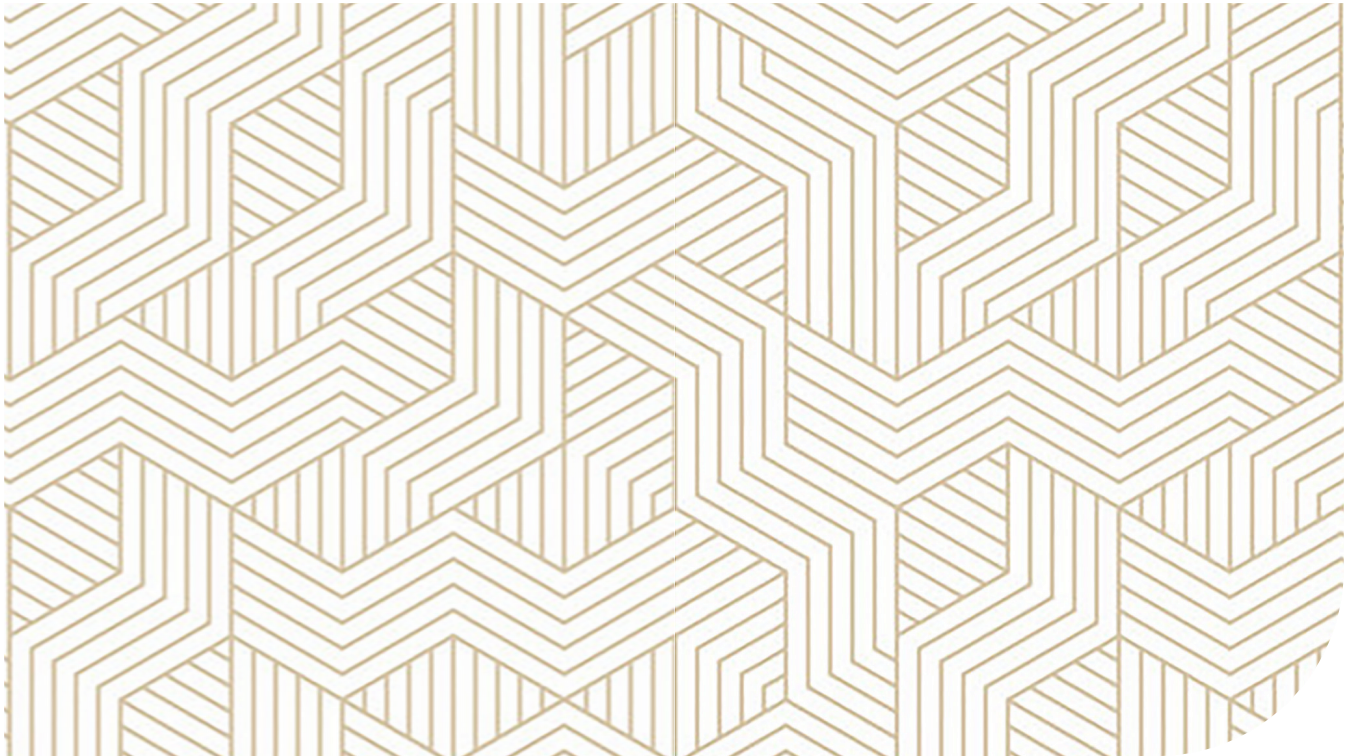




**DBG**

Development  
Bank  
Ghana



SUMMARY FINANCIAL STATEMENTS  
PREPARED FROM THE AUDITED  
FINANCIAL STATEMENTS FOR THE  
YEAR ENDED 31 DECEMBER 2023

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**ANNUAL PUBLICATION 2023**

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

<i>(All amounts are in thousands of Ghana Cedis)</i>	2023	2022
Interest income calculated using effective interest method	429,335	311,299
Interest expense	(74,622)	(41,663)
<b>Net interest revenue</b>	<b>354,713</b>	<b>269,636</b>
Other income	3,472	24,694
<b>Operating income</b>	<b>358,185</b>	<b>294,330</b>
Impairment losses on financial instruments	(16,424)	(28,531)
Personnel expense	(87,387)	(60,921)
Depreciation & amortisation	(7,440)	(4,065)
Other expenses	(122,662)	(80,532)
<b>Profit before taxation</b>	<b>124,272</b>	<b>120,281</b>
Income tax expense	(44,158)	(42,335)
<b>Profit and total comprehensive income for the year</b>	<b>80,114</b>	<b>77,946</b>

