

# **YAA ASANTEWAA RURAL BANK PLC**

FINANCIAL STATEMENTS  
FOR THE YEAR ENDED

**31<sup>ST</sup> DECEMBER, 2023**

**Amoako Boateng & Associates**  
(Chartered Accountants)

P. O. Box TA-443  
Tafo, Asante-Kumasi.  
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**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

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**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**BASIC INFORMATION**

DATE OF INCORPORATION 14TH APRIL, 2010

DATE OF COMMENCEMENT 15TH APRIL, 2010

**DIRECTORS**

CHAIRMAN: MR SAMUEL ADDO OTOO, (ESQ)  
 VICE CHAIRMAN: MR MUSAH AHMED, (ESQ).  
 MEMBER: ABDUL-RAZAK ADAM  
 MEMBER: YVONNE YAA YALLEY (ESQ)  
 MEMBER: DR. MRS. GRACE AMOH-AGYEI

RELIEVING CHIEF EXECETIVE OFFICER DR. STEPHEN SARFOH KANTANKA

SECRETARY:

CLEARING BANKS: ARB APEX BANK LTD, DANYAME-KUMASI.

REGISTERED OFFICE: OKESE PLAZA, EJISU COMMERCIAL CENTRE  
 OPPOSITE EJISU MARKET  
 P. O. BOX EJ 371, EJISU - ASHANTI

MAIN BUSINESS RURAL AND COMMUNITY BANKING

	<u>2023</u>	<u>2022</u>
	<u>GH¢</u>	<u>GH¢</u>
TURNOVER	6,883,122	6,718,874

INCOME SURPLUS	(6,528,862)	(2,532,018)
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AUDITORS: AMOAKO-BOATENG & ASSOCIATES  
 (CHARTERED ACCOUNTANTS)  
 R. 18 J. B. ARTHUR CENTRE,  
 ST. CYPRIANS CATHEDRAL, KUMASI  
 P. O. BOX TA-433  
 TAFO ASANTE - KUMASI

	<u>AUTHORISED IN TREASURY</u>	<u>ISSUED</u>		<u>2023</u>	<u>2022</u>
		<u>2023</u>	<u>2022</u>	<u>GH¢</u>	<u>GH¢</u>
Ordinary:	100,000,000	4,589,476	4,589,476	1,386,224	1,386,224
				<u>1,386,224</u>	<u>1,386,224</u>

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**DIRECTORS' REPORT TO THE MEMBERS**

The Directors present herewith the Audited Financial Statements of the Company for the year ended 31st December, 2023 and report thereon as follows:-

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Bank's Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position as at 31st December, 2023, Statement of Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) for SMEs and in the manner required by the Companies Act, 2019 (Act 992). In addition, the Directors are responsible for the preparation of this Directors' Report.

The Directors' responsibilities include designing, implementing and maintaining Internal Controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error, making, selecting and applying appropriate accounting policies and accounting estimates that are reasonable in the circumstances.

The Directors have assessed the Company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year ahead.

**FINANCIAL STATEMENTS AND DIVIDEND**

	31-12-23	31-12-22
	<u>GH¢</u>	<u>GH¢</u>
Highlights of the financial results of the Company for the year ended 31st December, 2023 are set out below:		
The Profit /(Loss) for the year ended 31st December, 2023 after Taxation is	(3,996,845)	(1,490,862)
And which is added the balance on Income Surplus Account brought forward of	(2,532,018)	(1,041,156)
Transfer to Statutory Reserve	-	-
<b>Giving a total of</b>	<b><u>(6,528,862)</u></b>	<b><u>(2,532,018)</u></b>

**Dividends**

The Directors do not recommend the payment of any dividend for the year under review. The Directors consider the state of affairs of the Company to be satisfactory.

**Particulars of entries in the Interests Register during the financial year**

No director had a any interest in contracts and proposed contracts with the Company during the year under review, hence there were no entries recorded in the Interest Register as required by Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019, (Act 992).

**Corporate Social Responsibilities**

The Company did undertake Corporate Social Responsibility for the year under review

**Nature of Business**

The Company is registered to carry out the business of banking.

