Chief Executive Officer's Report

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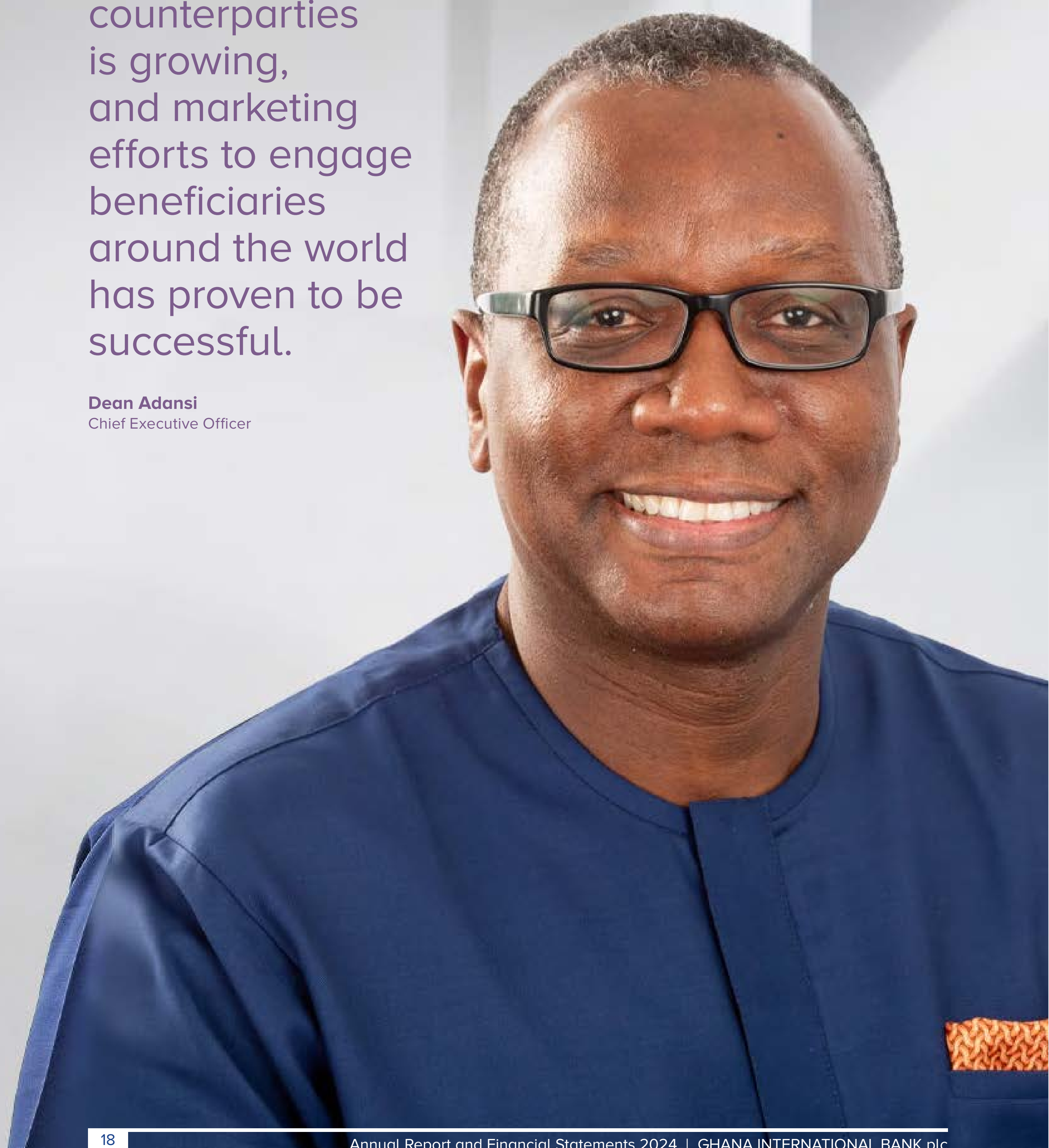
Dean Adansi
Chief Executive Officer



The year in review

Ghana's Economic recovery and the banking sector

- GDP grew by 6.9% in Q2 2024, inflation dropped, and the banking sector improved.
- The successful Eurobond restructuring deal reduced debt and boosted financial stability.

GHIB's trade finance market expansion

- GHIB continues to execute on its strategy of diversification and deeper market penetration in trade finance.
- Increased business in Ghana, Nigeria, and The Gambia, handling $1.5 billion in trade flows.
- Signed a number of trade financing agreements with international partners.

Technology modernisation

- Completed a multitude of application upgrades, enhancing our operating effectiveness and efficiency as well as ensuring high standards of operational resilience.
- Continued to invest in state-of-the-art cyber security systems and resources who have a deep understanding and specialist technical know-how.