## SUMMARY STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

<i>(All amounts are in thousands of Ghana Cedis)</i>	2023	2022
<b>Assets</b>		
Cash and cash equivalents	51,861	127,512
Investment securities	1,469,020	1,813,396
Loans and advances to customers	844,126	218,235
Intangible assets	833	180
Property and equipment	351,983	50,237
Deferred tax asset	22,115	7,769
Other assets	21,654	9,651
<b>Total assets</b>	<b>2,761,592</b>	<b>2,226,980</b>
<b>Liabilities</b>		
Current tax liability	138,850	80,344
Other liabilities	86,008	40,259
Lease liability	22,330	9,207
Borrowings	892,141	550,286
<b>Total liabilities</b>	<b>1,139,329</b>	<b>680,096</b>
<b>Equity</b>		
Stated capital	1,403,619	1,135,021
Deposit for shares	138	273,471
Statutory reserve	109,253	69,196
Retained earnings	109,253	69,196
<b>Total equity</b>	<b>1,622,263</b>	<b>1,546,884</b>
<b>Total equity and liabilities</b>	<b>2,761,592</b>	<b>2,226,980</b>

## SUMMARY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

<i>(All amounts are in thousands of Ghana Cedis)</i>	Stated Capital	Deposit For Shares	Statutory Reserve	Retained Earnings	Total
Balance at 1 January 2023	1,135,021	273,471	69,196	69,196	1,546,884
<i>Total comprehensive income</i>					
Profit for the year	-	-	-	80,114	80,114
<b>Total comprehensive income</b>	-	-	-	149,310	1,626,998
<b>Transactions with owners of the Bank</b>					
<i>Contributions and distributions</i>					
Transfer to stated capital	273,333	(273,333)	-	-	-
Transaction cost	(4,735)	-	-	-	(4,735)
<b>Total contributions and distributions</b>	268,598	(273,333)	-	-	(4,735)
<i>Other transfers</i>					
Transfer to statutory reserves	-	-	40,057	(40,057)	-
<b>Balance at 31 December 2023</b>	1,403,619	138	109,253	109,253	1,622,263

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

<i>(All amounts are in thousands of Ghana Cedis)</i>	Stated Capital	Deposit For Shares	Statutory Reserve	Retained Earnings	Total
Balance at 1 January 2022	1,135,021	-	30,223	30,223	1,195,467
<i>Total comprehensive income</i>					
Profit for the year	-	-	-	77,946	77,946
<b>Total comprehensive income</b>	-	-	-	77,946	77,946
<b>Transactions with owners of the Bank</b>					
<i>Contributions and distributions</i>					
Deposit for shares	-	273,471	-	-	273,471
<b>Total contributions and distributions</b>	-	273,471	-	-	273,471
<i>Other transfers</i>					
Transfer to statutory reserves	-	-	38,973	(38,973)	-
<b>Balance at 31 December 2022</b>	1,135,021	273,471	69,196	69,196	1,546,884

