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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the **Nineteenth (19th) Annual General Meeting** of shareholders of Amantin and Kasei Community Bank Limited will be held at the Chapel of the Church of Pentecost, Amantinon **Saturday, 21st September 2024 at 10"30am prompt**

AGENDA:

1. To read the notice convening the meeting.
2. To receive the report of the Board Chairman.
3. To receive the report of the Directors.
4. To receive the report of the Auditors.
5. To consider and accept the financial statements of the Bank for the year ended 31st December 2023.
6. To authorize the Directors to transfer funds from reserves to stated capital.
7. To authorize Director to fix the remuneration of the Auditors.
8. To fix Directors' remuneration.

BY ORDER OF THE BOARD OF DIRECTORS
Dated, this 19th day of August 2024

AMANTIN AND KASEI COMMUNITY BANK LIMITED

FINANCIAL STATEMENTS

31ST DECEMBER, 2023

HEAD OFFICE - AMANTIN
P.O.BOX 128, EJURA - ASHANTI
Tel: 0202099927
Email: amakacom@ymail.com

CORPORATE INFORMATION

BOARD MEMBERS	Dr. John Oduro - Boateng (Retired on 18/11/2023) Mr. Alfred Owusu Acheaw (Retired on 18/11/2023) Mr. Anthony Appiah (Retired on 18/11/2023) Mrs. Mary B.Ansong (Retired on 18/11/2023) Mr.Awudu Fatau (Retired on 18/11/2023) Mr. Vicent Amponsah Mr. Clement Ofosu - Ntiamoah (Appointed on 18/11/2023) Mr. Eric Acheampong (Appointed on 18/11/2023) Mr. Richard Afriyie Owusu (Appointed on 18/11/2023) Mr. Godfrey Djie (Appointed on 18/11/2023) Ms. Maryam Kamara (Appointed on 18/11/23)
SECRETARY	Mr. Vicent Amponsah C/O P.O.Box 128 Ejura - Ashanti
MANAGEMENT	Mr. Michael Wilberforce Osae Mr. Michael B. Debrah Mr.Isaac Amoako - Boafo Mr. Eric Nanjor Janja Mr. Ernest Mark Mr. Owusu Boateng Geoffrey Mr. Samuel Acheampong
INTERNAL AUDITOR	Mr. Steve Sarpong Jnr.
SOLICITORS	K.Yeboah Asuama Jnr. Esq. Wiredu- Peprah Oduro Esq. (Legal Practitioners) P.O. Box OI 1542 Sunyani
AUDITORS	Richard Owusu-Afriyie & Associates Chartered Accountants & Business Advisors P. O. Box AH 9139 Ahensan - Kumasi
BANKERS	ARB Apex Bank PLC Consolidated Bank Ghana Limited GCB Bank
REGISTERED OFFICE	Amantin and Kasei Community Bank Limited Building Amantin P.O. Box 128 Ejura- Ashanti

CORPORATE GOVERNANCE REPORT

Amantin and Kasei Community Bank Limited operates in accordance with the principles and practices on corporate governance guided by the Corporate Governance Directive of 2021 for Rural and Community Banks, Corporate Governance Disclosures Directives for Banks, Savings and Loans, Finance Houses and Financial Holding Companies issued the Bank of Ghana in May 2022, and the Fit and Proper Persons Directive 2019 issued by the Bank of Ghana, as well as the Code of Best Practices in Corporate Governance.

The objectives of the bank's corporate governance and its disclosures are to:

i. adopt sound corporate governance principles and best practices to enable it undertake its licensed business in a sustainable manner;
ii. promote the interest of depositors and other stakeholders by enhancing corporate performance and accountability of the bank;
iii. promote and maintain public trust and confidence in the bank by prescribing sound corporate governance standards which are critical to the proper functioning of the bank;
iv. maximise shareholders' value and interest.
v. enhance transparency and market discipline;
vi. enhance the accountability of the bank to its stakeholders; and
vii. assess the effectiveness of bank's Corporate Governance practices and their risk profiles;

These objectives have been articulated in a number of corporate documents, including the bank's regulations, a board charter, rules of procedures for boards, a code of conduct for directors and rules of business ethics for staff.

The Board of Directors

The Board is responsible for setting the bank's strategic direction, leading and controlling the bank and monitoring activities of the executive management. As of 31 December 2023, the Board of Directors of Amantin and Kasei Community Bank Limited consisted of five (5) Non-Executive Directors. This is in compliance with sections 19 to 21 of the Corporate Governance Directive of 2021. The Board members have wide experience and in-depth knowledge in management, industry, technology and financial markets which enables them to make informed decisions and valuable contributions to the bank's progress. The Board met Six (6) times during the year, which met the minimum required number of meetings to be held by the Board per section 32 of the Corporate Governance Directive of 2021.

Schedule of Board Meetings Held in 2023

Attendance at the meetings are as follows:

Member	Meetings Attended
Dr. John Oduro Boateng	6/6
Mrs. Mary B. Ansong	6/6
Mr. Awudu Fatau	6/6
Mr. Vincent Amponsah	5/6
Mr. Alfred Owusu-Acheaw	6/6

The Board has overall responsibility for the bank, including approving and overseeing the implementation of the strategic objectives, risk strategy, corporate governance and corporate values. According to section 15 of the Fit and Proper Directive; the Board is responsible for appointing and providing oversight of senior management and ensures a well-structured and rigorous selection process in line with the fit and proper directive is in place.

The Board and its Committees

The Board is accountable for the long-term success of the bank and it is responsible for ensuring leadership, approving strategy, and ensuring that the bank is suitably resourced to achieve its strategic aspirations. In doing so, the Board considers its responsibilities to, and the impact of its decisions on its stakeholders including shareholders, employees, customers, suppliers, the environment and the communities the bank operates in.

The Board also delegates certain responsibilities to its committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the bank to the General Manager and Management in respect of matters which are necessary for the day to day running of the bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its time on during the year as it provided guidance to Management in steering the bank. The Board met regularly throughout the year.

Board Roles and Key Responsibilities

Board of Directors

The Board ensures the success of the bank by setting the strategic direction, establish the risk appetite and continuously monitor and improve the bank's performance so as to protect depositors' interest and enhance shareholders' value.

Chairman

The Chairman is responsible for leading the Board and its overall effectiveness and governance, promoting a high standard of integrity and ensuring effective communication between the board, management, shareholders and other stakeholders.

Chief Executive Officer

The Chief Executive Officer is responsible for managing all aspects of the bank's businesses, developing strategies in conjunction with the chairman and the Board and leading its implementation.

Board Committees

The Board made a conscious decision to delegate a broader range of issues to the Board Committees, namely Audit, ICT, Risk and Compliance, IT Cyber security and Credit and Welfare and Discipline. The linkages between the Committees and the Board are critical for the smooth running of the bank. The Board duly received minutes and updates from each of the Committee's meetings throughout the reporting period. The bank has an effective mechanism in place to ensure that there are no gaps or unnecessary duplication between the remit of each committee.

Audit, Finance, ICT, AML, Risk and Compliance Committee

The Committee is appointed by the Board for the purpose of assisting it in assessing; the adequacy and effectiveness of the controls over financial reporting; the qualifications, independence and performance of the company's external auditors; the effectiveness, independence and overall performance of the company's Internal Audit; the adequacy and effectiveness of risk management framework and practices; the adequacy and effectiveness of the company's management recommendations regarding material risks related to the performance of the strategic and material activities of the company; and the adequacy and effectiveness of the company's compliance with legal and regulatory requirements and those concerning the company's responsibilities over the execution of operational activities as related to monetary policy.

The Committee is mandated to review and approve the company's risk policies; set a risk appetite or tolerance and strategy including Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) within which management is required to develop business strategy or plans, objectives and targets for achievement. The Committee is to advise the Board on the recommended risk strategy or appetite within which its business is to be conducted. Again, the Committee oversees and advises the Board on the current risk exposures of the Company and future risk strategy. The Committee also reviews the annual and half-yearly financial statements prior to their approval by the Board, the effectiveness of Management Information Systems

Schedule Audit, Finance, ICT, AML, Risk and Compliance Committee's Meetings Held in 2023

Attendance at the meeting is as follows

Member	Meetings Attended
Mr. Vincent Amponsah	3/3
Mrs. Mary B. Ansong	3/3
Mr. Awudu Fatau	3/3

Credit Committee

The Credit Committee has oversight responsibilities on behalf of the board for the approval of credit facilities for the company. The role of this committee includes but are not limited to the following: considering and approving specific loans above the Head of Credit's authority limit, as determined by the Board from time to time; reviewing Management Credit Committee's authority level as and when deemed necessary and recommending new levels to the Board for consideration; conducting quarterly review of credits granted by the company to ensure compliance with the company's internal control systems and credit approval procedures; reviewing the company's internal control procedures in relation to credit risk assets and ensuring that they are sufficient to safeguard the quality of the company's risk assets

Schedule of Credit Committee's Meetings Held in 2023

Attendance at the meeting is as follows

Member	Meetings Attended
Mr. Awudu Fatau	1/1
Mr. Alfred Owusu Acheaw	1/1

Welfare and Discipline Committee

The Welfare and Disciplinary Committee consists of three non-executive members. The Committee reviews the remuneration packages of all members and Senior Management annually and makes recommendations to the Board. The packages which consist of base salary, fringe benefits, incentives schemes (including performance-related bonuses), superannuation, and entitlements upon retirement and termination, are reviewed with due regard to performance and other relevant factors including market relativity. The Committee also handles disciplinary procedures of Management.

Schedule of Welfare and Discipline Committee's Meetings Held in 2023

Attendance at the meeting is as follows

Welfare and Disciplinary Committee

Member	Meetings Attended
Mrs. Mary B. Ansong	1/1
Mr. Vincent Amponsah	1/1
Mr. Alfred Owusu Acheaw	1/1

Code of Conduct

As part of the company's corporate governance practice, management has communicated the principles of the company's code of conduct to all employees. The code of conduct provides a basic framework and guidance for behaviours and business conduct. The code of conduct also serves as a reference point in all aspects of employee's working relationships with other employees, customers, suppliers, government officials, regulators, joint venture partners, competitors and the broader community.

Recruitment, Induction and Training of New Directors
Individuals selected to be members of the Board have an appropriate diversity of skills and come from backgrounds necessary to provide the needed direction for the company. All new Directors to the Board are provided with a letter of appointment stating clearly the terms which shall govern their appointment after all the necessary regulatory approvals have been received with respect to the changes. The term of the directors is governed by the Bank of Ghana corporate governance directives, which limits the maximum period of service for the chairperson to six years and other members to nine years. New board members participate in a comprehensive induction program covering the company's financial, strategic, operational and risk management overviews to enable them effectively discharge their duties and responsibilities.

Board Qualifications and Composition
In accordance with sections 19 to 21 of the Directive, all Board members are qualified for the position and remain qualified through training, for their positions. They have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgement about the affairs of the company. They also possess, individually and collectively, appropriate experience, competencies and personal qualities, including professionalism and integrity. There is one (1) female Director on the Board; and that there are not more than two (2) Directors serving on the Board that are related persons.

Remuneration Structure
Directors received fixed fees for serving on the Board and its sub-committees in line with approval from shareholders at the annual general meeting. The Board members' remuneration is approved by the shareholders.

Board Performance Evaluation
The Board hereby certifies that it has complied with section 45 but yet to comply with section 46 of the Corporate Governance Directive of 2021 on board evaluation.

Business Strategy
In the year under review the Board approved and monitored the overall business strategy of the company, taking into account the long-term financial interest of the company, its exposure to risk, and its ability to manage risk effectively. This was in line with section 13 of the Directive.

Risk Management and Internal Controls
The Board has put an effective internal control system in accordance with the Directive and has a risk management in place. The Key Management Personnel holding these roles have sufficient authority, stature, independence, resources and access to the board.

Internal controls have been designed to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and work as intended. In accordance with section 50 of the Directive, the company also has an Internal Auditor who has no involvement in the day-to-day activities and business line responsibilities of the company. He has the professional competence to collect, analyse financial information as well as evaluate audit evidence and communicate with the stakeholders of the internal audit function. He possesses sufficient knowledge of auditing techniques and methodologies and reports directly to the Audit Committee and has direct access to the board.

