

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

(All amounts are in thousands of Ghana cedis)	2022	Restated 2021
Interest income calculated using effective interest method	311,299	94,546
Interest expense	(41,663)	(872)
Net interest revenue	269,636	93,674
Other income	24,694	-
Operating income	294,330	93,674
Impairment losses on financial instruments	(28,531)	-
Personnel expense	(60,921)	(1,477)
Depreciation & amortisation	(4,065)	(1,480)
Other expenses	(80,532)	(9,796)
Profit before taxation	120,281	80,921
Income tax expense	(42,335)	(27,311)
Profit and total comprehensive income for the year	77,946	53,610

SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2022

(All amounts are in thousands of Ghana cedis)	2022	Restated 31 December 2021	Restated 01 January 2021
Assets			
Cash and cash equivalents	127,512	341,860	3,067
Investment securities	1,813,396	1,227,032	284,038
Loans and advances to customers	218,235	-	-
Intangible assets	180	-	-
Property and equipment	50,237	16,665	10,987
Deferred tax asset	7,769	319	185
Other assets	9,651	462	120,437
Total assets	2,226,980	1,586,338	418,714
Liabilities			
Current tax liability	80,344	30,559	3,114
Other liabilities	40,259	31,835	135
Lease liability	9,207	7,937	8,629
Borrowings	550,286	320,540	-
Total liabilities	680,096	390,871	11,878
Equity			
Stated capital	1,135,021	1,135,021	400,000
Deposit for shares	273,471	-	-
Statutory reserve	69,196	30,223	3,418
Retained earnings	69,196	30,223	3,418
Total equity	1,546,884	1,195,467	406,836
Total equity and liabilities	2,226,980	1,586,338	418,714

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

(All amounts are in thousands of Ghana cedis)	Stated Capital	Deposit For Shares	Statutory Reserve	Retained Earnings	Total
Balance at 1 January	1,135,021	-	30,223	30,223	1,195,467
Total comprehensive income					
Profit for the year	-	-	-	77,946	77,946
Total comprehensive income	-	-	-	77,946	77,946
Transactions with owners of the Bank					
<i>Contributions and distributions</i>					
Deposit for shares	-	273,471	-	-	273,471
Total contributions and distributions	-	273,471	-	-	273,471
<i>Other transfers</i>					
Transfer to statutory reserves			38,973	(38,973)	-
Balance at 31 December	1,135,021	273,471	69,196	69,196	1,546,884

SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

(All amounts are in thousands of Ghana cedis)	Stated Capital	Deposit For Shares	Statutory Reserve	Retained Earnings	Total
Balance at 1 January as previously reported	400,000	-	3,677	3,677	407,354
Impact of correction of errors	-	-	(259)	(259)	(518)
Restated balance at 1 January	400,000	-	3,418	3,418	406,836
Total comprehensive income (restated)					
Profit for the year	-	-	-	53,610	53,610
Total comprehensive income (restated)	-	-	-	53,610	53,610
Transactions with owners of the Bank					
<i>Contributions and distributions</i>					
Issue of ordinary shares	738,715	-	-	-	738,715
Transaction cost	(3,694)	-	-	-	(3,694)
Total contributions and distributions	735,021	-	-	-	735,021
<i>Other transfers</i>					
Transfer to statutory reserves	-	-	26,805	(26,805)	-
Balance at 31 December	1,135,021	-	30,223	30,223	1,195,467

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

(All amounts are in thousands of Ghana cedis)	2022	Restated 2021
Profit after tax	77,946	53,610
<i>Adjustments for:</i>		
Depreciation and amortisation	4,065	1,480
Interest income calculated using effective interest method	(311,299)	(94,546)
Interest expense	41,663	872
Tax expenses	42,335	27,311
Impairment losses on financial instruments	28,531	-
Write-off of property and equipment	53	-
Unrealized exchange loss	23,219	-
Changes in	(93,487)	(11,273)
Other assets	(9,189)	145,128
Loans and advances to customers	(245,323)	-
Other liabilities	(13,239)	13,256
Net cash (used in)/generated from operating activities	(90,147)	223,055
Cash flow from investing activities		
Purchase of property and equipment	(37,600)	(7,159)
Purchase of intangible assets	(270)	-
Net purchase of investments securities	(548,526)	(950,032)
Net cash used in investing activities	(586,396)	(957,191)
Cash flow from financing activities		
Proceeds from borrowings	190,601	338,985
Proceeds from issue of shares	738,715	-
Proceeds from deposit for shares	273,471	-
Transaction cost paid on shares issued	-	(3,694)
Principal lease payments	(2,184)	(1,077)
Net cash generated from financing activities	461,888	1,072,929
Net (decrease)/increase in cash and cash equivalents	(214,655)	338,793
Cash and cash equivalents at 1 January	341,860	3,067
Effects on changes in exchange rate on cash and cash equivalents held	307	-
Cash and cash equivalents at 31 December	127,512	341,860

Notes to the Summary Financial Statements for Year Ended 31 December 2022

1. Reporting entity

Development Bank Ghana Limited (the "Bank"), is a limited liability company incorporated and domiciled in Accra, Ghana. Its registered office is at Accra Financial Centre, 8th Floor, Liberia Road, Accra.

