

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN, that the Eighteenth (18th) Annual General Meeting of shareholders of Amantin and Kasei Community Bank Limited will be held at the Chapel of the Church of Pentecost, Amantin on Saturday, 29th July 2023 at 10:00am 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 statement of the Bank for the year ended 31st December 2022.
6. To authorize Directors to fix the remuneration of the Auditors
7. To fix Directors' remuneration

BY ORDER OF THE BOARD OF DIRECTORS

Dated, this 13th day of June, 2023

AMANTIN AND KASEI COMMUNITY BANK LIMITED

FINANCIAL STATEMENTS

**31ST DECEMBER,
2022**

**HEAD OFFICE - AMANTIN
P.O.BOX 128, EJURA - ASHANTI
Tel: 020209927
Email: amakacom@ymail.com**

AMANTIN AND KASEI COMMUNITY BANK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2022

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AMANTIN AND KASEI COMMUNITY BANK LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 ST DECEMBER, 2022

CORPORATE INFORMATION

BOARD MEMBERS

Dr. John Oduro - Boateng
 Mr. Alfred Owusu Acheaw
 Mr. Anthony Appiah
 Mrs. Mary B. Ansong
 Mr. Awudu Fatau
 Mr. Vicent Amponsah

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. 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

TAX IDENTIFICATION NUMBER

C0006799639

REPORT OF DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

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, 2023 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.

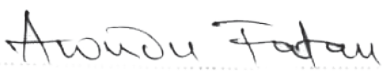
REPORT OF THE DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

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 9 to 14.

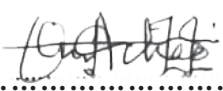
The annual financial statements set out on pages 15 to 61, which have been prepared on the going concern basis, were approved by the Board of Directors on April 29, 2023 and were signed on their behalf by:


Approval of financial statements

Signature 


.....

Name of Director

Signature 


.....

Name of Director

The directors have pleasure in presenting the audited financial statements of the Bank for the year ended 31st December, 2022.

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.

REPORT OF THE DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

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, 2022 of GHS 1,055,662. This represented a significant improvement from a profit-making position of GHS 778,151 from the prior year.

The Bank's net income increased 49.24 % from GHS 8,143,525 in the prior year to GHS 12,153,537 for the year ended December 31, 2022.

The Bank generated GHS 12,633,260 from operating activities as against GHS 632,065 used in operating activities for the year ended December 31, 2021.

The results for the year are summarized as follows

	2022	2021
	GHS	GHS
Profit for the period before taxation amounted to	1,519,251	1,009,461
from which is deducted taxation of	(272,876)	(275,515)
Under Provision of Tax	(54,238)	-
Deferred Tax (Charge)/Credit	(136,475)	44,205
Giving a Profit after taxation of	1,055,662	778,151
Transfer to : Community Development Fund	(105,566)	(77,815)
Transfer to : General Welfare Fund	(105,566)	(77,815)
Transfer to : Statutory Reserve Fund	(263,915)	(194,538)
	580,615	427,983
which is added to the balance brought forward on Retained Earnings of	942,529	352,713
	1,523,144	780,696
Credit Risk Reserve of	16,862	120,323
Funds Applied	306,327	41,510
Leaving a balance to be carried forward on Retained Earning of	1,846,333	942,529

Stated Capital

The Bank's Stated Capital increased to GHS 1,545,456 at the end of the year 2022 from GHS 1,540,206 of the previous year resulting in an increase of GHS 5,250 representing 0.34%.

The increase emanates from the sale of shares of 10,500 at GHp 50 per share which amounted to GHS 5,250. The number of shares also increased to 4,030,220 at the end of the current year 2022 from 4,019,720 in the previous year 2021 representing 0.26%.

REPORT OF THE DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

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, 2022, the bank's investment in property, plant and equipment amounted to GHS 1,312,604 (2021: GHS 1,481,908), of which GHS 141,440 (2021: GHS 130,729) was added in the current year. Disposal for the year under review amounted to GHS 62,358 (2021: Nil).

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 2022.

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.

Terms of Appointment of the 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 191,819 on Corporate Social Responsibility within the financial year.

REPORT OF THE DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

Audit Fee Payable

Included in the general and administrative expenses is the agreed auditor's remuneration of GHS 60,000

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.

Anti – Money Laundering

The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering Act, 2020 (Act 1044) and Anti – Terrorism Act, 2008 (Act 762), and the Regulations made under these enactments. 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.

Dividends

The Directors recommend the payment of dividends of GHS 145,087.92 (2021: Nil) subject to Bank of Ghana approval. That is GHp 3.6 per share on 4,030,220 Ordinary shares which qualified for dividends as per closure of register of September 30, 2022.

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:

Names of Directors	Designation	Shares Holding
Dr. John Oduro - Boateng	Chairman	211,175
Mr. Anthony Appiah	Member	59,303
Mrs. Mary B. Ansong	Member	44,582
Mr. Vincent Amponsah	Member	34,029
Mr. Alfred Owusu Acheaw	Member	19,507
Mr. Awudu Fatau	Member	20,401

REPORT OF THE DIRECTORS TO THE MEMBERS OF AMANTIN AND KASEI COMMUNITY BANK LIMITED

Directors' Interest in Contract


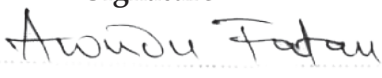
The directors have no interest in contracts entered into by the Bank.