The Board recognizes the importance of External Auditors as vital to the corporate governance process and engaged during the year, the services of Richard Owusu-Afriyie & Associates, Chartered Accountants; an independent, competent and qualified external auditor, to undertake this function.

Key Management Oversight

In accordance with section 49 of the Directive, the Board ensures that, the activities of Key Management Personnel are consistent with the business strategy and policies approved by the Board, including the risk tolerance/appetite. The Board has established a management structure that promotes accountability and transparency and oversees the implementation of appropriate systems for managing risks-both financial and non-financial to which the company is exposed. The company has engaged skilled and competent staff and provides training and development opportunities to sustain the delivery of short and long-term business objectives and the risk management framework that protects the reputation of the company.

Policy for Succession - Management and the Current Talent Pool for Key Management Personnel

Sections 16 and 17 of the Directive, directs the company to continue to pursue a robust talent and succession management process, knowing that our success is hinged on our ability to attract and retain the best talent in the industry, whilst maintaining a bench strength that ensures seamless leadership continuity. The company promotes a culture of regularly reviewing and refreshing the succession pipeline to align with the fluid nature of the current talent landscape. Business Unit Heads have been empowered to own the succession management process end-to-end in their respective businesses. Executive Management's sponsorship and oversight of the process has ensured accountability from Business Heads across the company.

Our succession planning process prioritizes all critical roles at all levels in the organization; to ensure business and leadership continuity.

Corporate Culture and Values

The company has established a corporate culture and values that promote and reinforces norms for responsible and ethical behaviour in terms of the company's risk awareness, risk-taking and risk management in accordance with section 14 of the Directive. This is achieved by the company through its board members setting and adhering to corporate values for itself. Key management and employees also create expectations that business should be conducted in a legal and ethical manner at all times. The corporate values, professional standards it sets together with supporting policies and appropriate sanctions for unacceptable behaviour are communicated to all employees.

Related Party Transactions

The Board has in place policies and procedures to ensure that all related party transactions are carried out at arm's length in accordance with the Directive and in accordance with the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). This is intended to ensure that there is no favourable treatment given to a related party. Therefore, in any connected transactions the company ensures all the necessary approvals are obtained prior to the execution of the transaction.

Separation of Powers

There is clearly in place a division of responsibilities between the positions of the Board Chair and the Chief Executive Officer in accordance with section 17 of the Directive.

Conflict of Interest

The company's directors have a statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is, or is likely to be brought, before the board. There was no conflict of interest.

Anti-Money Laundering

The company has established an anti-money laundering system in compliance with the requirements of the Anti-Money Laundering (Amendment) Act 2020 (Act 1044). These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Compliance Declaration

The Board declares that the company has complied with the requirement of section 13 of the Corporate Governance Directive.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The Directors are required in terms of the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Bank as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the annual financial statements.

The annual financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board of Directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Directors have reviewed the Bank's cash flow forecast for the year to December 31, 2024 and, in light of this review and the current financial position, they are satisfied that the Bank has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 17 to 22.

The annual financial statements set out on pages 23 to 79, which have been prepared on the going concern basis, were approved by the Board of Directors on April 29, 2024 and were signed on their behalf by:

Approval of financial statements

Signature ……………………………………	**Signature**………………………………..
CLEMENT OFOSU-NTIAMOAH ……………………………………………………	Vincent Ampong …………………………………………………..
Name of Director	**Name of Director**

The directors have pleasure in presenting the audited financial statements of the Bank for the year ended 31st December, 2023.

Incorporation

The Bank was incorporated in 1996. The Bank was granted a license to operate as a rural bank by the Bank of Ghana in accordance with the Banks and specialized Deposit Taking Institutions Act 2016, (Act 930).

The Bank is domiciled in Ghana where it is incorporated as a limited liability by shares under the Companies Act, 2019 (Act 992). The address of the registered office is set out on page 2.**Nature of business**

The principal activity of the bank is to provide full banking services as a banking financial institution. The Bank was licensed to operate as a Deposit-Taking Bank Financial Institution regulated by the Bank of Ghana under the Banking Act, 2004 (Act 673), (as repealed by the Banks and Specialized Deposit Taking Institutions Act, 2016 (Act 930)).

There have been no material changes to the nature of the Bank's business from the prior year.

Review of financial results and activities

The annual report and financial statements have been prepared in accordance with International Financial Reporting Standards, the requirements of the Companies Act, 2019 (Act 992) and in manner required by the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The accounting policies have been applied consistently compared to the prior year.

The Bank recorded a Net Profit after tax for the year ended December 31, 2023 of GHS 1,857,748 This represents a significant improvement from GHS 1,055,662 for the prior year.

The Bank's net income increased by 47.53% from GHS 12,153,537 in the prior year to GHS 17,929,881 for the year ended December 31, 2023.

The Bank's net cash flow from operating activities amounted to GHS 8,037,549 for the year as against GHS 20,878,840 for the year ended December 31, 2022 indicating a decrease of GHS 12,841,291 representing 61.50%

The results for the year are summarized as follows

	2023	2022
	GHS	GHS
Profit for the period before taxation amounted to	2,788,422	1,519,251
from which is deducted taxation of	(783,865)	(272,876)
Under - Provision of Tax	-	(54,238)
Growth and Sustainability Levy	(139,421)	-
Deferred Tax Credit	(7,388)	(136,475)
Giving a Profit after taxation of	1,857,748	1,055,662
Transfer to : Statutory Reserve Fund	(232,218)	(263,915)
: Community Development Fund	(185,775)	(105,566)
: General Welfare Fund	(185,775)	(105,566)
: Funds Utilization	70,165	306,327
	1,324,145	886,942
which is added to the balance brought forward on Retained Earnings of	1,846,333	942,529
Giving a total of	3,170,478	1,829,471
from which is deducted:		
Credit Risk Reserve of	(10,993)	16,862
Leaving a balance to be carried forward on Retained Earning of	3,159,485	1,846,333

Stated Capital

There was no change in the Bank's Stated Capital which amounts to GHS 1,545,456 at the end of the year 2023 (2022: 1,545,456).

Property, Plant and Equipment

There was no change in the nature of property, plant and equipment of the bank or in the policy regarding their use. As at December 31, 2023, the bank's investment in property, plant and equipment amounted to GHS 2,416,264 (2022: GHS 1,312,604), of which GHS 1,448,711 (2022: GHS 141,440) was added in the current year. Disposal / Write off for the year under review amounted to GHS 25,000 (2022: GHS 62,358).

Events after the reporting period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31st December 2023.

Going concern

The Directors believe that the Bank has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the Bank is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the Bank. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the Bank.

Litigation statement

The Bank is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

Auditors

Richard Owusu-Afriyie & Associates have indicated their willingness to continue in office as auditors of the bank and in accordance with Section 139(5) of the Companies Act, 2019 (Act 992) they so continue. Shareholders wishing to inspect a copy of the terms on which the Bank's auditors is appointed and remunerated may do so by contacting the Bank's Secretary.

Corporate Social Responsibility

The Bank spent an amount of GHS 48,992 (2022: GHS 191,819) on Corporate Social Responsibility within the financial year.

Audit Fee Payable

Included in the general and administrative expenses is the agreed auditor's remuneration of GHS 70,000

Capacity of Directors

The Bank ensures that only fit and proper persons are appointed to the board after obtaining necessary approval from the regulator, Bank of Ghana.

Corporate Governance
The Board of Directors is committed to ensuring good corporate governance in line with Bank of Ghana directives as a means of determining the direction and performance of the Bank. To this end, the Bank aims to comply with best practices in corporate governance. A corporate governance report is enclosed in the financial statements.

Anti – Money Laundering
The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering (Amendment) Act 2014 (Act874) and AML/CFT&P Guidance, July 2018. These include due diligence for opening new accounts, customer identification, monitory of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Dividends
The Directors do not recommend the payment of dividend for the year, (2022: Nil)

Bonus issue
The Directors recommend the issue of Bonus shares of GHS 499,747.28 (2022: Nil) subject to Bank of Ghana approval. That is GHp 12.4 per share on 4,030,220 ordinary shares which qualified for bonus issue as per closure of register of September 30, 2023.

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

Directors
The Directors who held office during the year were as follows:

Name of Director	Designation	Number of Shares
Dr. John Oduro - Boateng (Retired on 18/11/23)	Chairman	211,175
Mr. Alfred Owusu Acheaw(Retired on 18/11/23)	Member	19,507
Mr. Anthony Appiah (Retired on 18/11/23)	Member	59,903
Mrs. Mary B. Ansong (Retired on 18/11/23)	Member	44,582
Mr. Awudu Fatau (Retired on 18/11/23)	Member	20,401
Mr. Vicent Amponsah	Member	34,029
Mr. Clement Ofosu -Ntiamoah (Appointed on 18/11/23)	Member	-
Mr. Eric Acheampong (Appointed on 18/11/23)	Member	-
Mr. Richard Owusu Afriyie (Appointed on 18/11/23)	Member	-
Mr. Godfrey Djie (Appointed on 18/11/23)	Member	-
Ms. Maryam Kamara (Appointed on 18/11/23)	Member	-

Directors' Interest in Contract
The directors have no interest in contracts entered into by the Bank.

Acknowledgements

Thanks, and appreciation are extended to all of our Shareholders, Staff, and Customers for their continued support for the Bank.

Approval of Financial Statements

The financial statements of Amantin and Kasei Community Bank Limited were approved by the Board of Directors on 29th April, 2024 and signed on their behalf by:

Signature ....

Signature ....

CLEMENT OFOSU-NTIAMOAH
....
Name of Director

Vincent Ampong
....
Name of Director

RICHARD OWUSU-AFRIYIE & ASSOCIATES

CHARTERED ACCOUNTANTS & BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 ST DECEMBER, 2023

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31st December, 2023, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 Act 930.

What we have audited

We have audited the financial statements of Amantin and Kasei Community Bank Limited for the year ended 31st December, 2023.

The financial statements comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31st December, 2023;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statement, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Bank in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the Code) issued by the International Ethics Standards Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

This section of our auditor's report is intended to describe the matters selected from those communicated with the directors that, in our professional judgment, were of most significance in our audit of the financial statements. The matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters

Key Audit Matter

Impairment of Non – Pledged Trading Assets

The Bank has invested in Non- Pledged Trading Assets with various fund managers. The investments with Black Shield Fund Management and National Trust Holding Company totaling GHS 7,764,294 have matured as at 31st December 2023 but repayments have not yet been received. Repayment from the company has been of a challenge. Due to the significant judgment that is applied by management in determining whether an impairment loss has occurred and in estimating the expected amount and timing of future cash flows, we considered this to be a key audit matter.

Impairment of Loans and advances to customers

The Bank continues to adopt IFRS 9–'Financial instruments', which requires the measurement of expected credit loss allowance for financial assets measured at amortized cost and fair value through other comprehensive income. The Bank reviews its loans and advances for impairment at the end of each reporting period. There are significant judgements made in the areas in applying IFRS 9-Financial Instruments. These include:

- Determining the stage of the financial assets and establishing groups of similar financial assets;
- Determining criteria for significant increase in credit risk;
- Determining the Probability of Default (PD) and Loss Given Default (LGD) and Expected Credit Loss (ECL) for each type of loan.

Due to the significant judgments that are applied by management in determining whether an impairment loss has occurred, we considered this to be a key audit matter.

The Bank is required to compute loan provision in accordance with Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations. The Bank is also required to make transfers from retained earnings to regulatory credit risk reserve based on the excess of BOG provision over IFRS impairment. The disclosures relating to impairment of loans and advances to customers are considered important to users of the financial statements given the level of judgement and estimation involved.**How the matter was addressed in the audit**

Non – Pledged Trading

We challenged the management's staging of the impaired non- pledged trading assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We found that the assumptions used by management in estimating the expected amount and timing of future cash flows of the matured investments based on the assurance from the government and other discount houses involved to be fair and reasonable.

Loans and advances to customers

Loans at amortized cost of the bank amounted to GHS 27,226,250 as at 31 December 2023 (2022 GHS 18,967,777) and impairment loss amounted to GHS 1,884,066 (2022 GHS 1,710,163) as presented in the financial statements.

We evaluated the design and tested the implementation of operating effectiveness of the key controls over the computation of impairment loss provisions. In evaluating the design of controls, we considered the appropriateness of the controls considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated throughout the year. We performed an evaluation of management's key assumptions over the expected credit loss model (ECL), including the probability of default (PD) and the loss given default (LGD). We challenged the management's staging of financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable.