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

<i>(All amounts are in thousands of Ghana Cedis)</i>	<b>2023</b>	2022
Profit after tax	<b>80,114</b>	77,946
<i>Adjustments for:</i>		
Depreciation and amortisation	<b>7,440</b>	4,065
Interest income calculated using effective interest method	<b>(429,335)</b>	(311,299)
Interest expense	<b>74,622</b>	41,663
Income tax expense	<b>44,158</b>	42,335
Impairment losses on financial instruments	<b>16,424</b>	28,531
Write-off of property and equipment	-	53
Unrealised exchange loss	<b>50,415</b>	23,219
	<b>(156,162)</b>	(93,487)
<i>Changes in</i>		
Other assets	<b>(12,003)</b>	(9,189)
Loans and advances to customers	<b>(623,464)</b>	(245,323)
Other liabilities	<b>(6,313)</b>	(13,239)
	<b>(797,942)</b>	(361,238)
Interest received	<b>410,485</b>	272,017
Interest paid on lease liability	<b>(1,459)</b>	(587)
Interest paid on borrowings	<b>(4,305)</b>	(339)
<b>Net cash used in operating activities</b>	<b>(393,221)</b>	(90,147)
<b>Cash flow from investing activities</b>		
Purchase of property and equipment	<b>(297,282)</b>	(37,600)
Purchase of intangible assets	<b>(863)</b>	(270)
Net redemption/(purchase) of investment	<b>344,376</b>	(548,526)
<b>Net cash generated from/(used in) investing activities</b>	<b>46,231</b>	(586,396)
<b>Cash flow from financing activities</b>		
Proceeds from borrowings	<b>274,878</b>	190,601
Proceeds from deposit for shares	-	273,471
Transaction cost paid on shares issued	<b>(4,735)</b>	-
Principal lease payments	<b>(2,298)</b>	(2,184)
<b>Net cash generated from financing activities</b>	<b>267,845</b>	461,888
Net decrease in cash and cash equivalents	<b>(79,145)</b>	(214,655)
Cash and cash equivalents at 1 January	<b>127,512</b>	341,860
Effects on changes in exchange rate on cash and cash equivalent held	<b>3,494</b>	307
<b>Cash and cash equivalents at 31 December</b>	<b>51,861</b>	127,512

**1. Reporting entity**

Development Bank Ghana Limited (DBG) 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 & Material Accounting Policies**

The financial statements of Development Bank Ghana Limited have been prepared in accordance with the requirements of the Guide for Financial Publication for Banks and the 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 IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana (ICAG).

The ICAG issued a directive in November 2023 to accountants in business and accountants in practice, together with an update during January 2024 in terms of which the ICAG concluded that based on its analysis and interpretation, IAS 29 will not be applicable for December 2023 financial reporting period since Ghana is not considered to be operating in a hyperinflationary economy. In this regard, the financial statements of the Bank, including the corresponding figures for the comparative period have not been stated in terms of the measuring unit current at the end of the reporting period.

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 Accounting Standards including the Hyperinflation Directive issued by the ICAG and consistent with the accounting policies applied in the preparation of the previous annual audited financial statements. The annual audited financial statements are available for inspection at the Head Office of Development Bank Ghana Limited.

**3. Quantitative Disclosures**

	<b>2023</b>	2022
a. Capital Adequacy Ratio(%)	<b>86</b>	151
b. CET 1	<b>86</b>	151
c. Leverage ratio(%)	<b>54</b>	56
d. NPL ratio(%)	<b>Nil</b>	Nil
e. Liquidity ratio(%)	<b>607</b>	1582
f. Statutory liquidity sanctions('000)	<b>Nil</b>	Nil

**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.

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

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### 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 2023 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 of financial statements to be prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS Accounting Standards including the Hyperinflation Directive issued by the 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 Accounting Standards including the Hyperinflation Directive issued by the ICAG 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 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 GH¢ 1,048,000 (2022: GH¢ 723,000) was spent under the Bank's social responsibility programme with key focus on women and enhancing the capacity of Micro, Small and Medium Enterprises (MSMEs).

### Dividend

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

### Auditor

The Auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

### Approval of the report of the Directors

The financial statements do not contain any untrue statements, misleading facts or omit material facts, to the best of our knowledge.

The report of the Directors of Development Bank Ghana Limited was approved by the Board of Directors on 25 March 2024 and signed on their behalf by:

**Dr. Yaw Ansu**  
Director

**Mr. Kwamina Duker**  
Director



**To the Members of Development Bank Ghana Limited**

*Opinion*

The summary financial statements, which comprise the summary statement of financial position at 31 December 2023 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 2023.

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 IFRS Accounting Standards including the Hyperinflation Directive issued by the Institute of Chartered Accountants, Ghana and in the manner required by the Companies Act, 2019 (Act 992) and the Development Finance Institutions Act, 2020 (Act 1032). 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 summary financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited financial statements.

*The Audited Financial Statements and Our Report Thereon*

We expressed an unmodified audit opinion on the audited financial statements in our report dated XXXX.

That 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 Responsibilities for the Audit of the Financial Statements*

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/F/2024/038)

CHARTERED ACCOUNTANTS

13 YIYIEA DRIVE, ABELINKPE

P O BOX GP 242

ACCRA

10 April 2024

## **ANNUAL PUBLICATION 2023**

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