Acknowledgements

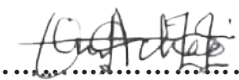
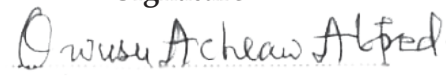
Thanks, and appreciation are extended to all of our Shareholders, Staff, and Customers for their continued support for the Bank.

Approval of Financial Statements

The financial statements of Amantin and Kasi Community Bank Limited were approved by the Board of Directors on 29th April, 2023 and signed on their behalf by:

.....

 Signature


 Name of Director

.....

 Signature


 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, 2022

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, 2022, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) 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, 2022.

The financial statements comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31st December, 2022;
- 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

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, 2022

Impairment of Non - Pledged Trading Assets

The Bank has invested Non- Pledged Trading Assets with various fund managers. The investments with Black Shield Fund Management, SIC FSL and National Trust Holding Company totaling GHS 8,764,294 have matured as at 31st December 2022 but repayments have not yet been received. Repayment from the companies have 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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMANTIN AND KASEI COMMUNITY BANK LIMITED
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

How our audit addressed the Key Audit Matter

Loan and Advances

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 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.

Non- Pledged Trading Assets

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.

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.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMANTIN AND KASEI COMMUNITY BANK LIMITED
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

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 (IFRSs), 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;

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMANTIN AND KASEI COMMUNITY BANK LIMITED
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

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)

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AMANTIN AND KAEI COMMUNITY BANK LIMITED
ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2022

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 Act, 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 & ASSOCIATES: (ICAG/F/2022/084)
Chartered Accountants
House of Grace, Adum, Kumasi


 2023

AMANTIN AND KASEI COMMUNITY BANK LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2022

	(NOTES)	2022 GHS	2021 GHS
Interest Income	(7)	10,993,930	7,403,449
Interest Expense	(8)	(980,218)	(871,780)
Net Interest Income		10,013,712	6,531,669
Commissions and Fees	(9)	1,824,477	1,298,713
Other Operating Income	(10)	315,348	313,144
Operating Income		12,153,537	8,143,525
Impairment Loss on Investments with Discount Houses	(11 a)	(500,000)	-
Specific Bad Debt written off	(11 b)	(1,004,362)	-
Impairment Gain on Loans and Advances reversal		627,543	4,606
Personnel Cost	(12)	(4,721,539)	(3,957,910)
Depreciation and Amortisation	(13)	(402,798)	(385,610)
Other Operating Expenses	(14)	(4,633,130)	(2,795,151)
Net Operating Profit Before Taxation		1,519,251	1,009,461
Income Tax Expense	(15 iii)	(272,876)	(275,515)
Under Provision of Tax	(15 iii)	(54,238)	-
Deferred Tax (Charge)/Credit	(15 iv)	(136,475)	44,205
Profit for the year		1,055,662	778,151
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		1,055,662	778,151
 Basic and Diluted Earnings Per Share		 0.262	 0.194

AMANTIN AND KASEI COMMUNITY BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2022

	(NOTES)	2022	2021
		GHS	GHS
ASSETS			
Cash and Balances with ARB Apex Bank	(16)	29,843,582	17,341,957
Balances with Other Banks	(17)	44,145	70,300
Non - Pledged Trading Assets	(18)	26,544,294	21,544,294
Loans and Advances	(19)	17,257,614	14,128,017
Other Assets Accounts	(20)	1,484,830	1,312,182
Corporate Tax Credit	(15 iii)	154,380	34,756
Deferred Tax Asset	(15 v)	518,037	650,972
Investments - (Long Term)	(21)	41,404	41,404
Intangible Asset	(22)	388,749	439,587
Right of Use Assets	(23)	328,649	351,253
Property, Plant & Equipment	(24)	1,312,604	1,481,908
TOTAL ASSETS		77,918,288	57,396,630
LIABILITIES			
Deposits and Current Accounts From Customers	(25)	69,405,591	50,959,848
Loans from Other Financial Institutions	(26)	41,308	41,308
Interest Payable and Other Liabilities	(27)	2,679,891	1,668,428
Deferred Tax Liability	(15 v)	125,839	122,299
TOTAL LIABILITIES		72,252,629	52,791,883
SHAREHOLDERS FUNDS			
Stated Capital	(28)	1,545,456	1,540,206
Statutory Reserve Fund	(29)	1,821,259	1,557,344
Credit Risk Reserve	(30)	-	16,862
Retained Earnings	(31)	1,846,333	942,529
Revaluation Reserves	(32)	39,404	39,404
Community Development Fund	(33)	156,309	242,562
General Welfare Fund	(34)	256,898	265,840
TOTAL SHAREHOLDERS FUNDS		5,665,659	4,604,747
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES		77,918,288	57,396,630

The Financial Statements were approved by the directors on 29th April, 2023 and
were signed on their behalf by