We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied to account for non-linearity.

We further tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed. We further assessed as appropriate the classification of the Bank's loans and advances impairment provision in accordance with Bank of Ghana prudential guidelines and the transfer of any excess provision over the IFRS computed provision to the regulatory Credit Risk Reserve account.

Other Information

The directors are responsible for the other information. The other information comprises the Report of the Directors, Chairman's Statement, Corporate Governance Report and Shareholders' Information but does not include the financial statement and our auditors report thereon, which we obtained prior to the date of this auditor's report and the Chairman's Statement, which are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not, and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Chairman's Statement, if we conclude that there is material misstatement therein, we are expected to communicate with those charged with governance.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, (Act 930), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors;
- Conclude on the appropriateness of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements
Companies Act, 2019 (Act 992)
The Companies Act, 2019, (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.
ii) In our opinion, proper accounting records have been kept by the Bank so far as appears from our examination of those records, and
iii) The Statement of Financial Position and Statement of Comprehensive Income of the Bank are in agreement with the accounting records.
iv) The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review
v) We are independent of the Bank in accordance with section 143 of the Companies Act, 2019 (Act 992)***Banks and Specialised Deposit-Taking Act, 2016 (Act 930)***

The Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930, require that we state certain matters in our report.

We hereby state that:
I) The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review.

ii) We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.

iii) The Bank's transactions are within its powers.

iv) The Bank has generally complied with the provisions of the Anti-Money Laundering 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments.

v) The Bank has generally complied with the provisions of the Banks and Specialized Deposit- Taking Institutions Act,2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's opinion is Dr. Richard Owusu – Afriyie (ICAG/P/1144).

Richard Owusu-Afriyie

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RICHARD OWUSU-AFRIYIE & ASSOCIATES: (ICAG/F/2024/084)
Chartered Accountants
House of Grace, Adum, Kumasi

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	(NOTES)	2023	2022
		GHS	GHS
Interest Income	(7)	**16,470,033**	10,993,930
Interest Expense	(8)	**(1,503,581)**	(980,218)
Net Interest Income		**14,966,452**	10,013,712
Commissions and Fees	(9)	**2,591,683**	1,824,477
Other Operating Income	(10)	**371,746**	315,348
Operating Income		**17,929,881**	12,153,537
Impairment Loss on Investments with Discount Houses	(11 a)	**(1,000,000)**	(500,000)
Specific Bad Debt written off	(11 b)	**-**	(1,004,362)
Impairment Gain/(Loss) on Loans and Advances		**(173,903)**	627,543
Personnel Cost	(12)	**(6,601,138)**	(4,721,539)
Depreciation and Amortisation	(13)	**(452,391)**	(402,798)
Other Operating Expenses	(14)	**(6,914,027)**	(4,633,130)
Net Operating Profit Before Taxation		**2,788,422**	1,519,251
Income Tax Expense	(15 i)	**(783,865)**	(272,876)
Growth and Sustainability Levy	(15 i)	**(139,421)**	-
Under Provision of Tax	(15 i)	**-**	(54,238)
Deferred Tax Charge	(15 i)	**(7,388)**	(136,475)
Profit for the year		**1,857,748**	1,055,662
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		**1,857,748**	1,055,662
Basic and Diluted Earnings Per Share		**0.461**	0.262

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2023

	(NOTES)	2023	2022
ASSETS		GHS	GHS
Cash and Balances with ARB Apex Bank	(16)	19,840,224	29,843,582
Balances with Other Banks	(17)	4,421,630	44,145
Non - Pledged Trading Assets	(18)	37,544,294	26,544,294
Loans and Advances	(19)	25,342,184	17,257,614
Other Assets Accounts	(20)	2,189,378	1,484,830
Corporate Tax Credit	(15 iv)	-	154,380
Deferred Tax Asset	(15 vi)	585,208	518,037
Investments - (Long Term)	(21)	89,514	41,404
Intangible Asset	(22)	337,910	388,749
Right of Use Assets	(23)	293,745	328,649
Property, Plant & Equipment	(24)	2,416,264	1,312,604
TOTAL ASSETS		93,060,351	77,918,288
LIABILITIES			
Deposits and Current Accounts From Customers	(25)	81,528,926	69,405,591
Loans from Other Financial Institutions	(26)	41,308	41,308
Corporate Tax Liability	(15 iv)	67,055	-
Interest Payable and Other Liabilities	(27)	3,699,257	2,679,891
Deferred Tax Liability	(15 vi)	200,398	125,839
TOTAL LIABILITIES		85,536,944	72,252,629
SHAREHOLDERS FUNDS			
Stated Capital	(28)	1,545,456	1,545,456
Statutory Reserve Fund	(29)	2,053,477	1,821,259
Credit Risk Reserve	(30)	10,993	-
Retained Earnings	(31)	3,159,485	1,846,333
Revaluation Reserves	(32)	39,404	39,404
Community Development Fund	(33)	293,092	156,309
General Welfare Fund	(34)	421,500	256,898
TOTAL SHAREHOLDERS FUNDS		7,523,407	5,665,659
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES		93,060,351	77,918,288

The Financial Statements were approved by the directors on 29th April, 2024 and **were signed on their behalf by**

Signature ……………………………………………… **Signature** ……………………………………………

Clement Ofosu-Ntiamoah ……………………………… Vincent Ampomah ………………………………

Name of Director **Name of Director**

AMANTIN AND KASEI COMMUNITY BANK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 ST DECEMBER 2023

	STATED CAPITAL	RETAINED EARNINGS	STATUTORY RESERVE FUND	CREDIT RISK RESERVE	COMMUNITY DEVELOPMEN T FUND	GENERAL WELFARE FUND	REVALUATI ON RESERVE	TOTAL
2023	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**
Balance as at 1 Jan	1,545,456	1,846,333	1,821,259	-	156,309	256,898	39,404	5,665,659
Net Profit for the Year	-	1,857,748	-	-	-	-	-	1,857,748
Share Purchase	-		-	-	-	-	-	-
Transfer to:								
Stautory Reserve Fund	-	(232,218)	232,218	-	-	-	-	-
Community Development Fund	-	(185,775)	-	-	185,775	-	-	-
General Welfare Fund	-	(185,775)	-	-	-	185,775	-	-
Credit Risk Reserve	-	(10,993)	-	10,993	-	-	-	-
Funds Applied	-	70,165	-	-	(48,992)	(21,173)	-	-
Balance as at 31 Dec	**1,545,456**	**3,159,485**	**2,053,477**	**10,993**	**293,092**	**421,500**	**39,404**	**7,523,407**
2022								
Balance as at 1 Jan	1,540,206	942,529	1,557,344	16,862	242,562	265,840	39,404	4,604,747
Net Profit for the Year	-	1,055,662	-	-	-	-	-	1,055,662
Share Purchases	5,250	-	-	-	-	-	-	5,250
Transfer to:								
Statutory Reserve Fund	-	(263,915)	263,915	-	-	-	-	-
Community Development Fund	-	(105,566)	-	-	105,566	-	-	-
General Welfare Fund	-	(105,566)	-	-	-	105,566	-	-
Credit Risk Reserve	-	16,862	-	(16,862)	-	-	-	-
Funds applied	-	306,327	-	-	(191,819)	(114,508)	-	-
Balance as at 31 Dec	**1,545,456**	**1,846,333**	**1,821,259**	**-**	**156,309**	**256,898**	**39,404**	**5,665,659**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES	**GHS**	**GHS**
Profit Before Taxation	**2,788,422**	1,519,251
Depreciation Charge on Property, Plant & Equipment	**345,048**	307,756
Depreciation Charge on Right of use Assets	**56,504**	44,204
Amortisation on Intangible Assets	**50,839**	50,838
Non - Cash Items	**-**	86,342
Impairment charge on financial assets reversal	**173,903**	(627,543)
Profit /(Loss) on disposal of Property & Equipment	**(5,000)**	2,987
Operating cash flow before investment in working capital	**3,409,716**	1,383,835
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in Loans & Advances to Customers	**(8,258,472)**	(2,502,055)
Changes in Non - Pledged Trading Assets	**1,150,000**	3,250,000
Changes in Other Assets Accounts	**(704,549)**	(172,647)
Changes in Customers Deposits	**12,123,337**	18,445,744
Changes in Interest Payable and Other Liabilities	**1,019,366**	1,011,463
	8,739,399	21,416,340
Tax Paid	**(701,850)**	(537,500)
Net Cash From Operating Activities	**8,037,549**	20,878,840
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	**(1,448,711)**	(141,440)
Changes in Long Term Investments	**(48,110)**	-
Payment for Right of use Assets	**(21,600)**	(21,600)
Proceeds from disposal of Assets	**5,000**	4,420
Net cash used in Investing Activities	**(1,513,421)**	(158,620)
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Shares	**-**	5,250
Net cash from Financing Activities	**-**	5,250
Net Increase /(Decrease) in Cash and Cash Equivalents	**6,524,127**	20,725,470
Cash and Cash Equivalent at Start	**38,137,727**	17,412,257
Cash and Cash Equvalent at Close	**44,661,854**	38,137,727
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and Balances with ARB Apex Bank	**19,840,224**	29,843,582
91 Days Treasury Bills	**20,400,000**	8,250,000
Balances with Other Banks	**4,421,630**	44,145
	44,661,854	38,137,727

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. General information

Amantin and Kasei Community Bank Limited is a limited liability Bank incorporated under the Companies Act, 1963, Act 179 (now repealed and replaced by the Companies Act, 2019, Act 992) in 1996, and domiciled in Ghana. The Bank is licensed by the Bank of Ghana (BOG) to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator.

The address of its registered office is Amantin and Kasei Community Bank limited building, Amantin, P.O. Box 128, Ejura – Ashanti in Ghana.
The Bank provides a wide range of services to a substantial and diversified client base that includes other financial institutions, businesses, government and public corporations and individuals.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and in the manner required by the Companies Act, 2019, (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, (Act 930).

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for the measurement of available-for-sale financial assets that are measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or liability, the Bank takes into account the characteristics of the asset or liability if market participants will take those characteristics into account when pricing the asset or liability at the measurement date.

2.3 Functional and presentation currency

The financial statements are presented in Ghana cedi which is the Bank's functional and presentation currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest one Ghana cedi.

2.4 Use of estimates and Judgement

The preparation of financial statements in conformity with IFRS required management to make judgement, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be under reasonable circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

2.5 Income and Statement of cash flows

The Bank has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by function of expense method.

The Bank reports cash flows from operating activities using the indirect method. Interest received is presented within operating cash flows; interest paid is presented within operating cash flows.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria apply in revenue recognition.

Revenue includes interest income, commissions and fees, gain on disposal of securities and financial advisory fees.

a) Interest Income and Expenses

Interest income and expense are recognised within "finance income" and "finance costs" in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalized as part of the cost of that asset.

The Bank has chosen to capitalize borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

b) Fees and Commission

Fees and commission are generally recognized on accrual basis. Fees and commission fee including advisory fees, transfer commission, facility and processing fees and syndication fees are recognised as the related services are performed. Fees and commission arising from negotiating or participating in a transaction on behalf of a third party are recognised upon completion of the underlying transaction.

c) Other income

Other incomes are recognised as and when they are earned.

d) Dividends income

Revenue is recognized when the Bank's right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Bank and the amount of income can be measured reliably).

e) Right of Use

Payments for office rent are recognised in profit or loss on a straight-line basis over the term of the lease after discounting it over the lease period. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

3.2 General and Administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

3.3 Employee Benefits

The Bank contributes to two defined contribution schemes (Social Security Fund and Provident Fund) on monthly basis on behalf of employees and the last month outstanding contribution is included in creditors and accruals.

I. Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefits Pension Scheme, the Bank contributes 13% of employees' basic salary in addition to 5.5% deduction from employees' basic salary to SSNIT for employee pensions.

ii. Provident Fund

The Bank has a provident fund scheme for all employees who have completed probation with the Bank. Employees contribute 4.5% of their basic salary to the fund whilst the Bank contributes 12%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates

iii. Termination Benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date.

iv. Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3.4 Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and Bank overdrafts.