**Directors' Capacity Building**

The Directors attended orientation programmes during the year.

**Auditors**

In accordance with Section 139(5) of the Companies Act, 2019 (Act 992), Messrs. Amoako Boateng & Associates will remain in office as auditors of the Bank.

**Approval of the Financial Statements**

The Financial Statements of the Company as indicated above were approved by the Board of Directors on the date stated below.

BY ORDER OF THE BOARD



.....  
SAMUEL ADDO OTOO (ESQ)  
DIRECTOR



.....  
DIRECTOR

EJISU  
15TH SEPT., 2024

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**IN RELATION TO THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The Companies Act, 2019, (Act 992) requires the Directors to prepare Financial Statements for each calendar year, which give a true and fair view of the state of affairs of the Bank and of their Profit or Loss for the year.

The Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) requires every bank to prepare annually as at 31st December of each year Financial Statements and returns in accordance with that Act.

In preparing these Financial Statements, the Directors are required to:

- a. Select accounting policies, which comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), Securities Industry Act, 2016, (Act 929) and in accordance with International Financial Reporting Standards and to apply them consistently.
- b. The Bank has put in place strategies to meet the Financial Reporting Guidelines on the Bank's Financial Statements ending December, 2023. This is a requirement as directed and published in the "Guide for Financial Publication for the Banks and BOG Licensed Institutions for all Financial Statements.
- c. Make judgements and estimates that are reasonable and prudent.
- d. Ensure applicable accounting standards have been followed and any material departures disclosed.
- e. Ensure the Financial Statements are prepared on a Going Concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for the preparation of these Financial Statements in accordance with International Financial Reporting Standards and ensuring that the Bank keep accounting records which disclose with reasonable accuracy the Financial Position of the Bank and which enable them to ensure that Financial Statements comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Securities Industry Act, 2016, (Act 929) and Anti-Money Laundering Act, 2008, (Act 749) (AML). They are also responsible for safeguarding the assets of the Bank and hence taking steps for the prevention of fraud and other irregularities, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements.

The above Statement which should be read in conjunction with the Report of the Auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to these Financial Statements.

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS**

We have audited the Financial Statements of Yaa Asantewaa Rural Bank Plc, which comprise the Statement of Financial Position as at 31st December, 2023, the Statement Comprehensive Income, Statement of Changes in Equity, the Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory Notes as set on pages 12-26.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31st December, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

**Basis of 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.

**Independence**

We are independent of the Company 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). We have fulfilled our other ethical responsibilities in accordance with the Code.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements of the current year. These matters were addressed in the context of our audit of the Company Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There was no key audit matter to be reported on.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs for SMEs and for such internal control as management determines 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, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company'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 judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

Conclude on the appropriateness of the 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 Company'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 Company to cease to continue as 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.

We communicate with the 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

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:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account have been kept by the Company, so far as appears from our examination of those books; and
- c) The Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit or Loss Account) of the Company are in agreement with the books of account.

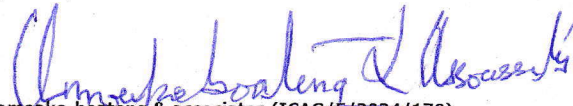
The Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) requires that we state certain matters in our Report. We hereby certify that:

- i) The Financial Statements give a true and fair view of the State of Affairs as at 31st December, 2023 of the Bank and the results for the year ended on that date.
- ii) We obtained all the information and explanation required for the efficient performance of our audit.
- iii) The Bank's transaction were within its powers; and
- iv) The Bank has generally complied with the provisions in The Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and the Companies Act 2019 (Act 992) as amended by the Companies (Amendment) Act, 2012, (Act 835).

kwasi amoako-boateng  
ICAG/P/2024/1112  
partner

KUMASI

13TH SEPT., 2024

  
amoako-boateng & associates (ICAG/P/2024/170)  
r.18 j. b. arthur centre, st. cyprians cath, kumasi  
chartered accountants  
p. o. box se.786