Signature
.....
Name of Director

Signature
.....
Name of Director

AMANTIN AND KASEI COMMUNITY BANK LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 ST DECEMBER 2022

	STATED CAPITAL	RETAINED EARNINGS	STATUTORY RESERVE FUND	CREDIT RISK RESERVE	COMMUNITY DEVELOPME T FUND	GENERAL WELFARE FUND	REVALUATI ON RESERVE	TOTAL
	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS
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 Purchase	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
2021								
Balance as at 1 Jan	1,521,546	352,713	1,362,806	137,185	169,448	224,834	39,404	3,807,936
Net Profit for the Year	-	778,151	-	-	-	-	-	778,151
Share Purchases	18,660	-	-	-	-	-	-	18,660
Transfer to:								
Statutory Reserve Fund	-	(194,538)	194,538	-	-	-	-	-
Community Development Fund	-	(77,815)	-	-	77,815	-	-	-
General Welfare Fund	-	(77,815)	-	-	-	77,815	-	-
Credit Risk Reserve	-	120,323	-	(120,323)	-	-	-	-
Funds applied	-	41,510	-	-	(4,701)	(36,809)	-	-
Balance as at 31 Dec	1,540,206	942,529	1,557,344	16,862	242,562	265,840	39,404	4,604,747

AMANTIN AND KASEI COMMUNITY BANK LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	GHS	GHS
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Taxation	1,519,251	1,009,461
Depreciation Charge on Property, Plant & Equipment	307,756	287,548
Depreciation Charge on Right of use Assets	44,204	47,224
Amortisation on Intangible Assets	50,838	50,838
Non - Cash Items	90,762	-
Impairment charge on financial assets reversal	(627,543)	(4,606)
Loss on disposal of Property & Equipment	2,987	-
Operating cash flow before investment in working capital	1,388,255	1,390,466
 CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in Loans & Advances to Customers	(2,502,055)	(3,236,707)
Changes in Non - Pledged Trading Assets	(5,000,000)	(7,854,063)
Changes in Other Assets Accounts	(172,647)	(240,197)
Changes in Customers Deposits	18,445,744	6,429,825
Changes in Interest Payable and Other Liabilities	1,011,463	3,003,612
	13,170,760	(507,065)
Tax Paid	(537,500)	(125,000)
Net Cash From/(Used in) Operating Activities	12,633,260	(632,065)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(141,440)	(130,729)
Payment for Right of use Assets	(21,600)	(36,000)
Proceeds from disposal of Assets	4,420	-
Net cash used in Investing Activities	(163,040)	(166,729)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of Shares	5,250	18,660
Net Increase/(Decrease) in Cash and Cash Equivalents	12,475,470	(780,133)
Cash and Cash Equivalent at Start	17,412,257	18,192,390
Cash and Cash Equivalent at Close	29,887,727	17,412,257
 ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash and Balances with ARB Apex Bank	29,843,582	17,341,957
Balances with Other Banks	44,145	70,300
	29,887,727	17,412,257

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Employee Benefits (Cont'd)

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%

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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 Fittings	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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

3.7 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.

3.8 Financial Assets and Liabilities

i) Recognition

The Bank initially recognises loans and advances, deposits and debts securities issued on the date that they are originated. All other financial assets and liabilities (including asset and liabilities designated fair value through profit or losses are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

ii) De-recognition

The Bank de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial assets in a financial transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Bank enters into transactions whereby it transfers assets recognised on its Statement of Financial Position, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

iii) 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Financial Assets and Liabilities (Cont'd)

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.

iv) 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.

v) 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.

vi) 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.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the group. In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for managements judgement as to whether current economic and credit conditions

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Financial Assets and Liabilities (Cont'd)

are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets carried at amortised costs are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired assets continues to be recognised on the unimpaired portion through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss. Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost net of any principal repayment and amortisation and current fair value, less any impairment loss previously recognised in profit or loss out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairments loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognised through SOCI.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

vii) 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 liability 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

3.8 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.

3.9 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.

3.10 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Investment Securities (Cont'd)

(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.

3.11 Pre-payment

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

3.12 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.

3.13 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 31st December. Diluted EPS is determined by the number of shares existing at the end of December.

3.14 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

3.15 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

3.16 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.

3.17 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.

3.18 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

4. Quantitative Disclosures

	2022	2021
Capital Adequacy Ratio	15%	13.38%
Non-Performing Loans Ratio	8.08%	13.80%
Loan Loss Provision	9.02 %	14.20%
Liquid Assets to Total Assets	72.42%	69.39%
Twenty (20) largest exposure to total exposure	13.99%	18.14%
Ten (10) largest depositors to total deposit ratio	10.88%	8.69%
Sanctions by Bank of Ghana	Nil	1

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
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(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. Application of new and revised International Financial Reporting Standards (IFRSs)

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replace IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments: classification and measurement impairment and hedge accounting. It is effective for annual periods beginning on or after 1 January, 2018 with early application permitted. The Bank adopted this standard effective 1 January, 2018 and will not restate comparative information or apply it retrospectively.

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i) Classification and measurement

The Bank does not expect a significant impact on its statement of financial position or equity in applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value.

ii) Impairment

IFRS 9 requires the Bank to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Bank applies the general approach and calculates expected losses on all its instruments.