Financial resilience

- Profits before tax increased from £4.3m to £5.8m and Return on Equity improved from 1.9% to 2.5%.
- The balance sheet grew 37% to £1.1bn, the first year in the Banks history the balance sheet has grown beyond £1.0bn as at year-end.
- Common Equity Tier 1 ratio of 22.4% and a Liquidity Coverage Ratio of 256%

Outlook for 2025 and strategic priorities

- Ghana's economy is expected to grow at 4.4% and the outlook is positive.
- GHIB will expand its trade activity in Africa despite global challenges, supported by deepening relationships with key partners.
- Focus will be on further improving profitability through business growth and cost control, whilst maintaining high standards of systems and controls to manage risks.

GHIB remains committed to providing innovative trade finance solutions despite global economic uncertainties.

Chief Executive Officer's Report

The year in review

The year 2024 was yet another eventful year in our markets, given the broader macroeconomic changes and commercial developments related to the Bank's activities. Ghana's economy continued to recover from the effects of fiscal distress in 2022 and into 2023. As expected, indicators of economic activity continued to be moving in the right direction, with inflation falling significantly and growth expected to be moderate at about 3.1% in 2024. GDP growth was 6.9% in Q2 2024 and is evidence of improving fundamentals in the economy. Reflecting the successful completion (over 90% of bondholders voted in favor of the deal) of the Eurobond exchange offer, Fitch upgraded Ghana's new USD bonds issued on October 9th, 2024, to CCC+. The agreement with bondholders will meaningfully reduce the debt burden and provide fiscal space for social programs and other growth enhancing initiatives. It is expected that the primary surplus on a commitment basis will be about 0.5% of GDP in 2024. The agreement with bondholders was deemed to be compatible with the debt sustainability standards underpinning the Extended Credit Facility program with the IMF. Since May 2023, the government of Ghana has received $1.92 billion in disbursements under the ECF. Under current expectations of common treatment, restructuring of the government's commercial debt should lead to a decline in central government debt to 70% of GDP in 2024 and 68% in 2025 (according to Fitch). The banking sector continues to recover, with profitability improving in 2024.

GHIB continues to execute on its strategy of diversification and deeper market penetration in trade finance - in line with our vision of becoming the most compelling UK trade bank focused on Africa. Our pool of counterparties is growing, and marketing efforts to engage beneficiaries around the world has proven to be successful. The scope of our trade operations reflects our strident marketing efforts in West and East Africa, where we have come to be seen as a reliable and highly competent trade finance partner. As confidence in our trade finance capabilities increases over time, we expect to be able to gain market share with exporters serving our current markets (UAE, UK, China, India, Singapore, Switzerland, and other regions). We have also made some inroads in the Nigerian trade finance market, by providing financing on structured trade solutions for some of the banks and their clients. We also intermediated approximately $1.5 billion in trade flows in 2024 (or approximately 1% of intra-African trade).

We also signed a number of trade financing agreements with international partners, which will boost trade activities in 2025 and beyond. Our engagement with the UK regulators has been excellent, and GHIB continues to be viewed as a well-managed institution with appropriate governance arrangements. The relationships with our clearing banks are excellent, and the recent expansion of our GBP clearing options deepens these relationships and enhances the bank's operations and financial resilience.

How GHIB's financing activities support economic growth in our markets - Gambia

As part of our strategy to grow trade business in core markets, our teams have made good progress deepening relationships with clients and prospects in the Gambia. We remain committed to Gambia, and intend to scale up our business there in the coming years. Our trade activities include financing the import of food and beverages, domestic appliances, machinery/generators, fuel, and vehicles. Our relationships with beneficiaries and suppliers in Singapore, UAE, the UK, and Hong Kong are vital is strengthening these trading relationships between local banks and their clients, and our client development teams have distinguished themselves in these efforts.

