>		<b><u>10,209,540</u></b>	<b><u>9,834,310</u></b>

The Executive Council approved the Financial Statements on May 20, 2022 and signed on its behalf by:

W. A. Agyei President

[Signature] Treasurer  
[Signature] Chief Executive Officer

The above Statement of Financial Position should be read in conjunction with the attached notes.



**GHANA ASSOCIATION OF BANKS LBG**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

<b>Income</b>	<b>Note</b>	<b>2021 GH¢</b>	<b>2020 GH¢</b>
Subscriptions	9	6,625,131	5,414,433
Investment Income	10	89,642	275,547
Other Income	11	<u>2,596,427</u>	<u>10,164,000</u>
<b>Total Operating Income</b>		<b><u>9,311,200</u></b>	<b><u>15,853,980</u></b>
<b>Expenditure</b>			
Staff cost	12	(2,149,443)	(1,775,431)
Occupancy cost	13	(1,350,920)	(1,388,630)
Depreciation	3	(172,690)	(84,662)
General and Administrative Expenses	14	<u>(5,580,653)</u>	<u>(7,382,431)</u>
<b>Total Expenditure</b>		<b><u>(9,253,706)</u></b>	<b><u>(10,631,154)</u></b>
<b>Excess of Income over Expenditure</b>		<b>57,494</b>	<b>5,222,826</b>
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<b><u>57,494</u></b>	<b><u>5,222,826</u></b>

**ACCUMULATED FUND**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

	<b>2021 GH¢</b>	<b>2020 GH¢</b>
Balance as at 1st January	9,712,596	4,489,770
Excess of Income over Expenditure	<u>57,494</u>	<u>5,222,826</u>
<b>Balance as at 31st December</b>	<b><u>9,770,090</u></b>	<b><u>9,712,596</u></b>

The above Statement of Comprehensive Income should be read in conjunction with the attached notes.

**GHANA ASSOCIATION OF BANKS LBG**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021**

		<b>2021</b>	<b>2020</b>
	<b>Note</b>	<b>GH¢</b>	<b>GH¢</b>
<b>Cash flows from operating activities</b>			
Excess of Income over Expenditure		57,494	5,222,826
Adjustments for:			
Depreciation	3	172,690	84,662
Donations		<u>(530,100)</u>	<u>(25,000)</u>
<b>Cash used in operations before changes in operating assets and liabilities</b>		<b>(299,916)</b>	<b>5,282,488</b>
(Increase) in Account Receivables and Prepayment		(84,059)	(500,000)
Increase/(Decrease) in Account Payables and Accruals		<u>317,736</u>	<u>(14,884)</u>
		<u><b>233,677</b></u>	<u><b>(514,884)</b></u>
<b>Net Cash used in operating activities</b>		<b>(66,239)</b>	<b>4,767,604</b>
<b>Cash flows from investing activities</b>			
Purchase of Property, Plant and Equipment	3	(752,833)	(38,602)
Proceed from Sale of Vehicle		61,600	-
Investments in Subsidiary		<u>-</u>	<u>(2,500,000)</u>
<b>Net Cash used in Investing Activities</b>		<u><b>(691,233)</b></u>	<u><b>(2,538,602)</b></u>
<b>Cash flows from financing activities</b>			
Donation of Funds		<u>530,100</u>	<u>25,000</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u><b>(227,372)</b></u>	<u><b>2,254,002</b></u>
<b>Analysis of changes in cash and cash equivalents</b>			
Cash and Cash Equivalents at the beginning of the year		3,435,886	1,181,884
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u><b>(227,372)</b></u>	<u><b>2,254,002</b></u>
<b>Cash and cash equivalents at the end of the year</b>	16	<u><b>3,208,514</b></u>	<u><b>3,435,886</b></u>
<b>Cash and cash equivalents</b>			
Short term investments		1,455	3,001,450
Cash and bank balances		<u>3,207,059</u>	<u>434,436</u>
		<u><b>3,208,514</b></u>	<u><b>3,435,886</b></u>

The above Statement of Cash flows should be read in conjunction with the attached notes.