Impairment Loss Schedules – 2022

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime ECL	
Impairment Loss Classification per IFRS 9	12-Months ECL	Non-credit impaired	Credit impaired	Total
	GHS	GHS	GHS	GHS
Loan Loss Allowance	6,809	69,542	1,633,812	1,710,163
Impairment per BOG Guidelines				1,710,163
Transfer to Credit Risk Reserves				--

Impairment Loss Schedule – 2021

	Stage 1	Stage 2	Stage 3	
		Lifetime ECL	Lifetime ECL	
Impairment Loss Classification per IFRS 9	12-Months ECL	Non-credit impaired	Credit impaired	Total
	GHS	GHS	GHS	GHS
Loan Loss Allowance	80,873	73,998	2,182,835	2,337,706
Impairment per BOG Guidelines				<u>2,354,568</u>
Transfer to Credit Risk Reserves				<u>(16,862)</u>

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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	2022	2021
	GHS	GHS
7. INTEREST INCOME		
Interest on Loans and Advances	7,514,127	5,684,596
Interest on Investments	3,479,803	1,718,853
	<u>10,993,930</u>	<u>7,403,449</u>
8. INTEREST EXPENSES		
Interest Paid on Savings Deposits	390,437	326,067
Interest Paid on Fixed Deposits	589,781	545,713
	<u>980,218</u>	<u>871,780</u>
9. COMMISSIONS AND FEES		
Commitment Fees	1,042,765	714,328
Commissions Received	781,712	584,385
	<u>1,824,477</u>	<u>1,298,713</u>
10. OTHER OPERATING INCOME		
Sundry Income	315,348	313,144
	<u>315,348</u>	<u>313,144</u>
11a. IMPAIRMENT LOSS ON FINANCIAL ASSETS		
Impairment Loss on Investments with Discount Houses	500,000	-
	<u>500,000</u>	<u>-</u>
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 .		
12. PERSONNEL COST		
Salaries and Wages	2,555,809	2,131,895
Social Security Contribution (13%)	332,255	277,146
Provident Fund Contribution(12%)	306,697	255,827
Other Staff Cost	1,029,622	1,159,106
Bonus	250,714	-
Medical Expenses	119,877	49,064
Staff Training Expenses	126,565	84,872
	<u>4,721,539</u>	<u>3,957,910</u>

The average number of persons employed by the Bank during the year ended 31 December 2022 was 141 (2021: 142)

AMANTIN AND KASEI COMMUNITY BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	GHS	GHS
13. DEPRECIATION AND AMORTISATION		
Property, Plant & Equipments (Note 24)	307,756	287,548
Intangible Assets (Note 22)	50,838	50,838
Right of Use Assets (Note 23)	44,204	47,224
	402,798	385,610
14. OTHER OPERATING EXPENSES		
Occupancy Cost	580,619	539,283
General & Administrative Expenses	4,052,511	2,255,868
	4,633,130	2,795,151
14a. DIRECTORS EMOLUMENTS	63,451	73,309
Board Meetings Expenses	13,091	10,609
Directors Fees	22,320	20,300
Directors Sitting Allowance	28,040	42,400
14b. GENERAL & ADMINISTRATIVE EXPENSES: include		
Auditors Remuneration / Audit Fees	67,783	50,501
- Fees	60,000	45,000
- Expenses	7,783	5,501
15 INCOME TAX		
15 i. Income tax expense		
The major tax expense components of income tax expense for the years ended 31 December 2022 and 2021 are:		
Statement of profit or loss		
Current income charge	272,876	275,515
(Over) / under provision for current tax	54,238	-
	327,114	275,515
Deferred tax charge / (credit)	136,475	(44,205)
Income tax reported in the statement of profit or loss	463,589	231,310

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2022	2021
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:

	2022 GHS	2021 GHS
Accounting profit before income tax	1,519,251	1,009,461
Statutory income tax rate of 25% (2021 :25%)	379,813	252,365
Non- deductible expenses for tax purposes	(11,325)	126,141
Effect on non-chargeable income	(6,501)	(6,501)
Effect on capital allowance utilised	(89,110)	(96,491)
Under Provision of Tax	54,238	-
Change in recognised temporary differences	136,475	(44,205)
Income tax reported in the statement of profit or loss	463,589	231,310

Effective tax rate	30.51	22.91
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15 iii. Current Corporate Tax Account

Year of Assessment	Balance as at Jan 1	Set Off	Under /Over Prov.	Payments During the	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	(154,380)

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

15 iv. The movement on the deferred tax account is as follows:

Balance at January 1	(528,673)	(484,468)
Origination/ reversal of temporary differences: recognised in the statement of profit or loss (Note 15 i)	136,475	(44,205)
Balance at December 31	(392,198)	(528,673)

15 v. Recognised deferred tax liabilities and assets are as follows:

Deferred tax assets	(518,037)	(650,972)
Deferred tax liability	125,839	122,299
Net Deferred Tax Asset	(392,198)	(528,673)