Cash and cash equivalents are carried at amortised cost or fair values in the statement of financial position depending on the business model for managing the asset or the cash flow characteristics of the asset.

3.5 Intangible Assets

a) Initial recognition

Intangible assets that are acquired by the Bank and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment charges.

b) Subsequent Measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including internally generated goodwill, is written off in profit or loss as incurred.

c) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date they are available for use.

The annual amortization rate for the current and comparative years is as follows:

- Computer Software User license and Microsoft Software Products : 10%

3.6 Property, Plant and Equipment

All Property, Plant and Equipment (PPE) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs.
Cost of an item of PPE includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets" estimated useful lives, as follows:

Assets	Estimated Useful Lives
Furniture and Fitting	5 years
Building	20 years
Office Equipment	4 years
Motor Vehicles	5 years
Computers and Accessories	5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

3.7 Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking.

Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

3.8 Financial Instruments

3.8.1 **Initial recognition and subsequent measurement**

I) Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognised on the trade date, i.e. the date that the bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Services provided to customers on credit are recognised when the service is provided to the customers. The bank recognises due to customer balances when payment reaches the bank.

ii) Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention when acquiring them. All financial instruments are measured initially at their fair value plus transaction cost, except in the case of financial assets and liabilities recorded at fair value through profit or loss.

iii) 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 amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

iv) Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial markets or for all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models.

iv) Fair value measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial markets or for all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.

V) Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when and only when the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.8.2 Financial assets or financial liabilities held for trading

The bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short term profit making through trading activities or form part of a portfolio of financial instruments that are managed together for which there is evidence of a recent pattern of short-term profit taking. Held for trading assets and liabilities are recorded and measured in the statement of financial position at a fair value. Changes in fair value are recognised in net trading income, interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.

Included in this classification are debt securities, equities, short positions and customer balances that have been acquired principally for the purpose of selling or repurchasing in the near term.

3.8.3 The effective interest rate method

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate a shorter period, to the net carrying amount of the financial asset or financial liability. The amortised cost of the financial asset or financial liability is adjusted if the bank revises its estimates of payment or receipts.

The adjusted amortised cost is calculated based on the original or latest estimated EIR and the change is recorded as 'interest and similar income' for financial assets and 'for financial assets' and 'Interest and similar expense' for financial liabilities. The accounting policies for the EIR method vary by instruments.

3.8.4 Available-for-sale- financial investments

Available-for-sale investments include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at Fair Value through Profit or Loss (FVPL). Debt securities in this category are intended to be held for an indefinite period of this time and may be sold in response to needs for liquidity or in response to changes in market conditions. The bank has not designated any loans or receivables as available-for sale. After initial measurement, available-for-sale financial investments are subsequently measured at fair value.

Gains and losses are recognised directly in OCI in the available-for-sale reserve. When the investment is disposed of, the cumulative gain or loss previously recognised in equity is recognised in the income statement, in other operating income. Where the bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in-first-out basis.

Interest earned whilst holding available-for-sale financial investments is reported as interest income using the EIR which takes into account any discount/ premium and qualifying transaction cost that are an integral part of the instrument's yield.

Dividends earned whilst holding available-for-sale financial investments are recognised in the income statements other operating income when the right of the payment has been established. The losses arising from impairment of such investments are recognised in the income statement in 'impairment losses on financial investments' and removed from the available-for-sale reserve.

3.8.5 Held-to-maturity financial investments

Held-to-maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently amortised cost using the EIR less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortisation is included in interest and similar income in the income statement. The losses arising from impairment of such investments are recognised in the income statement within credit loss expense.

If the bank were to sell or reclassify more than an insignificant amount of held-to-maturity investments before maturity (other in certain specific circumstances), the entire category would be tainted and would have to be reclassified as available-for-sale. Furthermore, the bank would be prohibited from classifying any financial asset as held-to-maturity during the following two years.

3.8.6 Financial assets and financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management upon initial recognition. Management may only designate an instrument at FVPL upon initial recognition when one of the following criteria are met, and designation is determined on an instrument-by-instrument basis:

The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis or

The assets and liabilities are part of a group of financial assets, financial liabilities, or both, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or

The financial instrument contains one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative (s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recognised in net gain or loss on financial assets and liabilities designated at FVPL. Interest earned or incurred is accrued in interest income or interest expense, respectively, integral part of instrument, while dividend income is recorded in other operating income when the right to the payment has been established.

I) Designation at fair value through profit or loss

The Bank has designated financial assets and liabilities at fair value through profit or loss when either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminated or significantly reduces an accounting mismatch which would otherwise arise or;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows would otherwise be required under the contract.

The notes set out the amount of each class of financial asset or lability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

3.8.7 Reclassification of financial assets

For a financial asset reclassified out of the available-for-sale category, any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment, using the EIR. Any difference between the new amortised cost and the expected cash flows is also amortised over the remaining life of the asset using the EIR. If the asset is subsequently determined to be impaired, then the amount recorded in equity is recycled to the income statement.

In rare circumstances, the bank may reclassify a non-derivative trading asset out of the held for trading category and into the investments and receivables category if it meets the definition of investments and receivables and the bank has the intention and ability to hold financial asset for the foreseeable future or until cash receipts as a result of increased recoverability of those cash receipts, the effect of that increase is recognised as an adjustment to the EIR from the date of the change in estimate. Reclassification is at the election of management and is determined on an instrument-by-instrument basis. The bank does not reclassify any financial instrument into the FVPL category after initial recognition.

3.8.8 De-recognition of financial assets and financial liabilities

I) Financial assets

A financial asset (or, where applicable a part of financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the asset have expired. The bank also derecognises the assets if it has both transferred the asset, and the transfer qualifies for de recognition.

The bank will transfer the asset if and only if, either: The bank has transferred its contractual rights to receive cash flows from the asset or
It retains the rights to the cash flows but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a “pass through' arrangement.Pass-through arrangements are transactions when the bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

The bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances by the entity with the right to full recovery of the amount lent plus accrued interest at market rates.
The bank cannot sell or pledge the original asset other than as security to the eventual recipients for the obligation to pay them cash flows.

The bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the bank is not entitling to reinvest such cash flows, except for investments in cash or cash equivalents during the short settlement period from the collection date to the date of required remittance to the eventual recipients, and interest earned on such investments is passed to the eventual recipients.

A transfer only qualifies for de-recognition if either:
In relation to the above, the bank considers the control to be transferred if, and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer.

When the bank has transferred its rights to receive cash flows from an asset or has entered into pass-through arrangement and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the bank continuing involvement in it. In that case, the bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the bank has retained.

Continuing involvement takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, bank's continuing involvement is the amount of the transferred asset that the Bank may repurchase. However, in the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

The bank also recognises a financial asset, in particular, a when sales are made to customer when the terms and conditions have been renegotiated to the extent that it substantially became a new receivable, with the difference recognised as impairment in the income statement.

ii) Financial liabilities

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

3.9 Impairment of Financial Assets

3.9.1 Identification and measurement of impairment

At each reporting date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Bank considers evidence of impairment at both an individual and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping other financial assets (carried at amortised cost) with similar risk characteristics.

The Bank records an allowance for expected credit loss for all loans and loans receivables, and other debt instruments held at amortized cost, together with off balance sheet items (loan commitments and financial guarantee contracts). In this section, all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

3.9.2 Calculation of expected credit loss

ECLs are a probability-weighted average estimate of credit losses that reflects the time value of money. Upon initial recognition of the financial instruments in scope of the impairment policy, the Bank records a loss allowance equal to 12-month ECL, being the ECL that result from default events that are possible within the next twelve months. Subsequently, for those financial instruments that have experienced a significant increase in credit risk (SICR) since initial recognition, a loss allowance equal to lifetime ECL is recognized, arising from default events that are possible over the expected life of the instrument. The expected credit losses are weighted on the basis of three macroeconomic scenarios (adverse, basic and favorable).

For the purposes of calculating expected credit losses, the financial instruments are classified in three stages as follows:

- Stage 1: Stage 1 includes performing exposures that do not have significant increase in credit risk since initial recognition. Stage 1 also includes exposures for which credit risk has been improved and the exposure has been reclassified from Stages 2 or 3.

In this stage expected credit losses are recognized based on the probability of default within the next 12 months.

Calculation of expected credit loss (Cont'd)

- Stage 2: Stage 2 includes performing exposures for which there has been a significant increase in credit risk since initial recognition. Stage 2 also includes exposures for which the credit risk has improved, and the exposure has been reclassified from stage 3. In this stage, lifetime expected credit losses are recognized.

- Stage 3: Stage 3 includes non-performing / credit-impaired exposures. In this stage lifetime expected credit losses are recognized.

The Bank calculates impairment losses on a portfolio basis, except for financial assets that are credit impaired in which case they are calculated on an individual basis. The Bank applies three main components to measure expected credit losses which are LGD, PD and EAD, and assigns general market scenarios for potential credit risk deterioration.

There can be transfers of exposures from one stage to another, depending on whether there is a change in the credit risk of that exposure. Probability of default is an estimate of the likelihood of default over a given time horizon.

The Bank uses information obtained from the Global Emerging Markets (GEMs) database in order to assign LGD to its loan asset classes. GEMs is an International Financial Institution (IFI) wide initiative designed to pool default and recovery rates experienced by IFIs in emerging markets. Treasury asset classes derive their PDs from the assigning rating agency. LGD is an estimate of the loss arising on default. The Bank uses information obtained from the GEMs database to assign LGDs to its lending asset classes, and treasury asset classes derive their LGDs from the assigning rating agency.

3.9.3 Basic parameters used for the calculation of expected credit loss The calculation of expected credit losses is based on the following parameters:

- Probability of Default (PD) represents the probability that a debtor will default on his debt obligations either over the next twelve months or over the remaining maturity of his debt. In accordance with IFRS 9, the Bank uses non-discriminatory point-in-time PDs that adjust to macroeconomic assumptions using the Expected Credit Loss.
- Exposure at Default (EAD) is defined as the estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, and undrawn commitments based on the Bank's own experience.
- Loss Given Default (LGD) represents the extent of the loss that the Bank expects for exposures that are in default and is defined as the difference between the contractual cash flows and those that the Bank expects to collect, including collateral amounts.
  LGD, which is usually expressed as a percentage of the EAD, varies according to the category of the counterparty, the category and priority of the claim, the existence of collateral and other credit enhancements.

  The Bank assigns credit rating to each loan at inception based on the internal scorecard methodologies for Financial Institutions, Corporates or Project Finance and all loans are subject to annual credit review if rated to a category up to BB+, while all loans below that rating are subject to semi annual credit review. The credit rating is primary input to the PD which is calculated based on statistical model and incorporates macroeconomic projections.

The LGD estimates are according to values and determined estimates mainly by geography and by type of counterparty, with three main exposure classes: sovereign, public and private sectors.

In case of sovereign default of member countries, the Bank believes that its payment would remain uninterrupted, benefitting from its preferred creditor status resulting in no credit risk of impairment loss from sovereign exposures or loans guaranteed by sovereign.

The Bank calculates expected credit losses based on the weighted probability of three scenarios. More specifically the Bank uses a statistical model to produce forecasts of the possible evolution of macroeconomic variables (GDP and unemployment rate) that affect the level of expected credit losses of loans under a baseline and under alternative macroeconomic scenarios (adverse and favorable) and also assigns the cumulative probabilities associated with these scenarios. The baseline scenario is the most likely scenario and is in line with the Bank's information for strategic planning and budgeting purposes.

3.9.4 Significant increase in credit risk

At each reporting date, the Bank assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Bank compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In order to determine whether there has been a significant increase in the credit risk since origination, and hence transition to Stage 2, a combination of quantitative and qualitative risk metrics are used.

All loans with at least a 3-notch downgrade in PD on the Bank's internal ratings scale since origination, all loans for which the contractual payments are overdue by between 31 and 90 days inclusive, as well as all loans placed on the 'watch list' are transitioned to Stage 2.

For financial guarantee contracts, the date the Bank becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purpose of assessing the financial instrument for impairment.

In assessing whether there has been a significant increase in credit risk since initial recognition of a financial guarantee contract, the Bank considers the risk that the specified debtor will default on the contract in line with the above determination for loans.