## **GHANA ASSOCIATION OF BANKS LBG**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021**

#### **1. Reporting entity**

The Ghana Association of Banks LBG was established on 29<sup>th</sup> May, 1980. The Association is currently governed by a Twenty-four (2020: Twenty-four) member council representing the member banks. The address of its registered office and principal place of business is No.12 Tafawa Balewa Avenue, North Ridge, Accra.

#### **2. Significant Accounting Policies**

The following are the significant accounting policies adopted in the preparation of these Financial Statements.

##### **(a) Basis of preparation**

###### **(i) Statement of compliance**

The Financial Statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs).

###### **(ii) Basis of measurement**

The Financial Statements have been prepared under the historical cost basis except for financial instruments and other assets that are stated at fair value.

###### **(iii) Use of estimates and judgement**

The preparation of Financial Statements in conformity with (IFRS for SMEs) requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and 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 judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### **(b) Presentation of Financial Statements**

###### **(i) Functional and presentation currency**

The Financial Statements are presented in Ghana Cedis (GH¢) which is the Association's functional currency.

**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

**2. Significant Accounting Policies (continued)**

**(ii) Transaction and balances**

Transactions denominated in currencies other than the Ghana Cedis, are translated into Ghana Cedis at rates of exchange ruling at the dates of the transactions. Balances denominated in currencies other than the Ghana Cedis, are translated into Ghana Cedis at exchange rates ruling on the Statement of Financial Position date. The resultant gains and losses are recognized in the Statement of Comprehensive Income.

**(c) Financial Instruments**

**(i) Non-derivative financial instruments**

Non-derivative financial instruments comprise investment in shares and treasury bills, trade and other receivables, cash and cash equivalents, loans and borrowings and trade and other payables.

Non-derivative financial instruments are recognized initially at fair value plus, for instrument not at fair value through profit and loss, any directly attributable transaction cost. Subsequent to initial recognition non-derivative financial instruments are measured at amortised cost using the effective interest rate method, less any impairment losses, if any.

**(ii) Amortised cost measurement**

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

**(d) Property, Plant and Equipment**

**(i) Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

**(ii) Subsequent costs**

The cost of replacing part of an item of property, plant or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Income as incurred.



**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

**2. Significant Accounting Policies (continued)**

**(iii) Depreciation**

Depreciation of fixed assets is calculated to write off the book value on a straight line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:-

Office Furniture and Fittings	20%
Motor Vehicles	20%
Office Equipment	15%
Computers	25%

**(e) Inventories**

Inventories are measured at the lower of cost and net realisable value. The cost of inventories includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition.

Inventories consist of raw materials, manufactured products, and products purchased for resale and are stated at cost and on a first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated selling expenses.

**(f) Trade and Other Receivables**

Trade receivables are stated at amortised costs, less impairment losses. Specific allowances for impairments are made for receivables of which recovery is doubtful.

**(g) Cash and Cash Equivalents**

Cash and cash equivalents comprise cash on hand, bank balances and short-term instruments with maturities of three months or less, and these are carried at amortised cost in the Statement of Financial Position.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash on hand, bank deposits and 91 day treasury bills.

**(h) Income**

Income represents subscription earned and grants received during the year to support the Association's activities. Subscription is recognised when rates have been approved by the executive committee and demand notices have been delivered to members.

**(i) Grants**

Revenue grants are recognized as income over the period necessary to match them with the related costs, which they are intended to compensate, on a systematic basis.

Grants related to an asset, including non-monetary grants at fair value, are presented as deferred income and recognized as income over the useful life of the asset.

**(j) Investments**

Investments on Government Treasury Bills purchased with the intention of being held to maturity are stated at cost. The discount or interest is amortised over the period to redemption and are disclosed separately as investment income.