AMANTIN AND KASEI COMMUNITY BANK LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022 GHS	2021 GHS
16. CASH AND BALANCES WITH ARB APEX BANK		
Cash on Hand	12,458,063	7,952,301
Balances with ARB Apex Bank - Current	5,840,703	4,251,678
- 5% Apex Deposit	3,044,816	2,637,978
ACOD	8,500,000	2,500,000
	<u>29,843,582</u>	<u>17,341,957</u>
The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS 3,044,816 (2021: GHS 2,637,978) 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		
Consolidated Bank of Ghana	20,300	20,300
GCB Bank	23,845	50,000
	<u>44,145</u>	<u>70,300</u>
18. NON - PLEDGED TRADING ASSETS		
Black Shield Fund Management	5,224,294	5,224,294
SIC - FSL	500,000	500,000
National Trust Holding Company	3,040,000	3,540,000
Government Securities (Treasury Bills held at ARB APEX Bank)	17,780,000	12,280,000
	<u>26,544,294</u>	<u>21,544,294</u>
19. LOANS AND ADVANCES		
(a) Analysis by type of Product		
Overdrafts	2,214,802	2,401,602
Loans	16,752,975	14,064,121
	<u>18,967,777</u>	<u>16,465,723</u>
Less: Impairment charges / Allowances	<u>(1,710,163)</u>	<u>(2,337,706)</u>
	<u>17,257,614</u>	<u>14,128,017</u>
(b) Analysis by Type of Customer		
Individuals	14,742,006	13,394,033
Private Enterprises	1,067,723	531,683
Public Enterprises	408,943	138,405
Others	2,749,105	2,401,602
	<u>18,967,777</u>	<u>16,465,723</u>
Less: Impairment charges / Allowances	<u>(1,710,163)</u>	<u>(2,337,706)</u>
	<u>17,257,614</u>	<u>14,128,017</u>

AMANTIN AND KASEI COMMUNITY BANK LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022 GHS	2021 GHS
(c) Analysis by Business Segments		
Agriculture	2,118,040	940,035
Cottage Industries	37,328	50,937
Transport	302,205	214,314
Trading	9,916,318	9,686,877
others	6,593,886	5,573,560
	<u>18,967,777</u>	<u>16,465,723</u>
Less: Impairment charges/ Allowances	<u>(1,710,163)</u>	<u>(2,337,706)</u>
	<u>17,257,614</u>	<u>14,128,017</u>
(d) Impairment Charges /Allowances		
Individual allowances for impairment		
Balance at 1 January	2,337,706	2,342,312
Impairment loss for the year:		
(Over)/Under Charge for the year	(627,543)	(4,606)
Balance at 31 December	<u>1,710,163</u>	<u>2,337,706</u>
(e) Bank of Ghana Provisions		
Balance at 1 January	2,354,568	2,479,498
Loan Impairment Charge	(644,405)	(124,930)
Balance at 31 December	<u>1,710,163</u>	<u>2,354,568</u>
20. OTHER ASSETS ACCOUNT		
Interest and Commission Receivable	473,099	438,068
Interest in Arrears	277,042	220,851
Office Improvement	234,541	281,808
Insurance Prepaid -General	41,701	38,906
Office Account	235,401	148,644
Stationery Stock	223,046	183,905
	<u>1,484,830</u>	<u>1,312,182</u>
21. INVESTMENTS (LONG -TERM)		
This is made up of:		
Shares in ARB APEX Bank Ltd.	41,404	41,404
	<u>41,404</u>	<u>41,404</u>

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.

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	2022 GHS	2021 GHS
22. INTANGIBLE ASSETS		
Software		
Cost		
Balance as at 1 Jan	508,380	508,380
Additions during the year	-	-
Balance as at 31 Dec	<u>508,380</u>	<u>508,380</u>
Amortisation		
Balance as at 1 Jan	68,793	17,955
Amortisation for the year	50,838	50,838
Balance as at 31 Dec	<u>119,631</u>	<u>68,793</u>
	<u>388,749</u>	<u>439,587</u>
NET BOOK VALUE-31 Dec		
The intangible assets relate to the purchase of T24 software user license and Microsoft Software products		
23. RIGHT OF USE ASSETS		
Cost		
Balance as at 1 Jan	445,701	409,701
Additions during the year	21,600	36,000
Balance as at 31 Dec	<u>467,301</u>	<u>445,701</u>
Depreciation		
Balance as at 1 Jan	94,448	47,224
Charge for the year the year	44,204	47,224
Balance as at 31 Dec	<u>138,652</u>	<u>94,448</u>
Carry Value at 31 December	<u>328,649</u>	<u>351,253</u>
These relate to the lease of office buidlings for the banks branches across the country.		

AMANTIN AND KASEI COMMUNITY BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 ST DECEMBER, 2022

24a. Property, Plant & Equipment

2022	Land & Buildings	Office Equipment	Computers	Office Furniture & Fittings	Motor Vehicle	Total
Cost	GHS	GHS	GHS	GHS	GHS	GHS
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	410,770	149,262	522,613	3,863,228
Depreciation						
Balance as at 1/1/22	740,574	690,078	291,770	115,540	-	2,302,238
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	81,108	27,950	60,291	1,312,604
2021						
Cost						
Balance as at 1/1/21	1,737,795	904,242	356,820	122,797	531,763	3,653,417
Additions during the year	-	83,374	29,626	6,609	11,120	130,729
Balance as at 31/12/21	1,737,795	987,616	386,446	129,406	542,883	3,784,146
Depreciation						
Balance as at 1/1/21	660,058	558,185	248,605	106,596	441,246	2,014,690
Charge for the year	80,516	131,893	43,165	8,944	23,030	287,548
Balance as at 31/12/21	740,574	690,078	291,770	115,540	464,276	2,302,238
NET BOOK VALUE-31/12/21	997,221	297,538	94,676	13,866	78,607	1,481,908