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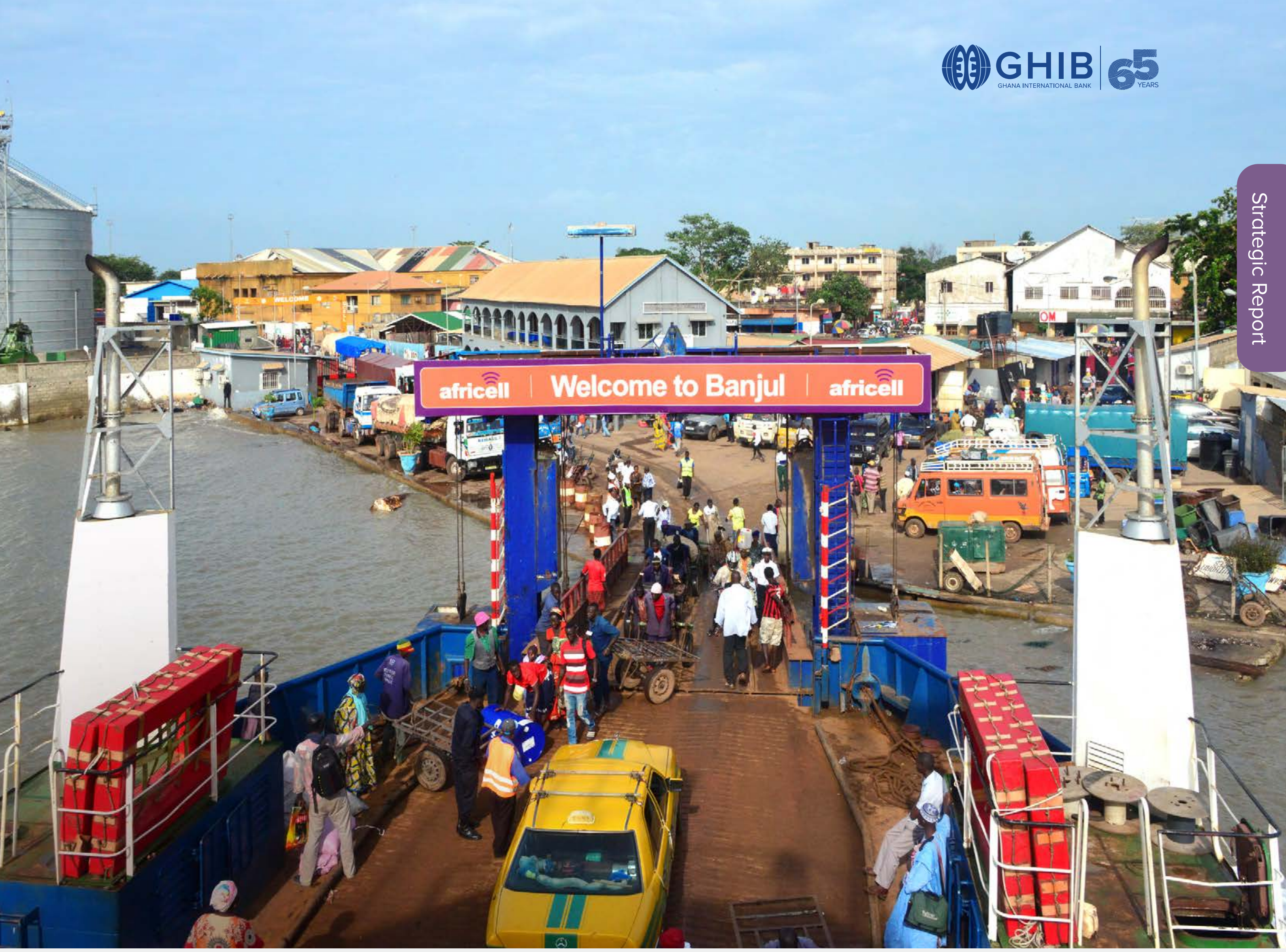
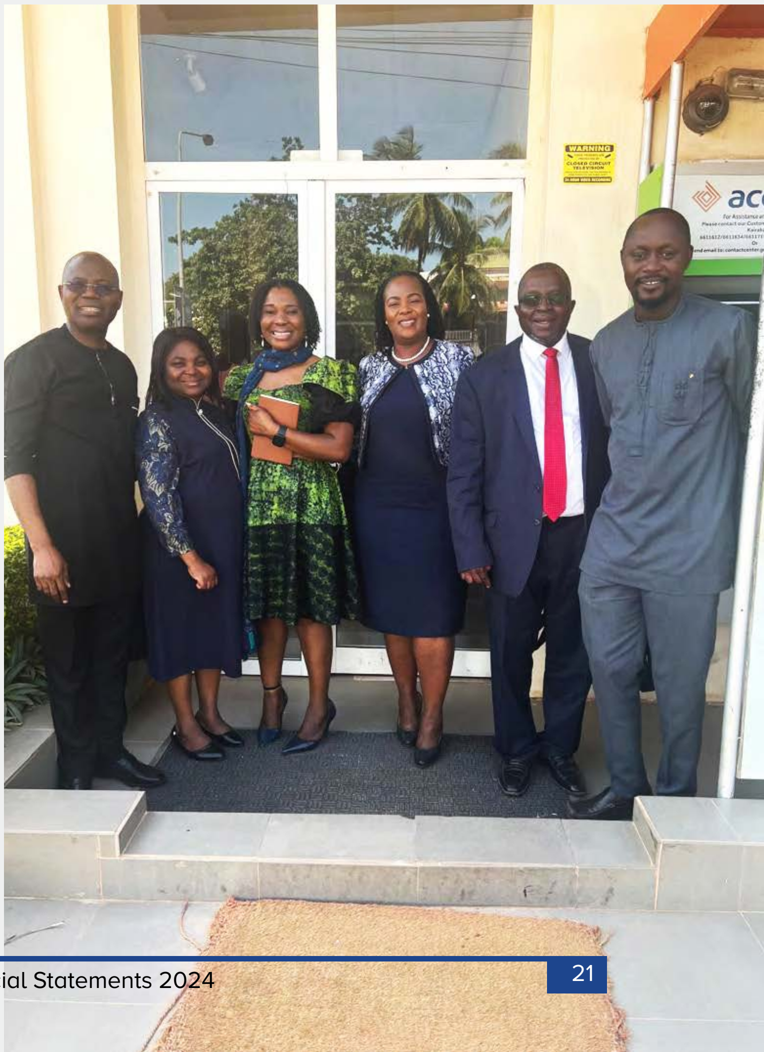