Generally, there will be a significant increase in credit risk before a financial asset becomes credit impaired or an actual default occurs. The assessment of significant increase in credit risk is key in transferring an exposure from Stage 1 to Stage 2 and the respective change in the ECL measurement from 12-month to lifetime ECL.

3.9.5 Credit-impaired

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit- impaired includes observable data about the following events:

- Significant financial difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- The lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- It is becoming probable that the borrower will enter Bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- The purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

  It may not be possible to identify a single discrete event – instead, the combined effect of several events may have caused financial assets to become credit-impaired.

3.9.6 Definition of default

The definition of default used for determining the risk of a default occurring shall be applied consistently to all financial instruments unless information becomes available that demonstrates that another default definition is more appropriate for a particular financial instrument. A default is considered to have occurred when either of the following conditions had taken place.

(a) Qualitative

Unlikeliness to Pay (UTP) criterion: the Bank considers that the obligor is unlikely to pay its credit obligations to the Bank without recourse by the Bank to actions such as realizing security. Below are some elements that are taken as indications of unlikeliness to pay

- The Bank puts the credit obligation on non-accrued status.
- The Bank recognizes a specific credit adjustment resulting from a significant perceived decline in credit quality subsequent to the institution taking on the exposure.
- The Bank has filed for the obligor's Bankruptcy or a similar order in respect of an obligor's credit obligation to the Bank, the parent undertaking or any of its subsidiaries.
- The obligor has sought or has been placed in Bankruptcy or similar protection where this would avoid or delay repayment of a credit obligation to the Bank, the parent undertaking or any of its subsidiaries.

(b) Quantitative

Past due criterion: the exposure is past due more than 90 days on any credit obligation to the Bank. Impairment losses for guarantees are recognized while a guarantee is in effect and the amounts are determined based on the level of utilization of the guarantee. The methodology is consistent to that of loan commitments, and such losses are included in 'Other liabilities.

Interest income is calculated on the gross carrying amount for financial assets in Stage 1 and 2. As the primary definition for credit-impaired financial assets moving to Stage 3, the Bank applies the definition of default, and interest income is calculated on the net carrying amount for these financial assets only.

If the amount of impairment subsequently decreases due to an event occurring after a write-down, the release (i.e. reverse) of the impairment is credited to the provision for impairment asset losses. Unwinding of the discount is treated as income and remaining provision is then reassessed.

3.9.7 Renegotiated financial assets.

When necessary, the Bank seeks to restructure a financial asset that may involve extending the payment arrangements and the agreement of new loan terms and conditions.
These are generally renegotiated in response to an adverse change in the financial condition of the borrower.

Modifications occur when the contractual cash flows of a financial asset are renegotiated or otherwise modified. Some modifications result in derecognition of the existing asset and recognition of a new asset with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded, while other modifications do not result in derecognition. Modifications that result in derecognition are considered to be substantial modifications. A significant or substantial change is defined when the customer enters into a new loan contract (i.e. completely new product and new pricing) that has a different interest rate type, loan amount, term period (temporary term extension is excluded), and/or customer (e.g. from single customer to joint or change in one of the joint customer names).

A distressed restructuring is an indication of unlikeliness to pay where this is likely to result in a diminished financial obligation caused by the material (change in the net present value of the asset by more than 10%) forgiveness, or postponement of either principal, interest or, where relevant fees. Distressed restructuring occurs when forbearance measures have been extended towards a debtor. Therefore, those forborne exposures where the forbearance measures are likely to result in a diminished financial obligation are classified as defaulted.

Restructured operations will be considered cured and normalized after two successful repayments (average of 6 months per repayment) and could therefore be subject to a Stage movement.
For loans that are modified the Bank recalculates the gross book value based on the revised cash flows on the financial asset and recognizes the profit or loss from the modification in income statement. The new gross book value is recalculated by discounting the modified cash flows at the original effective interest rate.

3.10 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill - are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash- generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

3.11 Financial Liabilities

The bank recognizes a financial liability in its financial statements at the time of the arising from the item (that is, the day the transaction took place). Financial liabilities primarily include (a) borrowings and (b) other liabilities.

3.11.1 Borrowings

Borrowing transactions which are amounts due to financial institutions and debts evidence by certificates, are recognized in the statement of financial position at the time the funds are transferred to the Bank. They are measured initially at the fair value of the funds transferred, less any transaction costs. They are subsequently measured at amortized cost unless they qualify for hedge accounting in which case the amortized cost is adjusted for the fair value movements attributable to the to the risks being hedged. Interest expense is accrued in the income statement within "Interest expense" using the effective interest rate method.

3.11.2 Other liabilities

Other liabilities that are not derivatives or designated at FVTPL, are recorded at amortized cost. The amounts include accrued finance charges on borrowings and other accounts payable.

3.12 Loans and Advances

Loans and Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the financial asset is recognised within loans and advances. When the Bank purchases a financial asset under a commitment to sell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the financial asset is accounted for as a loan, and the underlying asset is not recognised in the Bank financial statements. Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the Bank chooses to carry the loans and advances at fair value through profit or loss as described in accounting policy.

3.13 Investment Securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either hold-to-collect, hold-to-sell or hold-to-collect and sell.

(I) Hold-to-collect

Hold-to-collect investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to collect, and which are not designated at hold to sell or hold to collect and sell. Hold-to-collect investments are carried at amortised cost using the effective interest method. It must be noted that IFRS 9 only considers fair value and amortised cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus, all hold to collect assets is classified as amortised costs.

(ii) Hold to sell

The Bank carries some investment securities at fair value, with fair value changes recognised immediately in profit or loss as described in the accounting policy.

(iii) Hold to collect and sell

Hold to collect and sell investments is non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at amortised cost. All other hold to collect and sell investments are varied at fair value. Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is transferred to profit or loss.

3.14 Pre-payment

Pre-payments are carried at cost less any accumulated impairment losses.

3.15 Stated Capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.16 Earnings Per Share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of shares existing as at 31^{st} December. Diluted EPS is determined by the number of shares existing at the end of December.

3.17 Dividend

Dividend distribution to the Bank's shareholders is recognized as a liability in the Bank's financial statements in the period in which the dividends are declared. Dividend receivable from unquoted investments is recognised when the bank's right to receive the dividend is established.

3.18 Income Tax Expense

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in Ghana where the Bank operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects either accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of the Bank's investment property is assumed to be realised by sale at the end of use.

The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position regardless of whether the Bank would structure the sale via the disposal of the subsidiary holding the asset, to which a different
tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.19 Provisions

Provisions for legal claims are recognised when:

- The Bank has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Where the Bank, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

3.20 Write-offs

According to the IFRS 9 (B5.4.9), the gross carrying amount of a financial asset may be directly reduced when there is no reasonable expectation of recovering the financial asset in its entirety or a portion of it. As such, the Bank may record a write-off of Stage 3 loans. The Bank may also, on an ad-hoc basis, examine the need for any further write-offs of Stage 2 loans if there is relevant evidence.

3.21 Write-backs

Recoveries (write-backs) of an asset, or part thereof, are credited to the income statement if previously written off.

3.22 Borrowings (Liabilities to Banks and Customers)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings .Borrowings and other forms of financial liabilities shall be de-recognised from the books only when they are extinguished, that is when the obligation specified in the contract is discharged or cancelled or expired.

3.23 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, unless they are capitalized, are presented net in the statement of profit or loss within finance costs and finance income respectively.

4. Quantitative Disclosures

	2023	**2022**
Capital Adequacy Ratio	14.25%	15.00%
Non-Performing Loans Ratio	5.06	8.08%
Non – Performing Loans (GHS)	1,378,795	1,532,567
Loan Loss Provision	6.92%	9.02%
Liquid Assets to Total Assets	66.42%	72.42%
Twenty (20) largest exposure to total exposure	12.40	13.99%
Ten (10) largest depositors to total deposit ratio	7.08%	10.88%
Sanctions by Bank of Ghana	Nil	Nil
Sanctions Amount (GHS)	Nil	Nil

5. Critical accounting judgements and key sources of estimation uncertainties

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors. Estimates and assumptions are recognised 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.

5.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Bank establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities.

The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Bank and the tax authority.

Deferred tax assets are recognised for all unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Fair value of non-derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Bank uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

5.2 Critical judgements in applying the Bank's accounting policies

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful economic life of Property, Plant and Equipment

To a large extent, the Bank financial statements are based on estimates, judgements and models rather than exact depictions of reality. Providing relevant information about the Bank's Property, plant and equipment requires estimates and other judgements.

This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgements and estimates including:

- allocating the cost of the asset to particular major components;
- determining the most appropriate depreciation method;
- estimating useful life; and estimating residual value.

6. Credit Risk Reserve

The Credit risk is a non- distribution reserve and it represents the excess of total provisions for loans and advances determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances under the IFRS framework. The Bank applies the general approach and calculates expected losses on all its instruments.

As at the reporting date, total provision for losses for loans and advances under Bank of Ghana provisioning criteria amount to GHS 1,895,059 (2022: GHS 1,710,163). This was above the impairment allowances for loans and advances recognised under the IFRS framework of GHS1,884,066 (2022: GHS 1,710,163). The difference of GHS 10,993 has therefore been transferred from Retained Earnings account to this account

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Audit, Finance and Credit Committees which responsible for developing and monitoring the Bank's management policies in their specified areas.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
	GHS	GHS
7. INTEREST INCOME		
Interest on Loans and Advances	**9,562,599**	7,514,127
Interest on Investments	**6,907,434**	3,479,803
	16,470,033	10,993,930
8. INTEREST EXPENSES		
Interest Paid on Savings Deposits	**526,864**	390,437
Interest Paid on Fixed Deposits	**976,717**	589,781
	1,503,581	980,218
9. COMMISSIONS AND FEES		
Commitment Fees	**1,443,434**	1,042,765
Commissions Received	**1,148,249**	781,712
	2,591,683	1,824,477
10. OTHER OPERATING INCOME		
Sundry Income	**371,746**	315,348
	371,746	315,348
11a. IMPAIRMENT LOSS ON FINANCIAL ASSETS		
Impairment Loss on Investments with Discount Houses	**1,000,000**	500,000
	1,000,000	500,000
11b. SPECIFIC BAD DEBT		
Bad Debt Written Off	**-**	1,004,362

This represents loans and advances which were written off during the year after approval from Bank of Ghana .

	2023	2022
12. PERSONNEL COST		
Salaries and Wages	**3,305,288**	2,555,809
Social Security Contribution (13%)	**429,687**	332,255
Provident Fund Contribution(12%)	**396,635**	306,697
Other Staff Cost	**1,642,602**	1,029,622
Bonus	**556,733**	250,714
Medical Expenses	**150,193**	119,877
Staff Training Expenses	**120,000**	126,565
	6,601,138	4,721,539

The average number of persons employed by the Bank during the year ended 31 December 2023 was 141 (2022: 142)

	2023 GHS	2022 GHS
13. DEPRECIATION AND AMORTISATION		
Property,Plant & Equipments (Note 24)	**345,048**	307,756
Intangible Assets (Note 22)	**50,839**	50,838
Right of Use Assets (Note 23)	**56,504**	44,204
	452,391	402,798
14. OTHER OPERATING EXPENSES		
Occupancy Cost	**957,296**	580,619
General & Administrative Expenses	**5,956,731**	4,052,511
	6,914,027	4,633,130
14a. DIRECTORS EMOLUMENTS	**284,952**	63,451
Board Meetings Expenses	**4,966**	13,091
Directors Fees	**21,960**	22,320
Directors Retiring Benefits	**227,756**	-
Directors Sitting Allowance	**30,270**	28,040
14b. GENERAL & ADMINISTRATIVE EXPENSES: include		
Auditors Remuneration / Audit Fees	**77,675**	67,783
- Fees	**70,000**	60,000
- Expenses	**7,675**	7,783

15 INCOME TAX

15 i. Income tax expense

The major tax expense components for the years ended

31 December 2023 and 2022 are:

	2023 GHS	2022 GHS
Statement of profit or loss		
Current income charge	**783,865**	272,876
Growth and Sustainability Levy	**139,421**	-
(Over) / under provision for current tax	**-**	54,238
	923,286	327,114
Deferred tax charge / (Credit)	**7,388**	136,475
Income tax reported in the statement of profit or loss	**930,674**	463,589