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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

	GHS
Cost	20,120
Less: Accumulated Depreciation	<u>(20,120)</u>
	-
Less: Proceeds from Disposal	<u>2,180</u>
Profit on Disposal	<u><u>2,180</u></u>

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

	GHS
Cost	26,470
Less: Accumulated Depreciation	<u>(26,470)</u>
	-
Less: Proceeds from Disposal	<u>1,700</u>
Profit on Disposal	<u><u>1,700</u></u>

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

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

24e. Disposal of Asset(Chairs) - 2022

Cost	2,745
Less: Accumulated Depreciation	<u>(2,745)</u>
	-
Less: Proceeds from Disposal	<u>340</u>
Profit on Disposal	<u><u>340</u></u>

AMANTIN AND KASEI COMMUNITY BANK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022 GHS	2021 GHS
25. DEPOSITS AND CURRENT ACCOUNTS		
(a) Analysis by Type of Deposits		
Current Accounts	17,233,288	10,132,849
Savings Accounts	32,904,598	24,951,809
Time Deposits	5,813,328	5,724,975
Susu Deposits	13,454,377	10,150,215
	<u>69,405,591</u>	<u>50,959,848</u>
(b) Analysis by Type of Customer		
Individuals	43,684,627	33,564,798
Other Private Enterprises	2,412,211	2,976,579
Public Enterprises	3,875,668	781,456
Others	19,433,085	13,637,015
	<u>69,405,591</u>	<u>50,959,848</u>
26. LOANS FROM OTHER FINANCIAL INSTITUTIONS		
Special Farmers Loan (MOWAC)	41,308	41,308
	<u>41,308</u>	<u>41,308</u>
Borrowings less than one year	-	-
Borrowings more than one year	41,308	41,308
27. INTEREST PAYABLES and OTHER LIABILITIES		
Interest and Bills Payable	1,949,003	735,753
Sundry Creditors	650,434	873,050
Accrued Charges	80,454	59,625
	<u>2,679,891</u>	<u>1,668,428</u>
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	4,019,720
	GHS	GHS
iii) Proceeds Issued for Cash-Ordinary Shares	1,545,456	1,540,206
iv) Transfer from Retained Earning : B/F	-	-
	<u>1,545,456</u>	<u>1,540,206</u>
v) There is no unpaid Liability on any share and there is no share in Treasury.		
29. STATUTORY RESERVE FUND		
Balance at 1 January	1,557,344	1,362,806
Add: Transfer from Retained Profits	263,915	194,538
Balance as at 31 December	<u>1,821,259</u>	<u>1,557,344</u>

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

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	2022 GHS	2021 GHS
30. CREDIT RISK RESERVE		
Balance at 1 January	16,862	137,185
Movement (to)/from Retained Earnings	<u>(16,862)</u>	<u>(120,323)</u>
Balance as at 31 December	<u><u>-</u></u>	<u><u>16,862</u></u>
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.		
31. RETAINED EARNINGS ACCOUNT		
Balance as at 1 January	942,529	352,713
Profit for the year transferred from Statement of Comprehensive Income	<u>1,055,662</u>	<u>778,151</u>
	1,998,191	1,130,864
Transfers to:		
- Statutory Reserve Fund	(263,915)	(194,538)
- Community Development Fund	(105,566)	(77,815)
- General Welfare Fund	(105,566)	(77,815)
- Funds Utilization	306,327	41,510
- Credit Risk Reserve	<u>16,862</u>	<u>120,323</u>
Balance as at 31st December		
Per Statement of Financial Position	<u><u>1,846,333</u></u>	<u><u>942,529</u></u>
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.		
32. REVALUATION RESERVE		
Balance as at 1st January	<u>39,404</u>	39,404
Balance as at 31st December	<u><u>39,404</u></u>	<u><u>39,404</u></u>
This represents increase in shares value with ARB Apex Bank Limited		
33. COMMUNITY DEVELOPMENT FUND		
Balance at 1 January	242,562	169,448
Transfer from Retained Earnings	105,566	77,815
Funds applied	<u>(191,819)</u>	<u>(4,701)</u>
Balance as at 31 December	<u><u>156,309</u></u>	<u><u>242,562</u></u>
The fund is to support developmental projects in the communities the bank operates.		
34. GENERAL WELFARE FUND		
Balance at 1 January	265,840	224,834
Transfer from Retained Earnings	105,566	77,815
Funds applied	<u>(114,508)</u>	<u>(36,809)</u>
Balance as at 31 December	<u><u>256,898</u></u>	<u><u>265,840</u></u>
The fund is to support needy, brilliant students and other staff activities.		