**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**  
**STATEMENT OF FINANCIAL POSITION**

<u>ASSETS</u>	<u>NOTES</u>	2023 GH¢	2022 GH¢
Cash and Short Term Funds	9	10,150,893	8,038,058
Short Term Investments	10	19,842,823	14,064,332
Advances	12	14,534,956	15,918,532
Inventories	13	136,206	82,400
Taxation		1,898	1,898
Other Assets Account	19	4,114,215	4,908,472
		<b>48,780,991</b>	<b>43,013,694</b>
Long Term Investment	11	55,850	24,600
Properties, Plant & Equipment	18	756,900	734,460
<b>TOTAL ASSETS</b>		<b>49,593,741</b>	<b>43,772,754</b>
 <u>LIABILITIES AND SHAREHOLDERS FUNDS</u>			
<u>CURRENT LIABILITIES</u>			
Deposits and Current Accounts	14	42,817,597	33,899,215
Creditors and Accruals	20	10,629,919	9,738,970
		<b>53,447,516</b>	<b>43,638,185</b>
<u>MEDIUM TERM LIABILITIES</u>			
Medium Term Borrowing	15	1,136,725	1,128,225
<b>TOTAL LIABILITIES</b>		<b>54,584,241</b>	<b>44,766,410</b>
Stated Capital	16	1,386,224	1,386,224
Income Surplus		(6,528,862)	(2,532,018)
Statutory Reserve		152,137	152,137
Shareholders Fund		<b>(4,990,501)</b>	<b>(993,656)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b>		<b>49,593,740</b>	<b>43,772,754</b>

These Financial Statements were approved at a meeting of the Board held on the date below.

  
 .....  
**SAMUEL ADDO OTOO**  
 DIRECTOR

  
 .....  
 DIRECTOR

EJISU  
 .....  
 13TH SEPT, 2024

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**  
**STATEMENT OF COMPREHENSIVE INCOME**

	<u>NOTES</u>	<u>2023</u> <u>GH¢</u>	<u>2022</u> <u>GH¢</u>
INTEREST INCOME	6	6,052,636	5,617,841
INTEREST EXPENSES	7	(1,282,448)	(1,840,506)
<b>NET INTEREST INCOME</b>		<b>4,770,188</b>	<b>3,777,335</b>
COMMISSIONS AND FEES	8	830,486	1,101,033
		<b>5,600,674</b>	<b>4,878,368</b>
IMPAIRMENT LOSSES		(2,313,695)	(428,112)
PROFIT ON DISPOSAL		0	-
OPERATING EXPENSES	17	(7,283,824)	(5,941,117)
<b>OPERATING (LOSS)/PROFIT BEFORE TAX</b>		<b>(3,996,845)</b>	<b>(1,490,862)</b>
TAXATION		-	-
<b>LOSS AFTER TAX</b>		<b>(3,996,845)</b>	<b>(1,490,862)</b>
OTHER COMPREHENSIVE INCOME		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(3,996,845)</b>	<b>(1,490,862)</b>

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**STATEMENT OF CHANGES IN EQUITY**

2023	Stated Capital GH¢	Statutory Reserve GH¢	Income Surplus GH¢	Shareholders Fund GH¢
Balance B/F	1,386,224	152,136	(2,532,018)	(993,657.28)
Transfer to Statutory Reserve			-	-
Total Comprehensive Inc.			(3,996,845)	(3,996,845)
	<b>1,386,224</b>	<b>152,136</b>	<b>(6,528,862)</b>	<b>(4,990,502)</b>
2022	Stated Capital GH¢	Statutory Reserve GH¢	Income Surplus GH¢	Shareholders Fund GH¢
Balance B/F	1,386,224	152,136	(1,041,156)	497,204
Transfer to Statutory Reserve	-	-	-	-
Total Comprehensive Inc.	-	-	(1,490,862)	(1,490,862)
	<b>1,386,224</b>	<b>152,136</b>	<b>(2,532,018)</b>	<b>(993,657)</b>