	2023	2022
	GHS	GHS

15 ii. Reconciliation of Effective Tax

The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the statutory tax rate on the applicable profit as follows:

	2023	2022
	GHS	GHS
Accounting profit before income tax	**2,788,422**	1,519,251
Statutory income tax rate of 25% (2022 :25%)	**697,106**	379,813
Non- deductible expenses for tax purposes	**271,297**	(11,325)
Effect on non-chargeable income	**(9,178)**	(6,501)
Effect on capital allowance utilised	**(175,360)**	(89,110)
Growth and Sustainability Levy	**139,421**	-
Under Provision of Tax	**-**	54,238
Change in recognised temporary differences	**7,388**	136,475
Income tax reported in the statement of profit or loss	**930,674**	463,589
Effective tax rate	**33.38**	30.51

15 iii. CURRENT CORPORATE TAX ACCOUNT

Year of Assessment	Balance as at Jan 1	Set Off	Under /Over Prov. In Prior Years	Payments During the Year	Provision for the Year	Balance as at Dec 31
	GHS	GHS	GHS	GHS	GHS	GHS
2020	(145,000)	-	-	(150,000)	109,729	(185,271)
2021	(185,271)	-	-	(125,000)	275,515	(34,756)
2022	(34,756)	90,762	54,238	(537,500)	272,876	(154,381)
2023	**(154,381)**	**-**	**-**	**(625,000)**	**783,865**	**4,484**
						54

15 iv. GROWTH AND SUSTAINABILITY LEVY

Year of Assessment	Balance as at Jan 1		(Over) / Under Prov. In Prior Years	Payments During the Year	Provision for the Year	Balance as at Dec 31
	GHS		GHS	GHS	GHS	GHS
2023	**-**		**-**	**(76,850)**	**139,421**	**62,571**
Total	**(154,381)**	**-**	**-**	**(701,850)**	**923,286**	**67,055**

The tax computation (Charge for the year) is subject to agreement with the Domestic Tax Revenue Division of GRA

	2023	2022
	GHS	GHS
15 v. The movement on the deferred tax account is as follows:		
Balance at January 1	**(392,198)**	(528,673)
Origination / reversal of temporary differences:	**-**	-
recognised in the statement of profit or loss (Note 15 i)	**7,388**	136,475
Balance at December 31	**(384,810)**	(392,198)
15 vi. Recognised deferred tax liabilities and assets are as follows:		
Deferred tax assets	**(585,208)**	(518,037)
Deferred tax liability	**200,398**	125,839
Net Deferred Tax Asset	**(384,810)**	(392,198)

16. CASH AND BALANCES WITH ARB APEX BANK

	2023	2022
Cash on Hand	**14,502,339**	12,458,063
Balances with ARB Apex Bank - Current	**1,014,159**	5,840,703
- 5% Apex Deposit	**4,323,726**	3,044,816
ACOD	**-**	8,500,000
	19,840,224	29,843,582

The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS 4,323,726(2022: GHS 3,044,816) which is not available for use in the Bank's day to day operations . Cash on Hand and Balances with ARB Apex Bank are non - interest bearing.

17. BALANCES WITH OTHER BANKS

	2023	2022
Consolidated Bank of Ghana	**20,000**	20,300
GCB Bank	**4,401,630**	23,845
	4,421,630	44,145

18. NON - PLEDGED TRADING ASSETS

	2023	2022
Black Shield Fund Management	**5,224,294**	5,224,294
SIC - FSL	**-**	500,000
National Trust Holding Company	**2,540,000**	3,040,000
Government Securities (Treasury Bills held at ARB APEX Bank)	**29,780,000**	17,780,000
	37,544,294	26,544,294

	2023 GHS	2022 GHS
19. LOANS AND ADVANCES		
(a) Analysis by type of Product		
Overdrafts	**3,063,044**	2,214,802
Loans	**24,163,206**	16,752,975
	27,226,250	18,967,777
Less: Impairment charges / Allowances	**(1,884,066)**	(1,710,163)
	25,342,184	17,257,614
(b) Analysis by Type of Customer		
Individuals	**21,706,641**	14,742,006
Private Enterprises	**1,034,047**	1,067,723
Public Enterprises	**293,169**	408,943
Others	**4,192,393**	2,749,105
	27,226,250	18,967,777
Less: Impairment charges / Allowances	**(1,884,066)**	(1,710,163)
	25,342,184	17,257,614
(c) Analysis by Business Segments		
Agriculture	**3,040,224**	2,118,040
Cottage Industries	**41,123**	37,328
Transport	**443,777**	302,205
Trading	**14,236,295**	9,916,318
others	**9,464,830**	6,593,886
	27,226,250	18,967,777
Less: Impairment charges/ Allowances	**(1,884,066)**	(1,710,163)
	25,342,184	17,257,614
(d) Impairment Charges /Allowances		
Individual allowances for impairment		
Balance at 1 January	**1,710,163**	2,337,706
Impairment loss for the year:		
(Over)/Under Charge for the year	**173,903**	(627,543)
Balance at 31 December	**1,884,066**	1,710,163
(e) Bank of Ghana Provisions		
Balance at 1 January	**1,710,163**	2,354,568
Loan Impairment Charge	**184,896**	(644,405)
Balance at 31 December	**1,895,059**	1,710,163

	2023 GHS	2022 GHS
20. OTHER ASSETS ACCOUNT		
Interest and Commission Receivable	**765,800**	473,099
Interest in Arrears	**388,496**	277,042
Office Improvement	-	234,541
Insurance Prepaid -General	**74,588**	41,701
Office Account	**707,471**	235,401
Stationery Stock	**253,023**	223,046
	2,189,378	1,484,830

21. INVESTMENTS (LONG -TERM)

	2023 GHS	2022 GHS
This is made up of:		
Shares in ARB APEX Bank Ltd.	**89,514**	41,404
	89,514	41,404

Investment in Associate has upon initial recognition been designated at fair value through equity and therefore eliminates or reduce any accounting mismatch that would otherwise arise.

22. INTANGIBLE ASSETS

	2023 GHS	2022 GHS
Software		
Cost		
Balance as at 1 Jan	**508,380**	508,380
Additions during the year	-	-
Balance as at 31 Dec	**508,380**	508,380
Amortisation		
Balance as at 1 Jan	**119,631**	68,793
Amortisation for the year	**50,839**	50,838
Balance as at 31 Dec	**170,470**	119,631
NET BOOK VALUE-31 Dec	**337,910**	388,749

The intangible assets relate to the purchase of T24 software user license and Microsoft Software products

23. RIGHT OF USE ASSETS

	2023 GHS	2022 GHS
Cost		
Balance as at 1 Jan	**467,301**	445,701
Additions during the year	**21,600**	21,600
Balance as at 31 Dec	**488,901**	467,301
Depreciation		
Balance as at 1 Jan	**138,652**	94,448
Charge for the year the year	**56,504**	44,204
Balance as at 31 Dec	**195,156**	138,652
Carry Value at 31 December	**293,745**	328,649

These relate to the lease of office buidlings for the banks branches across the country.

24a. Property, Plant & Equipment

2023	Land & Buildings	Office Equipment	Computers & Accessories	Office Furniture & Fittings	Motor Vehicle	Total
Cost	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**	**GHS**
Balance as at 1/1/23	1,735,795	1,044,787	410,771	149,262	522,613	3,863,228
Additions during the year	130,075	287,389	44,370	16,880	969,998	1,448,711
Disposal/Write Off during the year	-	(25,000)	-	-	-	(25,000)
Balance as at 31/12/23	**1,865,870**	**1,307,176**	**455,140**	**166,141**	**1,492,611**	**5,286,939**
Depreciation				-	-	
Balance as at 1/1/23	821,090	816,237	329,662	121,312	462,322	2,550,624
Charge for the year	81,600	163,669	44,633	12,565	42,582	345,051
Disposal during the year	-	(25,000)	-	-	-	(25,000)
Balance as at 31/12/23	**902,690**	**954,906**	**374,295**	**133,877**	**504,904**	**2,870,675**
NET BOOK VALUE - 31/12/23	**963,181**	**352,269**	**80,845**	**32,265**	**987,706**	**2,416,264**
2022						
Cost						
Balance as at 1/1/22	1,737,795	987,616	386,446	129,406	542,883	3,784,146
Additions during the year	-	77,291	35,348	22,601	6,200	141,440
Disposal/Write Off during the year	(2,000)	(20,120)	(11,024)	(2,745)	(26,470)	(62,358)
Balance as at 31/12/22	1,735,795	1,044,787	410,771	149,262	522,613	3,863,228
Depreciation						
Balance as at 1/1/22	740,574	690,078	291,770	115,540	464,276	2,302,237
Charge for the year	80,516	146,279	47,928	8,517	24,516	307,756
Disposal during the year	-	(20,120)	(10,036)	(2,745)	(26,470)	(59,370)
Balance as at 31/12/22	821,090	816,237	329,662	121,312	462,322	2,550,624
NET BOOK VALUE-31/12/22	914,705	228,550	81,109	27,950	60,292	1,312,604

24b. Disposal of Asset(Counting Machines) - 2023

	GHS
Cost	25,000
Less: Accumulated Depreciation	(25,000)
NBV at Disposal	-
Less: Proceeds from Disposal	5,000
Profit on Disposal	**5,000**

24c. Disposal / Written off of Asset(Airconditions,Fridge and Biils Boards) - 2022

	GHS
Cost	20,120
Less: Accumulated Depreciation	(20,120)
	-
Less: Proceeds from Disposal	2,180
Profit on Disposal	**2,180**

24d. Disposal of Asset(Motor Bikes) - 2022

	GHS
Cost	26,470
Less: Accumulated Depreciation	(26,470)
	-
Less: Proceeds from Disposal	1,700
Profit on Disposal	**1,700**

24e. Disposal of Asset(Laptops and Printers) - 2022

	GHS
Cost	11,024
Less: Accumulated Depreciation	(10,036)
	988
Less: Proceeds from Disposal	(200)
Loss on Disposal	**(788)**

24e. Disposal of Asset(Chairs) - 2022

Cost	2,745
Less: Accumulated Depreciation	(2,745)
	-
Less: Proceeds from Disposal	340
Profit on Disposal	**340**

	2023 GHS	2022 GHS
25. DEPOSITS AND CURRENT ACCOUNTS		
(a) Analysis by Type of Deposits		
Current Accounts	**16,831,387**	17,233,288
Savings Accounts	**39,285,539**	32,904,598
Time Deposits	**7,899,463**	5,813,328
Susu Deposits	**17,512,537**	13,454,377
	81,528,926	69,405,591
(b) Analysis by Type of Customer		
Individuals	**53,271,649**	43,684,627
Other Private Enterprises	**3,315,087**	2,412,211
Public Enterprises	**1,544,014**	3,875,668
Others	**23,398,176**	19,433,085
	81,528,926	69,405,591
26. LOANS FROM OTHER FINANCIAL INSTITUTIONS		
Special Farmers Loan (MOWAC)	**41,308**	41,308
	41,308	41,308
Borrowings less than one year	**-**	-
Borrowings more than one year	**41,308**	41,308
27. INTEREST PAYABLES and OTHER LIABILITIES		
Interest and Bills Payable	**2,638,964**	1,949,003
Sundry Creditors	**737,360**	650,434
Accrued Charges	**322,933**	80,454
	3,699,257	2,679,891

These mainly relate to statutory payables and other account payables. These are settled in the normal course of business with no overdue balance.

28. STATED CAPITAL	**Number**	Number
i) Authorised Ordinary Shares of No Par Value	**10,000,000**	10,000,000
ii) Issued Ordinary Shares of No Par Value	**4,030,220**	4,030,220
	GHS	**GHS**
iii) Proceeds Issued for Cash-Ordinary Shares	**1,545,456**	1,545,456
iv) Transfer from Retained Earning : B/F	**-**	-
	1,545,456	1,545,456

v) There is no unpaid Liability on any share and there is no share in Treasury.

	2023 GHS	2022 GHS
29. STATUTORY RESERVE FUND		
Balance at 1 January	**1,821,259**	1,557,344
Add: Transfer from Retained Profits	**232,218**	263,915
Balance as at 31 December	**2,053,477**	1,821,259

Under Section 34 of the Banks and Specialized Deposit - Taking Institution Act 2016 (Act 930) the Bank has transferred the prescribed of 12.5% of the Net Profit after tax (2022: 25%).