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	2022	2021
	GHS	GHS

35. EARNINGS PER SHARE

Basic Earnings Per Share

The calculation of basic earnings per share at 31 December 2022, was based on the profit attributable to ordinary shareholders of GHS 1,055,662 (2021: GHS 778,151) and number of ordinary shares of 4,030,220 (2021: 4,019,720), calculated as follows:

	2022	2021
	GHS	GHS
Profit attributable to ordinary shareholders		
Net Profit for the period attributable to equity holders of the Bank	1,055,662	778,151
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	4,019,720	3,980,580
Effect of shares issued as at 30 September	10,500.00	39,140
Number of ordinary shares at 31 December	<u>4,030,220</u>	<u>4,019,720</u>
	0.262	0.194

Diluted Earnings Per Share

The calculation of diluted earnings per share at 31 December, 2022 was based on the Profit attributable to ordinary shareholders of GHS 1,055,662 (2021: 778,151) and number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 4,030,220 (2021: 4,022,270), calculated as follows:

	2022	2021
	GHS	GHS
Profit attributable to ordinary shareholders		
Net Profit for the period attributable to equity holders of the Bank	1,055,662	778,151
Weighted average number of ordinary shares		
Number of Ordinary Shares (Basic)	4,030,220	4,019,720
Effect of Shares Purchase after 30 September	-	2,550
Number of ordinary shares (Diluted) at 31 December	<u>4,030,220</u>	<u>4,022,270</u>
	0.262	0.193

36. DIVIDEND PER SHARE

At the Annual General Meeting to be held in 2023, the directors recommend for approval , the payment of dividend of GHS 145,087.92 for the year ended 31 December, 2022 (2021 - Nil). This is subject to Bank of Ghana approval. The proposed dividend is GHp 3.6 per share on 4,030,220 ordinary shares.

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37. Capital Commitments

There were no capital commitments at 31 December 2022, (2021: Nil).

38. Contingent liabilities

There were no contingent liabilities at 31 December 2022, (2021: 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

	2022	2021
	GHS	GHS
Loans Outstanding as at 31 st Dec	3,750	25,000
Deposits Balance as at 31 st Dec	1,226	49,752

b. Loans to Key Management Staff and Connected Persons

	2022	2021
	GHS	GHS
Loans Outstanding as at 31 st Dec	219,810	268,921

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

	2022	2021
	GHS	GHS
Salaries and other related costs	1,329,907	1,023,005

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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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 | (e) Compliance risk |
| (b) Liquidity risk | (f) Legal risk |
| (c) Market risk | (g) Reputational risk |
| (d) Operational 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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
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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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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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:

	2022		2021	
	Gross Amt GHS	Impairment GHS	Gross Amt GHS	Impairment GHS
0-30 days	17,191,726	345,614	13,669,463	133,921
31- 91days	243,484	24,348	524,313	52,431
91- 180 days	111,906	27,977	96,949	24,237
181 - 360 days	216,873	108,437	62,038	31,019
> 360 days	1,203,788	1,203,788	2,112,960	2,112,960
	18,967,777	1,710,163	16,465,723	2,354,568

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:

	2022 GHS	2021 GHS
Cash and Balances with Other Banks	29,887,727	17,412,257
Non- Pledge Trading Assets	26,544,294	21,544,294
Loans and Advances	17,257,614	14,128,017
Other Assets	<u>1,484,830</u>	<u>1,312,182</u>
	<u>75,174,465</u>	<u>54,396,750</u>

All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
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Credit Risk Management (Cont'd)

At 31st December, 2022, 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	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

2021

	Stage 1	Stage 2	Stage 3	Total
	GHS	GHS	GHS	GHS
Cash and Cash Equivalents	17,412,257	-	-	17,412,257
Non - Pledged Trading Assets	21,544,294	-	-	21,544,294
Investment other than securities	41,404	-	-	41,404
Loans and Advances to Customers	12,990,870	1,115,715	2,359,138	16,465,723
Other Assets (Less Prepayments)	1,273,276	-	-	1,273,276.00
Gross Carrying Amount	53,262,101	1,115,715	2,359,138	56,736,954
Loss Allowances	(80,873)	(73,998)	(2,182,835)	(2,337,706)
Net Carrying Amount	53,181,228	1,041,717	176,303	54,399,248

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Credit Risk Management (Cont'd)

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Credit Risk Management (Cont'd)

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 2022 and 2021. 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 2022 GHS	Loans & Advances to Customers 2021 GHS
Cash and near Cash Instruments	<u>125,280</u>	<u>176,303</u>

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:

	2022 GHS	2021 GHS
Agriculture	2,118,040	940,035
Cottage Industry	37,328	50,937
Transport	302,205	214,314
Trading	9,916,318	9,686,877
Others	<u>6,593,886</u>	<u>5,573,560</u>
	18,967,777	16,465,723
Credit impairment loss	<u>(1,710,163)</u>	<u>(2,337,706)</u>
	<u>17,257,614</u>	<u>14,128,017</u>

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(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 borrowings.

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 borrowings are at floating

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Market Risk (Cont'd)

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(Market Risk Cont'd)

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
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(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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

(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.