**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

17

**3. Property, plant & equipment**

	Motor Vehicle	Office Furniture	Office Fixtures & Fitting	Computer	Office Equipment	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
<b>2021</b>						
<b>A. Cost</b>						
Balance 1st January, 2021	433,850	329,160	434,897	69,568	102,079	1,369,554
Additions	581,600	23,180	125,590	8,100	14,363	752,833
Disposal	(433,850)	-	-	-	-	(433,850)
Balance 31st December, 2021	<b>581,600</b>	<b>352,340</b>	<b>560,487</b>	<b>77,668</b>	<b>116,442</b>	<b>1,688,537</b>
<b>B. Depreciation</b>						
Balance 1st January, 2021	372,250	320,792	434,896	39,473	79,576	1,246,987
Charge for the year	116,320	6,728	25,119	13,554	10,969	172,690
Disposal	(372,250)	-	-	-	-	(372,250)
Balance 31st December, 2021	<b>116,320</b>	<b>327,520</b>	<b>460,015</b>	<b>53,027</b>	<b>90,545</b>	<b>1,047,427</b>
<b>C. Net book value</b>						
At 31st December, 2021	<b>465,280</b>	<b>24,820</b>	<b>100,472</b>	<b>24,641</b>	<b>25,897</b>	<b>641,110</b>
<b>2020</b>						
<b>A. Cost</b>						
Balance 1st January, 2020	433,850	318,700	434,897	41,426	102,079	1,330,952
Additions	-	10,460	-	28,142	-	38,602
Balance 31st December, 2020	<b>433,850</b>	<b>329,160</b>	<b>434,897</b>	<b>69,568</b>	<b>102,079</b>	<b>1,369,554</b>
<b>B. Depreciation</b>						
Balance 1st January, 2020	310,650	318,700	434,896	27,943	70,136	1,162,325
Charge for the year	61,600	2,092	-	11,530	9,440	84,662
Balance 31st December, 2020	<b>372,250</b>	<b>320,792</b>	<b>434,896</b>	<b>39,473</b>	<b>79,576</b>	<b>1,246,987</b>
<b>C. Net book value</b>						
At 31st December, 2020	<b>61,600</b>	<b>8,368</b>	<b>1</b>	<b>30,095</b>	<b>22,503</b>	<b>122,567</b>

	2021 GH¢	2020 GH¢
<b>4. Investment in subsidiary</b>		
GAB Health Insurance Company Limited	<b>5,500,000</b>	<b>5,500,000</b>
<b>5. Account receivables and prepayments</b>		
Sundry Account Receivables	245,280	264,000
Prepaid Expenses	12,973	11,857
Security Deposit	40,880	-
Forensic Investigation	60,783	-
GAB Insurance Company	<b>500,000</b>	<b>500,000</b>
	<b>859,916</b>	<b>775,857</b>
<b>6. Short term investments</b>		
91 day treasury bill	<b>1,455</b>	<b>3,001,450</b>
	<b>1,455</b>	<b>3,001,450</b>



**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

18

	2021	2020
	GH¢	GH¢
<b>7. Cash and bank balances</b>		
Cash in Hand	6	42
Cash at Bank	<u>3,207,053</u>	<u>434,394</u>
	<b><u>3,207,059</u></b>	<b><u>434,436</u></b>
<b>8. Account payables and accruals</b>		
Accrued Expenses	<b><u>439,450</u></b>	<b><u>121,714</u></b>
<b>9. Subscriptions</b>		
Ecobank Ghana PLC	469,280.10	383,522.41
GCB Bank PLC	469,280.10	383,522.41
Stanbic Bank Ghana Limited	469,280.10	383,522.41
Fidelity Bank Ghana Limited	303,651.83	248,161.41
Standard Chartered Ghana Bank PLC	469,280.10	383,522.41
Zenith Bank Ghana Limited	303,651.83	248,161.41
Absa Bank Ghana Limited	469,280.10	383,522.41
Cal Bank PLC	303,651.83	248,161.41
National Investment Bank Limited	303,651.83	248,161.41
Agricultural Development Bank PLC	197,176.51	161,143.87
United Bank of Africa Ghana Limited	303,651.83	248,161.41
Access Bank Ghana PLC	197,176.51	161,143.87
Societe Generale Ghana PLC	197,176.51	161,143.87
Republic Bank Ghana PLC	197,176.51	161,143.87
Guaranty Trust Bank Limited	197,176.51	161,143.87
Prudential Bank Ghana Limited	197,176.51	161,143.87
Bank of Africa Ghana Limited	197,176.51	161,143.87
First Atlantic Bank Limited	197,176.51	161,143.87
Consolidated Bank (Ghana) Limited	197,176.51	161,143.87
FBN Bank Ghana Limited	197,176.51	161,143.87
Omnibank Bank Ghana Limited	197,176.51	161,143.87
ARB Apex Bank	197,176.51	161,143.87
Universal Merchant Bank Ghana Limited	197,176.51	161,143.87
First National Bank Limited	<u>197,176.51</u>	<u>161,143.87</u>
	<b><u>6,625,131</u></b>	<b><u>5,414,433</u></b>
<b>10. Investment income</b>		
Interest earned on Treasury Bills	<b><u>89,642</u></b>	<b><u>275,547</u></b>
<b>11. Other income</b>		
Interest earned on Staff Loans	-	-
Interest earned on Call Deposit	125,805	-
Sundry Income	115,458	-
Bullet Proof Vests & Helmets Contributions	1,830,164	-
Covid-19 Contribution	-	10,000,000
Donations	525,000	-
Funeral donation	-	20,000
Honorarium	<u>-</u>	<u>144,000</u>
	<b><u>2,596,427</u></b>	<b><u>10,164,000</u></b>