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**STATEMENT OF CASH FLOWS**

	NOTES	2023 GH¢	2022 GH¢
Cash Flow from Operating Activities	1	2,396,365	917,405
Tax Paid		-	-
		<hr/>	<hr/>
Net Cash Flow from Operating Activities		<b>2,396,365</b>	<b>917,405</b>
		<hr/>	<hr/>
<b><u>Investing Activities</u></b>			
Investment		(31,250.00)	-
Additions Property Plant & Equipment		(249,047)	(164,947)
		<hr/>	<hr/>
		<b>(280,297)</b>	<b>(164,947)</b>
		<hr/>	<hr/>
<b>Financing Activities</b>			
Increase in Capital			0
Borrowings		8,500	56,000
Deposit for Shares		-	-
		<hr/>	<hr/>
Net (Outflow)/Inflow from Financing Activities		<b>8,500</b>	<b>56,000</b>
		<hr/>	<hr/>
Net Increase/(Decrease) in Cash and Cash Equivalent		<b>2,124,568</b>	<b>808,458</b>
		<hr/> <hr/>	<hr/> <hr/>

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**  
**NOTES TO CASH FLOW STATEMENT**

NOTE 1	2023	2022
	<u>GH¢</u>	<u>GH¢</u>
Net Profit Before Tax	(3,996,845)	(1,490,862)
Profit on Disposal	-	-
Depreciation Charge	233,242	227,237
	<u>(3,763,603)</u>	<u>(1,263,625)</u>
(Increase)/Decrease in Investment	(5,778,490)	4,124,383
(Increase)/Decrease in Advances	1,383,576	(9,972,091)
(Increase)/Decrease in Inventories	(48,706)	18,579
(Increase)/Decrease in Other Assets Account	794,257	(3,079,890)
Increase/(Decrease) in Deposits & Current Accts.	8,918,382	2,236,502
Increase/(Decrease) in Creditors & Accruals	890,949	8,853,547
	<u>6,159,968</u>	<u>2,181,030</u>
<b>Cash Flow from Operating Activities</b>	<u><b>2,396,365</b></u>	<u><b>917,405</b></u>
<b>NOTE 2 - Increase in Cash and Cash Equivalent</b>	<u><b>2,124,568</b></u>	<u><b>808,458</b></u>
<b>Opening Cash and Cash Equivalent</b>	8,038,058	7,229,600
Net Increase/(Decrease) in Cash and Cash Equivalent	2,124,568	808,458
	<u><b>10,162,626</b></u>	<u><b>8,038,058</b></u>
<b>Closing Cash and Cash Equivalent</b>	10,150,893	8,038,058
Bank Overdraft	-	-
	<u><b>10,150,893</b></u>	<u><b>8,038,058</b></u>

**YAA ASANTEWAA RURAL BANK PLC**  
**FINANCIAL STATEMENTS FOR THE YEAR ENDED**  
**31ST DECEMBER, 2023**

**NOTES TO THE FINANCIAL STATEMENTS**

**1. NATURE OF OWNERSHIP AND OPERATIONS**

The Bank was incorporated as a Public Limited Liability Company on April 14, 2010 with registration No. CA -73617 under the Companies' Act, 1963, (Act 179) in Ghana and a Certificate to Commence Business on 15th April, 2010. The Bank was issued with a licence number 212 on 28th May, 2012 by Bank of Ghana to operate a business of banking.

**2.0 ACCOUNTING POLICIES**

The significant accounting policies adopted by the Bank and which have been applied in preparing these Financial Statements are stated below:

**2.10 Basis of Accounting**

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis in compliance with IFRS requirements, as for Investments and Financial Assets and Financial Liabilities measured at Fair Value.

**2.11 Revenue Recognition**

Revenue is recognised on accrual basis and to the extent of the economic benefits expected to flow to the Bank and that the revenue can be reliably measured as provided hereunder.

**2.12 Interest Income and Expense**

Interest income and expense are recognised in the Statement of Comprehensive Income in respect of interest bearing Financial Instruments including Loans and Advances as interest accrues using the Effective Interest Rate method. This method calculates the amortised cost of a Financial Asset or Liability and allocates the Interest Income or Interest Expense and is also the discount rate applicable to future cash flows (receipts or payments), over the life of the Financial Asset or Liability to its net carrying amount.