2. Basis of Preparation & Significant Accounting Policies

The summary financial statements have been prepared in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants Ghana (ICAG).

The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The annual audited financial statements which were authorised for issue on 21 June 2023 are available for inspection at the Head Office of Development Bank Ghana Limited.

3. Quantitative Disclosures

	2022	2021
a. Capital Adequacy Ratio(%)	151	182
b. CET 1	151	182
c. Leverage ratio(%)	56	75
d. NPL ratio(%)	Nil	Nil
e. Liquid ratio(%)	1582	3024
f. Statutory liquidity sanctions('000)	Nil	Nil

Report of the Directors to the Members of Development Bank Ghana Limited

Directors' Responsibility Statement

The Directors are responsible for the preparation of the summary financial statements, comprising the summary statement of financial position at 31 December 2022 and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended, and the related notes to the summary financial statements for each financial year which gives a true and fair view of the state of affairs of the Bank.

The Directors have prepared these summary financial statements in accordance with the requirements of the Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions. The Guide requires the summary financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and adopted by the Institute of Chartered Accountants Ghana (ICAG). The accounting policies applied in the preparation of the audited financial statements, from which the summary financial statements were derived, are in accordance with IFRS and are consistent with the accounting policies applied in the preparation of the previous annual audited financial statements.

The Directors are responsible for ensuring that the Bank keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Bank. The Directors are also responsible for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

Principal activities

The Development Bank Ghana Ltd was established to provide wholesale long to medium term finance to participating financial institutions (PFIs) to on-lend to micro, small and medium enterprises (MSMEs) in specific sectors such as

Independent Auditor's Report on the Summary Financial Statements



To the Members of Development Bank Ghana Limited

Opinion

The summary financial statements, which comprise the summary statement of financial position at 31 December 2022, and the summary statements of comprehensive income, changes in equity and cash flows for the year then ended and related notes, are derived from the audited financial statements of Development Bank Ghana Limited for the year ended 31 December 2022.

In our opinion, the accompanying summary financial statements are a fair summary of the audited financial statements, in accordance with the basis described in note 2.

Summary Financial Statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Development Finance Institutions Act, 2020 (Act 1032) applied in the preparation of the audited financial statements of Development Bank Ghana Limited. Reading the summary financial statements and our report thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon.

The Audited Financial Statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 23 June 2023. That

4. Qualitative Disclosures

a. Dominant Risks

The Bank is exposed to the following risks:

- Credit Risk
- Liquidity Risk
- Operational Risk
- Market Risk

The Board of Directors has established a Risk Management Framework to identify, assess and mitigate risks inherent in the business. These include the Assets and Liabilities Committee (ALCO), which is responsible for managing the Balance Sheet risks. Also, the Bank has a Management Investment Committee to assess and manage risks arising from investment of the Bank's capital resources.

The Bank has Risk Management, Internal Audit and Compliance Departments. The departments play complimentary roles to mitigate the risks that the Bank is exposed to. They identify, define, measure, control, monitor and mitigate potential events that could impair the ability of the Bank to generate stable and sustainable financial results from its operations.

b. Risk management, compliance frameworks and measurement

All risks are qualitatively and quantitatively evaluated on a recurring basis. Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the Risk Department which also tests the effectiveness of risk management activities and makes recommendations for remedial actions. The Bank also identifies risk by evaluating the potential impact of internal and external factors, business transactions and positions. Once the risks are identified, various mitigating measures are put in place to regulate the degree of risks involved.

manufacturing, agribusiness, ICT and high value services. The Bank also provides guarantee finance through PFIs to de-risk the MSMEs. There was no change in the nature of the Bank's business during the year.

Shareholding structure

The Bank is wholly owned by the Government of Ghana.

Corporate social responsibility

A total of GHC 723,000 (2021: Nil) was spent under the Bank's social responsibility programme with key focus on enhancing the capacity of Micro, Small and Medium Enterprises.

Dividend

The Directors do not recommend the payment of dividend for the year ended 31 December 2022 (2021: Nil).

Auditor

The Audit Committee has responsibility delegated from the Board of Directors for making recommendations on the appointment, removal and remuneration of the external auditor. KPMG was appointed as auditor in the year under review.

Approval of the report of the Directors

The report of the Directors of Development Bank Ghana Limited was approved by the Board of Directors on 21 June, 2023 and signed on their behalf by:

Dr. Yaw Ansu
Director

Mr. Kwamina Duker
Director

report also includes the communication of key audit matters. Key audit matters are those matters that in our professional judgement, were of most significance in our audit of the financial statements for the current period.

Directors' Responsibility for the Summary Financial Statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the basis described in the note 2.

Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are a fair summary of the audited financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Frederick Nyan Dennis (ICAG/P/1426).

KPMG
FOR AND ON BEHALF OF:
KPMG (ICAG/E/2023/038)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

23 June 2023