Gambia is a small economy reliant on tourism, remittances, construction, commerce and agriculture. GDP/Capita is approximately USD1,000. The banking sector is relatively healthy, with a capital adequacy ratio of close to 25%. The vast majority of the country's debt is held by multilateral institutions, and the local bond market is small, with outstanding government debt of about $700 million. Approximately 60% of its external financing needs come from grants, with the remainder provided by the IMF. And it receives significant budgetary support from the EU, World Bank and multilateral development institutions. While the government has made progress with reforms in tax collection, anti-corruption measures, and public financial management, several challenges persist. These include elevated inflation, susceptibility to external macroeconomic factors, and significant imbalances in trade – trade in goods account for about 40% of GDP.

We believe we are a significant economic partner to the Gambian banks and the economy at large. According to the IMF, remittances are expected to be one of the



supporting factors in the 5% GDP growth projected in the next three years. Our transaction banking activities accounted for about 40% of all remittances into the Gambia in 2025. And given remittances account for about 20% of GDP (the largest source of foreign exchange inflows into the economy), we believe GHIB's remittance activities represent 8%-10% of GDP. Combining this with our trade finance activities, we estimate GHIB's commercial activities in the Gambia contribute to the generation of about 25% of GDP. With GDP/Capita of about USD1,000, USD250 of this income is directly or indirectly fuelled by our activities in this market.

Our transaction services also provide access to global clearing for the Gambian banks, and this important capability makes GHIB the indispensable bank in the Gambian market. We also act as intermediary in bank-to-bank transfers which are over 200% of the magnitude of remittances to individuals.

Outlook

The IMF's projections for economic growth in Sub-Saharan Africa in 2025 of 4.2% is marginally better than what was achieved in 2024 - 3.6%. Ghana's projected growth of 4.4% reflects stronger gold and cocoa price expectations. The real GDP forecast for Nigeria, an important market for GHIB, is also expected to be marginally higher at 3.2%. On the fiscal side, much will depend on U.S. interest rates and the affordability of maturing debt that needs to be refinanced. In Ghana, we expect macroeconomic conditions to continue to stabilize, with an average consumer price increase of 11.5%, down from 19.5% in 2024. The recently completed Eurobond debt exchange will provide much-needed fiscal space for spending on growth-oriented initiatives, and improves the chances of accessing the international capital markets once an agreement is also reached with external commercial creditors. Gross international reserves are improving, and is expected to cover over three months of imports by the end of 2025.

'Ghana's projected growth of 4.4% reflects stronger gold and cocoa price expectations.'

Fiscal policy in the UK appears to be decidedly more expansionary, given the planned increases in taxes and spending by the current government. Annual tax increases of about £30 billion to £40 billion over the next few years, and additional borrowing of over £30 billion is intended to fund the government's new social programs. As a result, government borrowing levels grow by about £32 billion in each of the next few years.

In this economic environment of higher taxes and government spending (mostly on consumption), household consumption is only expected to grow at 1.7% in 2025, while unemployment remains stable at 4.1%. We do not expect aggressive changes in the Bank Rate over the course of 2025, but the planned significant increase in the public debt stock means the Gilts market could be susceptible to pressure as the government issues more paper to fund its budget program.

The scope of our Sterling denominated activities is expected to grow modestly in 2025. As we diversify our holdings of credit instruments, we will take advantage of favorable risk-reward situations where market yields become elevated due to concerns about rising public sector indebtedness.

Signed

Mr D. Adansi
Chief Executive Officer

18 March 2025

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