**2.13 Non-Interest Income**

Commission and Fees are earned on accrual basis on services such as Funds Transfers on completion of the transaction.

**2.21 Income Tax**

**Income Tax comprises Current Tax and Deferred Tax.**

Current Tax relates to determination of expected payable tax from the Profits of the Financial Statements in relations to Tax obligations imposed from/by legislation of Ghana.

Deferred Income Tax relates to Tax Provision on all Temporary differences at the Financial Position date arising from Tax bases of assets and liabilities and their carrying amounts. Deferred Tax Assets are the recoverable taxes of future periods which include deductible Temporary differences. Deferred Tax Liabilities are the recognised payable Taxable Temporary differences on future taxable profits. Deferred taxes(Assets or Liabilities) are calculated using the enacted rate expected to be applicable in the period when the asset is realised or the liabilities settled.

Deferred Tax Assets and Liabilities are offset when they arise in the same tax reporting entities and relate to income taxes of the same taxation authority, and when a legal right to set-off exists.

The carrying amounts of Deferred Tax Assets or Liabilities are reviewed at the end of each reporting date and adjusted to reflect the new values through the Profit or Loss.

## 2.22 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

### 2.221 Categorisation

The Bank classifies its Financial Assets into those measured at Fair Value through Profit or Loss and those measured at Amortised Cost; and Financial Assets measured at Fair Value through Other Comprehensive Income.

### 2.222 Date of Recognition

Purchases and sale of Financial Assets are recognised on the Transaction date.

### 2.223 Initial Recognition of Financial Instruments

Financial instruments are initially recognised at their fair value plus, in the case of Financial Assets or Financial Liabilities not at Fair Value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the Financial Asset or Financial Liability.

### 2.224 Subsequent Measurement of Financial Instruments

#### (a) Financial Assets at Fair Value Through Profit or Loss

A Financial Asset at fair value through Profit or Loss is that which meets either of the following conditions.

##### Held for Trading

A Financial Asset is classified as Held for Trading if it is acquired principally for the purpose of selling in the near future, or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

##### Designated at Fair Value through Profit or Loss

Upon initial recognition as Financial Asset, it is designated at fair value through Profit or Loss. Financial Assets at fair value through Profit or Loss are measured at fair value subsequent to initial recognition. Gains or losses upon subsequent measurement are treated in Profit or Loss.

All equity instruments are measured at fair value.

#### (b) Financial Assets Measured at Amortised Cost

A Financial Asset is measured at amortised cost if both of the following conditions are met:

- (i) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
- (ii) The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Term Loans to customers come under this category. They are initially recognised when cash is advanced to the borrowers at fair value, inclusive of transaction costs. Subsequent to initial recognition, Term Loans are measured at amortised cost less impairment losses.

#### (c) Financial Assets Measured at Fair Value Through Other Comprehensive Income

Securities including investments in money market and equity shares, other than those classified as trading securities, or at fair value through Profit or Loss, are classified and recognised in the Statement of Financial Position at their fair value. Other Financial Assets that are neither cash nor categorised under any other category also come under this classification.

Financial Assets measured at fair value through Other Comprehensive Income are measured at Fair Value with gains and losses arising from changes in Fair Value recognised directly in Other Comprehensive Income until the Financial Asset is either sold, becomes impaired, or matures, at which time the cumulative gain or loss previously recognised in equity is recognised in Profit or Loss.

Interest calculated using the effective interest method is recognised in the Statement of Comprehensive Income. Dividends on equity instruments are recognised in the income statement when the Bank's right to receive payment is established.

**(d) Financial Liabilities**

Financial Liabilities are classified as non-trading, held for trading or designated as at fair value through Profit and Loss. Non-trading liabilities are measured subsequent to initial recognition at Amortised Cost applying the effective interest method. Held for Trading liabilities or liabilities designated as at fair value through Profit or Loss, are measured at fair value. All Financial Liabilities shown in the Statement of Financial Position are non-trading liabilities.

**2.225 Determination of Fair Value of Financial Instruments**

**i. Availability of Active Market**

The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the reporting date is based on its quoted market price without any deduction of transaction costs.