**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

19

	<b>2021</b>	<b>2020</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>12. Staff cost</b>		
Salaries	1,892,146	1,571,907
Social Security-Employer's contribution	105,276	57,033
Provident Fund- Employer's Contribution	123,928	117,867
Medical Expenses	<u>28,093</u>	<u>28,624</u>
	<b><u>2,149,443</u></b>	<b><u>1,775,431</u></b>
The average number of persons employed by the Association during the year was 3 (2020: 2).		
<b>13. Occupancy cost</b>		
Office rent	1,263,820	1,321,990
Office Services and parking	815	3,617
Security	26,621	-
Electricity	<u>59,664</u>	<u>63,023</u>
	<b><u>1,350,920</u></b>	<b><u>1,388,630</u></b>
<b>14. General and administrative expenses</b>		
Newspapers and Periodicals	4,088	3,129
Printing and Stationery Costs	86,406	5,792
Vehicle Insurance	46,274	5,296
Vehicles Repairs	-	2,955
Office Equipment Maintenance	13,968	18,805
Auditors' Remuneration	24,500	21,999
Letter Box Rentals	-	125
General and other Office Expenses	49,130	24,018
Transport and Travelling	31,002	14,460
Bank Charges	4,804	3,797
Entertainment Expenses	55,903	14,955
Advocacy Costs	193,622	169,925
Relocation Expenses	12,750	-
Bullet Proof Vests & Helments	3,797,902	-
Donations	530,100	25,000
Subscription	3,620	12,905
Accountancy Charges	129,730	120,000
Cleaning and Sanitation Costs	25,762	770
Communication Costs	52,004	42,044
Social responsibility	-	200,000
Internal Controllers Consultancy	142,703	120,000
Registration and Licensing	-	3,000
Former CEO Burial	-	156,181
Media coverage	222,722	40,028
Honorarium	-	159,000
Covid-19 Support	-	6,193,600
Consultancy	99,633	15,000
Vaccination Expenses	54,030	-
Repairs and Maintenance - Computer	<u>-</u>	<u>4,647</u>
	<b><u>5,580,653</u></b>	<b><u>7,382,431</u></b>



**GHANA ASSOCIATION OF BANKS LBG**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2021 - (continued)**

<b>15. Surplus for the year</b>	<b>2021</b>	<b>2020</b>
This is stated after charging:-	<b>GH¢</b>	<b>GH¢</b>
Auditors' Remuneration	24,500	21,999
Depreciation	172,690	84,662
Donations	530,100	25,000
<b>16. Analysis of changes in cash and cash equivalents at the end of the year</b>		
Cash in Hand	6	42
Cash at Bank	3,207,053	434,394
91 day Treasury Bills	<u>1,455</u>	<u>3,001,450</u>
	<b><u>3,208,514</u></b>	<b><u>3,435,886</u></b>

**16. Related party transactions**

There were no related party transactions as at 31st December, 2021 (2020: Nil).

**17. Contingent liabilities**

There were no contingent liabilities.

**18. Capital commitments**

There were no capital commitments.

**19. Events after the end of the reporting period**

No significant event occurred after the end of the reporting date which is likely to affect these financial statements.



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