	2023 GHS	2022 GHS
30. CREDIT RISK RESERVE		
Balance at 1 January	-	16,862
Movement (to)/from Retained Earnings	**10,993**	(16,862)
Balance as at 31 December	**10,993**	-

This represents the excess of the total provisions for loans and advances provision determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances recognised in the statement of comprehensive income under the IFRS framework.

	2023 GHS	2022 GHS
31. RETAINED EARNINGS ACCOUNT		
Balance as at 1 January	**1,846,333**	942,529
Profit for the year transferred from Statement of Comprehensive Income	**1,857,748**	1,055,662
	3,704,081	1,998,191
Transfers to:		
- Statutory Reserve Fund	**(232,218)**	(263,915)
- Community Development Fund	**(185,775)**	(105,566)
- General Welfare Fund	**(185,775)**	(105,566)
- Funds Utilization	**70,165**	306,327
- Credit Risk Reserve	**(10,993)**	16,862
Balance as at 31st December Per Statement of Financial Position	**3,159,485**	1,846,333

This represents the residual of cumulative annual profits . The Movement in the retained earnings account is shown as part of the statement of changes in equity.

	2023 GHS	2022 GHS
32. REVALUATION RESERVE		
Balance as at 1st January	**39,404**	39,404
Balance as at 31st December	**39,404**	39,404

This represents increase in shares value with ARB Apex Bank Limited

	2023 GHS	2022 GHS
33. COMMUNITY DEVELOPMENT FUND		
Balance at 1 January	**156,309**	242,562
Transfer from Retained Earnings	**185,775**	105,566
Funds applied	**(48,992)**	(191,819)
Balance as at 31 December	**293,092**	156,309

The fund is to support developmental projects in the communities the bank operates.

	2023	2022
	GHS	GHS

34. GENERAL WELFARE FUND

	2023	2022
Balance at 1 January	**256,898**	265,840
Transfer from Retained Earnings	**185,775**	105,566
Funds applied	**(21,173)**	(114,508)
Balance as at 31 December	**421,500**	256,898

The fund is to support needy , brilliant students and other staff activities.

35. EARNINGS PER SHARE

Basic Earnings Per Share

The calculation of basic earnings per share at 31 December 2023, was based on the profit attributable to ordinary shareholders of GHS 1,857,748 (2022: GHS 1,055,662) and number of ordinary shares of 4,030,220 (2022: 4,030,220), calculated as follows:

	2023	2022
Profit attributable to ordinary shareholders	GHS	GHS
Net Profit for the period attributable to equity holders of the Bank	**1,857,748**	1,055,662
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	**4,030,220**	4,019,720
Effect of shares issued as at 30 September	**-**	10,500
Number of ordinary shares at 31 December	**4,030,220**	4,030,220
	0.461	**0.262**

Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 December ,2023 was based on the Profit attributable to ordinary shareholders of GHS 1,857,748 (2022: GHS 1,055,662) and number of ordinaryshares after adjustment for the effects of all dilutive potential ordinary shares of 4,030,220 (2022: 4,030,220), calculated as follows:

	2023	2022
Profit attributable to ordinary shareholders	GHS	GHS
Net Profit for the period attributable to equity holders of the Bank	**1,857,748**	1,055,662
Weighted average number of ordinary shares		
Number of Ordinary Shares (Basic)	**4,030,220**	4,030,220
Effect of Shares Purchase after 30 September	**-**	-
Number of ordinary shares (Diluted) at 31 December	**4,030,220**	4,030,220
	0.461	**0.262**

36. DIVIDEND PER SHARE

At the Annual General Meeting to be held in 2024, the directors do not recommend the payment of dividend for the year ended 31 December, 2023 (2022 - Nill). There is no tax consequence since no divided will be declared.

37. Capital Commitments

There were no capital commitments at 31 December 2023, (2022: Nil).

38. Contingent liabilities

There were no contingent liabilities at 31 December 2023, (2022: Nil).

39. Country Analysis

All assets and liabilities of the bank are held in Ghana.

40. Related Party Transactions and Balances

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to and deposits from related persons. The disbursements, related outstanding balances and deposits balances at the year-end are as follows:

a. Loans and Deposits to/from Directors and Connected Persons

	2023 GHS	2022 GHS
Loans Outstanding as at 31st Dec	89,036	3,750
Deposits Balance as at 31st Dec	-	1,226

b. Loans to Key Management Staff and Connected Persons

	2023 GHS	2022 GHS
Loans Outstanding as at 31st Dec	392,089	219,810

Interest rate charged on these loans and advances were at commercial rates. The loans granted are secured over property and fixed deposit of the respective persons. No impairment loss has been recorded against balances outstanding during the period with directors and key management personnel. Interest on fixed deposits are the same as applied to other customers of the bank. All transactions other than with related parties are priced on arm's length basis and was entered into in the normal course of business.

c. Key Management Emoluments

	2023 GHS	2022 GHS
Salaries and other related costs	1,142,526	1,329,907

41. Financial risk management

Introduction and overview
An organization may be exposed to different types of financial risks depending on the size and complexity of business activities. Amantin and kasei Community Bank Limited, however, is generally exposed to:

(a) Credit risk
(b) Liquidity risk
(c) Market risk
(d) Operational risk
(e) Compliance risk
(f) Legal risk
(g) Reputational risk
(h) Capital risk

The Bank's risk management framework, objectives, policies, procedures and processes for identifying, measuring, monitoring and controlling these risks, and regulatory capital management is presented below:

Risk Management Framework
The Board of Directors and Senior Management have developed and established policies and procedures to facilitate effective risk management. These policies and procedures provide guidance on risk appetite/tolerance limit, risk identification, monitoring and control and adherence to set risk limits.

The risk management policies and procedures are continually reviewed to reflect changes in economic and financial landscape as well as products and services offered.

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk management framework. The responsibilities of the Board of Directors include; setting out the Bank's overall risk appetite/tolerance limit, ensuring that the Bank's overall risk exposure is maintained at prudent levels and consistent with available capital. They also include ensuring that Management as well as individuals responsible for Risk Management possess sound expertise and knowledge to accomplish the risk management function and that appropriate policies and procedures for risk management are in place.

The Board's Sub-Committees on Investment and the Management as a whole oversee the implementation of the broad risk management policies and objectives of the Bank.

(a) Credit risk management
Credit risk represents the loss which the Bank would suffer if a customer or counter-party to financial instruments failed to meet its contractual obligations.

Credit Risk stems from outright default due to inability or unwillingness of a client or counterpart to meet commitments in relation to lending, trading settlement and other financial transaction. Resultant losses may result in reduction in receivables portfolio value due to the actual or perceived deterioration in those receivables portfolio quality.
The Bank has established credit policies under which new customers are assessed for credit worthiness before credit is extended to them.

The Investment Committee is responsible for implementing the credit risk policy/strategy, monitoring credit risk on a Bank-wide basis and ensuring compliance with credit limits to be approved by the Board.

Business strategies, policies and procedures for managing credit are determined Bank-wide with specific policies and procedures being adopted for corporate and small and medium-sized enterprises.

Managing problems of Loans and Advances

The Recoveries Unit within the Credit Department manages delinquent facilities including outright recoveries or nursing of such problem Loans back to health.

At delinquent and past due stages, where recovery efforts are unsuccessful, the Bank refers the client to the Bank's Solicitors for legal action to be initiated.

Provisioning for loans and advances

Credit losses are anticipated and charged in the statement of profit or loss on a monthly basis. The balance in the impairment allowance account is always equal to at least the required provisions based on the Bank's current risk rating profile. If the status of the loan worsens, the balance of the provision account is increased by an additional charge against earnings.

Credit Risk Management (Cont'd)

In conformity with Bank of Ghana's directives, the minimum provision that are held are as follows;

Credit Risk Rating	Days Past Due	Minimum Prov. Required (%)
Current	Less than 30	1%
OLEM	30 - 90	10%
Sub-standard	91 – 180	25%
Doubtful	181 – 360	50%
Loss	Over 360	100%

Impairment losses

The ageing of Loan and Advances at the reporting date was:

	2023		2022	
	Gross Amt	Impairment	Gross Amt	Impairment
	GHS	GHS	GHS	GHS
0-30 days	24,589,216	605,003	17,191,726	345,614
31- 91days	1,258,238	125,824	243,484	24,348
91- 180 days	216,404	54,101	111,906	27,977
181 - 360 days	104,521	52,261	216,873	108,437
> 360 days	1,057,871	1,057,871	1,203,788	1,203,788
	27,226,250	**1,895,059**	**18,967,777**	**1,710,162**

Exposure to credit risk

The carrying amount of financial assets represents the Bank's maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2023	2022
	GHS	GHS
Cash and Balances with Other Banks	24,261,854	29,887,727
Non- Pledge Trading Assets	37,544,295	26,544,294
Loans and Advances	25,342,184	17,257,614
Other Assets	2,189,378	1,484,830
	89,337,711	**75,174,465**

Exposure to credit risk

The carrying amount of financial assets represents the Bank's maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Credit Risk Management (Cont'd)

At 31st December, 2023, the Bank's Financial Assets were categorized under IFRS 9 as follows:

Stage 1 – At initial recognition Performing

Stage 2 – Significant increase in Credit risk since initial recognition – Underperforming

Stage 3 – Credit Impaired – Non- Performing

	Stage 1	Stage 2	Stage 3	Total
	GHS	GHS	GHS	GHS
Cash and Cash Equivalents	24,261,854	-	-	24,261,854
Non - Pledged Trading Assets	37,544,294	-	-	37,544,294
Investment other than securities	89,514	-	-	89,514
Loans and Advances to Customers	23,792,071	1,768,868	1,665,310	27,226,250
Other Assets (Less Prepayments)	2,114,790	-	-	2,114,790
Gross Carrying Amount	**87,802,523**	**1,768,868**	**1,665,310**	**91,236,702**
Loss Allowances	**(151,368)**	**(210,182)**	**(1,522,516)**	**(1,884,066)**
Net Carrying Amount	**87,651,155**	**1,558,686**	**142,794**	**89,352,636**

2022

	Stage 1	Stage 2	Stage 3	Total
	GHS	GHS	GHS	GHS
Cash and Cash Equivalents	29,887,727	-	-	29,887,727
Non - Pledged Trading Assets	26,544,294	-	-	26,544,294
Investment other than securities	41,404	-	-	41,404
Loans and Advances to Customers	16,881,000	452,965	1,633,812	18,967,777
Other Assets (Less Prepayments)	1,443,129	-	-	1,443,129
Gross Carrying Amount	**74,797,554**	**452,965**	**1,633,812**	**76,884,331**
Loss Allowances	**(6,809)**	**(69,542)**	**(1,633,812)**	**(1,710,163)**
Net Carrying Amount	**74,790,744**	**383,424**	**-**	**75,174,168**

Impaired loans and Securities
Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/securities agreement(s). Interest on these loans are calculated and treated on non-accrual basis and portions shall only be considered when payments (settlement) are made.

Loans with renegotiated terms
Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower‟s financial position and where the Bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does change until there is evidence of performance over a reasonable period of time.

When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, a Bank shall recalculate the gross carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees incurred adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Allowances for impairment
The Bank establishes an allowance for impairment losses that represents the estimate of incurred losses in the loan portfolios. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-off policy

The Bank writes off loans when it determines that the loans are uncollectible. This determination will be reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. Related and connected lending is not permitted to be written off unless with the approval of Bank of Ghana.

Collateral of Impaired exposures

The Bank holds collateral against loans and advances to customers in the form of cash deposits, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral is not normally held for loans and advances to Bank, when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2023 and 2022. An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. It must, however, be noted that collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans & Advances to Customers 2023	Loans & Advances to Customers 2022
	GHS	GHS
Cash and near Cash Instruments	47,040	125,280

Repossessed assets

The Bank did not repossess any customer's asset during the period. If the Bank would have repossessed, the type and carrying amount of collateral would have been the lower of its carrying amount and fair value less costs to sell. All assets repossessed if any are to be sold within one year of possession and approval would be sought from Bank of Ghana for those which efforts towards sale have not been successful within one year. The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	2023	**2022**
	GHS	**GHS**
Agriculture	3,040,224	2,118,040
Cottage Industry	41,123	37,328
Transport	443,777	302,205
Trading	14,236,295	9,916,318
Others	9,464,830	6,593,886
	27,226,250	18,967,777
Credit Impairment Loss	(1,884,066)	(1,710,163)
	25,342,184	17,257,614

(b) Liquidity Risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due. The risk arises from mismatches in cash flows.