**ii. Non-Availability of Active Market**

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. However, Fair Values for such equity investments, are determined from the declaration of capital appreciations by the investee organisation of amounts so declared in the form additional shares in the equity holdings. Investments whose fair value can be reliably measured are measured professionally through the use of valuation techniques.

**iii. Short-Term Receivables**

The fair value of short term receivables approximate book value and are measured as such.

**2.226 Offsetting of Financial Instruments**

Financial Assets and Financial liabilities are offset when there is a legally enforceable right to do so and the net amount stated in the Statement of Financial Position. This happens when there is the intention to settle on net basis or realise the Financial Asset and redeem the Financial Liability.

**2.227 Derecognition of Financial Assets and liabilities**

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

**2.228 Impairment of Financial Assets**

**(a) Framework for measuring impairment of Financial Assets**

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a Financial Asset or group of Financial Assets has become impaired.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

**(b) Loans and Advances and amounts due from Banks & Other Financial Institutions**

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for Financial Assets that are individually significant, or collectively for Financial Assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed Financial Asset, whether significant or not, it includes the asset in a group of Financial Assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.



If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognised in the Profit or Loss.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the Allowance Account. If a write-off is later recovered, the recovery is credited to the Profit or Loss and charged to the Allowance Account ('Credit Loss Expense').

The present value of the estimated future cash flows is determined using the Financial Asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, Financial Assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

#### **2.229 Derecognition of Financial Assets and liabilities**

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

#### **2.230 Impairment of Financial Assets**

##### **(a) Basis for Measuring impairment of Financial Assets**

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a Financial Asset or group of Financial Assets has become impaired.

Evidence of impairment may include indications that the borrower or a group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the income statement.

#### **2.240 Loans and Advances and amounts due from banks & other financial institutions**

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for Financial Assets that are individually significant, or collectively for Financial Assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed Financial Asset, whether significant or not, it includes the asset in a group of Financial Assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognized in the income statement.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collateral have been utilised or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Credit loss expense'.

The present value of the estimated future cash flows is determined using the Financial Asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, Financial Assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

#### 2.241 Other Financial Assets

The Bank assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

In the case of other debt instruments, impairment is assessed based on the same criteria as Financial Assets carried at amortised cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the income statement.

#### 2.250 Regulatory Credit Risk Reserve

To cater for any difference between the Bank of Ghana's Credit Loss Provision requirements and Loans and Advances Impairments based on IFRS Principles, a charge or credit is made to Income Surplus in respect of the difference required to bring up the cumulative provision to the level required under the Bank of Ghana regulations. Under current regulations the Credit Risk Reserve does not qualify as Tier 1 Capital for the computation of Capital Adequacy.

#### 3.000 Property, Plant and Equipment

The Bank recognises an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materiality threshold set by the Bank.

Property, Plant and Equipment are stated at Cost or revalued amount less Accumulated Depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset which determined in percentages. The depreciable amount of each asset is the difference between the cost/revaluation and the residual value which is set to zero of the asset. No depreciation is provided on Land.

The residual value is the estimated amount, net of disposal costs, that the Bank would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. In the last year or period of the charge of depreciation to Profit or Loss, the depreciation amount is reduced by GH¢1 so that the asset has GH¢1 value to give an indication of the existence of the item of Property, Plant and Equipment.

The current Annual Depreciation rates for each class of Property, Plant and Equipment are as follows:

Renov. of Bank Prem.	2.5%
Motor Vehicle	20.0%
Computers	50.0%
Electrical Installations	20.0%
Equipment	25.0%
Furn. & Fitt.	20.0%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

Residual values, useful lives and methods of depreciation for Property, Plant and Equipment are reviewed and adjusted if appropriate, at each financial year end.

#### c. Functional and Presentational Currency

The Financial Statements are presented in Ghana cedis (GH¢) which is the company's functional currency.

#### d. Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements 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 ongoing basis. Revisions to accounting estimates 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.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are described in note 4.

## 4 RISK MANAGEMENT

The Bank's operations come with these risks: Credit, Market, Liquidity and Operational.