42. 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
	2022	2021	2022	2021
	GHS	GHS	GHS	GHS
Financial assets				
Cash and Balances with Other Banks	29,887,727	17,412,257	29,887,727	17,412,257
Non- Pledged Trading Assets	26,544,294	21,544,294	26,544,294	21,544,294
Loans and Advances	17,257,614	14,128,017	17,257,614	14,128,017
Other Assets	1,484,830	1,312,182	1,484,830	1,312,182
Total	75,174,465	54,396,750	75,174,465	54,396,750
Financial Liabilities				
Current Accounts	17,233,288	10,132,849	17,233,288	10,132,849
Savings Accounts	32,904,598	24,951,809	32,904,598	24,951,809
Time Deposits	5,813,328	5,724,975	5,813,328	5,724,975
Susu Deposits	13,454,377	10,150,215	13,454,377	10,150,215
Loans from Other Financial Institutions	41,308	41,308	41,308	41,308
Interest Payable and Other Liabilities	2,679,891	1,668,428	2,679,891	1,668,428
Total	72,126,790	52,669,584	72,126,790	52,669,584

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.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Financial assets and financial liabilities (Cont'd)

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, 2022, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

As at 31 December 2022, 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 2022, the Bank held the following financial instruments measured at fair value:

2022	Total GHS	Level 1 GHS	Level 2 GHS	Level 3 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	-

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

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

Fair value hierarchy (Cont'd)

2021	Total GHS	Level 1 GHS	Level 2 GHS	Level 3 GHS
Financial assets				
Cash and Balances with Other Banks	17,412,257	-	17,412,257	-
Non- Pledge Trading Assets	21,544,294	-	21,544,294	-
Loans and advances	14,128,017	-	14,128,017	-
Other assets	1,312,182	-	1,312,182	-
Total	54,396,750	-	54,396,750	-
Financial Liabilities				
	At Amortised Cost			
Current Accounts	10,132,849	-	10,132,849	-
Savings Accounts	24,951,809	-	24,951,809	-
Time Deposits	5,724,975	-	5,724,975	-
Susu Deposits	10,150,215	-	10,150,215	-
Loans from other Financial Institutions	41,308	-	41,308	-
Interest Payables and Other Liabilities	1,668,428	-	1,668,428	-
Total	52,669,584	-	52,669,584	-

During the reporting period ending 31 December 2021, there were transfers between Level 1 and Level 3 fair value measurements. No other transfers were made.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

43. Value Added Statement

	2022	2021
	GHS	GHS
Interest earned and other operating income	13,133,755	9,015,305
Direct cost service	(5,591,028)	(3,646,631)
Value added by banking services	7,542,727	5,368,674
Non-banking services	(136,475)	44,205
Specific Bad Debt	(1,004,362)	-
Impairments on Financial Assets	127,543	4,606
Value added	6,529,433	5,417,485
Distributed as follows:		
To Employees:		
Directors (without executives)	22,320	20,300
Executive directors		
Other employees	4,721,539	3,957,910
To Government:		
Income Tax	327,114	275,515
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	351,960	334,771
Amortisation	50,838	50,838
Retained earnings	1,055,662	778,151
	6,529,433	5,417,485

44. Measurement of Investment with Discount Houses

The Non – Pledged Trading Assets with the Discount Houses which were measured at fair value in the 2021 audited Financial Statements have been re- measured at cost in the 2022 audited Financial Statements in line with BOG guidelines.

AMANTIN AND KASEI COMMUNITY BANK LIMITED
SCHEDULE TO THE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER, 2022

	2022	2021
	GHS	GHS
PERSONNEL COST		
Salaries and Wages	2,555,809	2,131,895
Social Security Contribution (13%)	332,255	277,146
Provident Fund (12%)	306,697	255,827
Other Staff Cost	1,029,622	1,159,106
Bonus	250,714	-
Medical Expenses	119,877	49,064
Staff Training Expenses	126,565	84,872
	<u>4,721,539</u>	<u>3,957,910</u>
OCCUPANCY COST		
Repairs and Maintenance	102,505	83,493
Rates Expenses	23,535	14,750
Manager's Bungalow Expenses	22,237	12,771
Electricity and Water	278,154	263,067
Sanitation & Cleaning Expenses	154,188	165,202
	<u>580,619</u>	<u>539,283</u>
GENERAL & ADMINISTRATIVE EXPENSES		
Travelling and Transport	514,182	96,176
Printing and Stationery	237,390	170,880
Hospitality to Guest & Entertainment Expenses	123,505	60,318
Director's Emoluments	63,451	73,309
Specie Movement Expenses	39,736	25,921
Mobilisation Expenses	644,673	425,745
Auditor's Remuneration	67,783	50,501
VAT On Audit Fees & Professional Charges	14,454	9,625
Professional Charges	6,000	5,000
Insurance	253,275	214,990
Postages and Telecommunications	55,755	46,730
Motor Vehicle Running Expenses	355,415	178,886
Legal Expenses	23,270	13,779
Advertising, Newspapers & Periodicals	128,717	95,610
Social Responsibility	191,819	4,701
Annual General Meeting Expenses	106,549	57,635
Donations & Charitable Contritions	59,424	30,400
Generator Running Expenses	266,780	78,500
Depreciation - Office Improvements	47,267	47,267
Tax Surcharges	120,762	-
Bank Charges	24,356	-
Office Expenses	115,155	105,212
Security Expenses	55,010	63,985
Computerization Expenses	537,785	400,698
	<u>4,052,511</u>	<u>2,255,868</u>

AMANTIN AND KASEI COMMUNITY BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022
ANALYSIS OF SHAREHOLDINGS AS AT 31 DECEMBER, 2022

Number of Shareholders

The Bank had Four Hundred and Sixty - Four (464) ordinary shareholders at 31 December, 2022 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%