Management of liquidity risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses that will damage to the Bank's reputation.

The Head office receives information from other branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Head office then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through short-term loans from Head Office to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements. When an operating branch is subject to a liquidity limit, it manages the regulatory limit in co-ordination with Head Office, Head Office monitors compliance of branches with local regulatory limits on a daily basis. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Finance and operation committee. Daily reports cover the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to the finance and operations committee.

Exposure to liquidity risk

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

(c) Market risk

Market risk represents the risk exposures the Bank has in relation to instruments whose value vary with the level of interest rates. These include investments, debt securities, and borrowing. The Bank's exposure to the risk of changes in market interest rates relates primarily to its long-term borrowings with floating interest rates. All of its borrowing are at floating interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of market risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the treasury unit, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis. Overall authority for market risk is vested in credit committee. The Bank is responsible for the development of detailed risk management policies (subject to review and approval by credit committee) and for the day-to-day review of their implementation.

Exposure to market risk – trading portfolios

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios is Value at Risk (VaR). The VaR of a trading portfolio is the estimated loss that will arise on the portfolio over a specified period of time (holding period) from an adverse market movement with a specified probability (confidence level). The VaR model used by the Bank is based upon a 99 percent confidence level and assumes a 10-day holding period. The VaR model used is based mainly on historical simulation. Taking account of market data from the previous two years, and observed relationships between different markets and prices of plausible future scenarios for market price movements. Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

- A 10-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.

- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.

- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.

-The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.

- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa. The Bank uses VaR limits for total market risk, interest rate, equity and other price risks. The overall structure of VaR limits is subject to review and approval by credit and marketing committee. VaR limits are allocated to trading portfolios. VaR is measured at least daily and more regularly for more actively traded portfolios.

Daily reports of utilisation of VaR limits are submitted to Bank risk and regular summaries are submitted to the credit and marketing committee. The limitations of the VaR methodology are recognized by supplementing VaR limits with other position and sensitivity limit structures, including limits to address potential concentration risks within each trading portfolio. In addition, the Bank uses a wide range of stress tests to model the financial impact of a variety of exceptional market scenarios on individual trading portfolios and the Bank's overall position.

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The credit and marketing committee is the monitoring body for compliance with these limits and is assisted by finance and operations department in its day-to-day monitoring activities. The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios.

Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) fall or rise in all financial market interest rates. Overall non-trading interest rate risk positions are managed by Central Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risks – non-trading portfolios

Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by Central Treasury and equity price risk is subject to regular monitoring by Bank risk, but is not currently significant in relation to the overall results and financial position of the Bank.

(d) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

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

(e) Compliance and regulatory risk

In order to strengthen the Bank's compliance with regulatory requirements, the Bank organises series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimise risk emanating therefrom.

(f) Legal risk

The Bank's activities are undertaken in a manner which adequately reduces the risks which may arise out of material litigation to be initiated against it (the Bank).

(g) Reputational risk

The Bank conducts its business in a responsible, professional and transparent manner. The Bank safeguards the interest of its clients as well as its reputation. This is aimed at demonstrating our commitment and fostering a long-term relationship with our clients and the public at large. We manage our image and reputation in a professional manner.

(h) Capital risk management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirement by Bank of Ghana and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholders' value. In order to maintain the desired level of capital, the Bank may vary its dividend policy or issue new shares. The Bank did not comply with all externally imposed capital requirement throughout the period.

37. Financial assets and financial liabilities Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are carried in the financial statements.

	Carrying amount		Fair Value	
	Dec. 31	Dec. 31	Dec. 31	Dec. 31
	2023	2022	2023	2022
	GHS	GHS	GHS	GHS
Financial assets				
Cash and Balances with Other Banks	24,261,854	29,887,727	24,261,854	29,887,727
Non- Pledged Trading Assets	37,544,294	26,544,294	37,544,294	26,544,294
Loans and Advances	25,342,184	17,257,614	25,342,184	17,257,614
Other Assets	2,189,378	1,484,830	2,189,378	1,484,830
Total	**89,337,710**	**75,174,465**	**89,337,710**	**75,174,465**
Financial Liabilities				
Current Accounts	16,831,387	17,233,288	16,831,387	17,233,288
Savings Accounts	**39,285,539**	32,904,598	39,285,539	32,904,598
Time Deposits	**7,899,463**	5,813,328	7,899,463	5,813,328
Susu Deposits	**17,512,537**	13,454,377	17,512,537	13,454,377
Loans from Other Financial Institutions	41,308	41,308	41,308	41,308
Interest Payable and Other Liabilities	3,699,257	2,679,891	3,699,257	2,679,891
Total	**85,269,491**	**72,126,790**	**85,269,491**	**72,126,790**

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

• Cash and short-term deposits, loans and advances, deposits and current accounts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

• Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Bank based on parameters such as interest rates. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at December 31, 2023, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

28. Fair value hie

As at 31 December 2023, the Bank held the following financial instruments carried at fair value on the statement of financial position: The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2023, the Bank held the following financial instruments measured at fair value:

2023	Total	Level 1	Level 2	Level 3
	GHS	GHS	GHS	GHS
Financial assets				
Cash and Balances with Other Banks	24,261,854	-	24,261,854	-
Non- Pledged Trading Assets	37,544,294	-	37,544,294	-
Loans and advances	25,342,184	-	25,342,184	-
Other assets	2,189,378	-	2,189,378	-
Total	**89,337,710**	**-**	**89,337,710**	**-**
Financial Liabilities				
Current Accounts	16,831,387	-	16,831,387	-
Savings Accounts	39,285,539	-	39,285,539	-
Time Deposits	7,899,463	-	7,899,463	-
Susu Deposits	17,512,537	-	17,512,537	-
Loans from other Financial Institution	41,308		41,308	
Interest Payable and Other Liabilities	3,699,257	-	3,699,257	-
Total	**85,269,491**	**-**	**85,269,491**	**-**

The Bank carries unquoted equity shares as available-for-sale financial instruments classified as Level 3 within the fair value hierarchy.

2022	Total	Level 1	Level 2	Level 3
	GHS	GHS	GHS	GHS
Financial assets				
Cash and Balances with Other Banks	29,887,727	-	29,887,727	-
Non- Pledged Trading Assets	26,544,294	-	26,544,294	-
Loans and advances	17,257,614	-	17,257,614	-
Other assets	1,484,830	-	1,484,830	-
Total	**75,174,465**	**-**	**75,174,465**	**-**
Financial Liabilities				
Current Accounts	17,233,288	-	17,233,288	-
Savings Accounts	32,904,598	-	32,904,598	-
Time Deposits	5,813,328	-	5,813,328	-
Susu Deposits	13,454,377	-	13,454,377	-
Loans from other Financial Institution	41,308		41,308	
Interest Payable and Other Liabilities	2,679,891	-	2,679,891	-
Total	**72,126,790**	**-**	**72,126,790**	**-**

During the reporting period ending 31 December 2022, there was no transfer between Level 1 and Level 3 fair value measurements.

37. Value Added Statement

	2023	2022
	GHS	GHS
Interest earned and other operating income	19,433,462	13,133,755
Direct cost service	(8,395,649)	(5,591,028)
Value added by banking services	11,037,813	7,542,727
Non-banking services	(7,388)	(136,475)
Specific Bad Debt	-	(1,004,362)
Impairments on Financial Assets	(1,173,903)	127,543
Value added	9,856,522	6,529,433
Distributed as follows:		
To Employees:		
Directors (without executives)	21,960	22,320
Executive directors		
Other employees	6,601,138	4,721,539
To Government:		
Income Tax	923,286	327,114
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	401,552	351,960
Amortisation	50,838	50,838
Retained earnings	1,857,748	1,055,662
	9,856,522	6,529,433

SCHEDULE TO THE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2023

	2023	2022
PERSONNEL COST	**GHS**	**GHS**
Salaries and Wages	**3,305,288**	2,555,809
Social Security Contribution (13%)	**429,687**	332,255
Provident Fund (12%)	**396,635**	306,697
Other Staff Cost	**1,642,602**	1,029,622
Bonus	**556,733**	250,714
Medical Expenses	**150,193**	119,877
Staff Training Expenses	**120,000**	126,565
	6,601,138	4,721,539
OCCUPANCY COST		
Repairs and Maintenance	**143,805**	102,505
Rates Expenses	**12,875**	23,535
Manager's Bungalow Expenses	**37,221**	22,237
Electricity and Water	**417,392**	278,154
Sanitation & Cleaning Expenses	**346,003**	154,188
	957,296	580,619
GENERAL & ADMINISTRATIVE EXPENSES		
Travelling and Transport	**711,405**	514,182
Printing and Stationery	**352,642**	237,390
Hospitality to Guest & Entertainment Expenses	**171,397**	123,505
Director's Emuloments	**284,952**	63,451
Specie Movement Expenses	**218,059**	39,736
Mobilisation Expenses	**809,020**	644,673
Auditor's Remuneration	**77,675**	67,783
VAT On Audit Fees & Professional Charges	**16,863**	14,454
Professional Charges	**7,000**	6,000
Insurance	**347,831**	253,275
Postages and Telecommunications	**99,092**	55,755
Motor Vehicle Running Expenses	**471,452**	355,415
Legal Expenses	**16,795**	23,270
Advertising, Newspapers & Periodicals	**224,910**	128,717
Social Responsibility	**48,992**	191,819
Annual General Meeting Expenses	**538,012**	106,549
Donations &Charitable Contritions	**120,190**	59,424
Generator Running Expenses	**168,217**	266,780
Depreciation - Office Improvements	**234,541**	47,267
Tax Surcharges	**-**	120,762
Bank Charges	**3,485**	24,356
Office Expenses	**179,066**	115,155
Security Expenses	**79,725**	55,010
Computerization Expenses	**775,410**	537,785
	5,956,731	4,052,511

Number of Shareholders

The Bank had Four Hundred and Sixty - Four (464) ordinary shareholders at 31 December ,2023 distributed as Follows:

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	416	98,843	**2.45%**
1,001-5,000	27	64,680	**1.60%**
5,001-10,000	3	20,826	**0.52%**
Over 10,000	18	3,845,871	**95.43%**
Total	**464**	**4,030,220**	**100.00%**

Directors' shareholding

	Name of Director	Number of Shares	Percentage Holding (%)
1	Dr. John Oduro - Boateng	211,175	5.24%
2	Mr. Anthony Appiah	59,303	1.47%
3	Mrs. Mary B. Ansong	44,582	1.11%
4	Mr. Vincent Amponsah	34,029	0.84%
5	Mr. Alfred Owusu Acheaw	19,507	0.51%
6	Mr. Awudu Fatau	20,401	0.48%
	Total	**388,996**	**10.20%**

Twenty (20) largest Shareholders

	Name of Shareholder	Number of Shares	Percentage Holding (%)
1	Sinapi Aba Trust	1,730,648	42.94%
2	Amantin Town Council	933,018	23.15%
3	Luke Society	475,238	11.79%
4	Dr.John Oduro - Boateng	211,175	5.24%
5	Namusa Trust	93,830	2.33%
6	Anthony Appiah	59,303	1.47%
7	Mary B.Ansong	44,582	1.11%
8	John Koduah	35,994	0.89%
9	Dr. Hillar Scott	34,674	0.86%
10	Vincent Amponsah	34,029	0.84%
11	Jacob Bempomg	31,120	0.77%
12	Dwan Traditional Council	27,664	0.69%
13	Bassa Traditional Council	27,662	0.69%
14	Wiase Traditional Council	27,662	0.69%
15	Ernest Kwakye	24,528	0.61%
16	Awudu Fatau	20,401	0.51%
17	Alfred Owusu Acheaw	19,507	0.48%
18	Dr. Kwame Fobi Oduro - Boateng	14,834	0.37%
19	Michael Osae	8,511	0.21%
20	Nana Osei Kwasi	7,238	0.18%
	Reported Totals	**3,861,618**	**96%**
	Unreported Totals	**168,602**	**4%**
	Total	**4,030,220**	**100%**