### 4.1 Credit Risk

To the Bank, Credit Risk is the likelihood that a receivable from a financial instrument issued by the Bank to a borrower is unlikely to be received regarding the principal with or the interest according to the terms contained in the financial instrument. This will result in economic loss to the Bank.

The Credit Risk arises from largely Loans and Advances to customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensures that periodic review of the status of the receivable at every stage from application to completion of the repayment of the advance by the borrower. The Credit Department submits reports of the performance of the Loans and Overdrafts to a Credit Committee which takes appropriate actions for recovery. Credit facilities are monitored for early warning signals of non-performance. The maximum amount of Credit Risk emanating from these sources is as follows:

<b>Related Party Disclosures</b>	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
Transaction: Investment with Easy Investment Limited	-	-
Interest earned on Investment with Easy Investment Limited	<u>277,560</u>	<u>405,981</u>
Balance as per Balance Sheet	<u>3,140,488</u>	<u>2,860,928</u>
Loans and Advances to customers	<u>18,434,429</u>	<u>17,504,311</u>

Collateral held as security against these risks consists mainly of cash.

#### 4.2 Market Risk

Market Risk is the potential of losses arising from movements in market prices such as Interest Rates, Exchange Rates, and Equity and Commodity Prices. Currently, the Bank's activities expose it to Interest Rate risks with no exposure to exchange rate, equity or commodity price risks. The Interest Rate risk is inherent in the Bank's Financial Assets and Liabilities such as Loans, Customer Deposits and Borrowings.

#### 4.3 Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from either its inability to meet its maturing Short-Term obligations as they fall due or to fund increases in assets without incurring unacceptable costs. The management of this risk enables the Bank to minimise the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the Primary Reserve requirement of 13% of Total Deposits as required by Bank of Ghana and ARB Apex Bank.

#### 4.4 Operational Risk

Operational risk is of direct or indirect loss resulting from inadequate or failed internal and processes, staff and systems. These are managed by well designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

### 5 CAPITAL

#### 5.1 The Objectives of Capital Management

The Capital Management Objective of the Bank is to ensure the financial net assets at the end of the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions to and adding contributions from the owners.

The objective is also to ensure that, at any time, the Stated Capital requirement by Bank of Ghana could be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This is achieved by maintaining the appreciable level of profits to meet the expected Capital increases by Bank of Ghana.

#### 5.2 Capital Description

The Bank's Capital is its Shareholders' funds comprising Stated Capital, Statutory Reserves and Income Surplus, which includes current and previous year's retained earnings. The current level of the Bank's capital complies with the existing minimum Stated Capital requirement of Bank of Ghana.

	2023	2022
	GH¢	GH¢
<b>5.3 The Level of Capital Adequacy</b>		
Paid Capital	1,386,224	1,386,224
Disclosed Reserves	(6,528,862)	(2,525,235)
Sub-Total	((5,142,638)	((1,139,012)
Investments in Unconsolidated Subsidiaries	55,850	24,600
Tier 1 Capital	((5,086,788)	((1,114,412)
Tier 2 Capital	-	0
<b>Regulatory Capital</b>	((5,086,788)	((1,114,412)
Required Regulatory Capital	1,878,728	2,091,130
<b>Surplus Capital</b>	<b>((6,965,516)</b>	<b>((3,205,542)</b>
The Bank's regulatory capital was above the required minimum throughout the period.		
<b>6 INTEREST INCOME</b>		
Interest on Advances	2,342,991	2,863,075
Interest on Short Term Investment	3,709,645	2,754,766
	<b>6,052,636</b>	<b>5,617,841</b>
<b>7 INTEREST EXPENSES</b>		
Interest Paid on Deposits	1,079,998	1,640,506
Interest Paid on Borrowing	202,450	200,000
	<b>1,282,448</b>	<b>1,840,506</b>
<b>8 COMMISSIONS AND FEES</b>		
Commitment Fees	358,185	381,385
Commissions	247,914	508,473
Other Income - Sundries	224,388	211,175
	<b>830,486</b>	<b>1,101,033</b>
<b>9 CASH AND SHORT TERM FUNDS</b>		
Cash on Hand	1,095,340	1,303,835
ARB Apex Clearing	320,538	390,750
ARB Apex (5%) Placement	2,038,996	1,643,770
Ecobank Clearing Acc	68,282	142
Ecobank Ltd-Prepaid Card	5,933	5,933
Airtel Money Transfer	-	-
Vodacash	-	-
MTN Money Transfer	-	-
First Atlantic Current Account	416	412
First Atlantic Savings Account	4,332	1,355
First Atlantic Call Account 1	90	-
First Atlantic Call Account 2	-	-
CBG	1,065	1,085
APEX ACOD	3,400,000	3,600,000
GCB Bank PLC	10,361	10,396
Republic Bank	80	750,020
Zenith Bank settlement	200,000	200,000
Republic Bank Call	3,005,461	40,188
MMESROW Mobile Money	-	90,172
	<b>10,150,893</b>	<b>8,038,058</b>

<b>10</b>	<b><u>SHORT TERM INVESTMENT</u></b>	<b>2023</b>	<b>2022</b>
		<b>GH¢</b>	<b>GH¢</b>
	Easy Investment	3,140,488	2,860,928
	New Generation Investment	63,544	63,544
	First Atlantic Bank	-	2,079,863
	91 day T BILL	2,117,734	1,116,659
	GCB Bank PLC	-	-
	Republic Bank	3,093,871	2,078,616
	ARB APEX ACOD		
	AM FUND		-
	182 day T BILL	7,467,187	1,861,769
	364 day T BILL	2,239,766	2,282,718
	THE AM FUND-Tier 2	1,720,233	1,720,233
		<b>19,842,823</b>	<b>14,064,332</b>
<b>11</b>	<b><u>LONG TERM INVESTMENT</u></b>		
	Shares in Apex	55,850	24,600
			-
		<b>55,850</b>	<b>24,600</b>
<b>12</b>	<b><u>ADVANCES</u></b>	<b>2023</b>	<b>2022</b>
		<b>GH¢</b>	<b>GH¢</b>
	Loan	7,763,271	6,560,490
	Overdraft	10,671,159	10,943,821
		18,434,429	17,504,311
	Less Impairment Losses	3,899,473	1,585,779
		<b>14,534,956</b>	<b>15,918,532</b>
<b>13</b>	<b><u>INVENTORY</u></b>		
	Stationery Stock	136,206	82,400
		<b>136,206</b>	<b>82,400</b>
<b>14</b>	<b><u>DEPOSIT AND CURRENT ACCOUNT</u></b>		
	Current Accounts	4,351,989	6,234,639
	Savings Accounts	11,974,998	8,396,172
	Time	9,234,965	8,469,996
	Susu	17,255,645	10,798,408
			-
		<b>42,817,597</b>	<b>33,899,215</b>
<b>15</b>	<b><u>MEDIUM TERM BORROWING</u></b>		
	Loan	1,000,000	1,000,000
	REP Managed Funds	64,500	56,000
	NBSSI	33,525	33,525
	COVID 19 Relief Funds	38,700	38,700
		<b>1,136,725</b>	<b>1,128,225</b>

**16 STATED CAPITAL****Authorised:**

Ordinary Shares of no par value				100,000,000
				<b>0 100,000,000</b>

	NUMBER OF SHARES		SHARE VALUES	
	2023	2022	2023	2022
			GH¢	GH¢
Issued:	4,589,476	4,589,476	1,386,224	1,386,224
Additional Shares during the year	-	-	-	-
	<b>4,589,476</b>	<b>4,589,476</b>	<b>1,386,224</b>	<b>1,386,224</b>

**17 OPERATING EXPENSES**

	2023	2022
	GH¢	GH¢
Staff Costs (Note 22)	3,763,911	2,964,457
Depreciation	233,242	227,237
Rent	153,739	273,574
Audit Fee	40,000	25,000
Administrative & Marketing Cost (Note 21)	3,092,933	2,450,850
	<b>7,283,824</b>	<b>5,941,117</b>

**18 PROPERTIES, PLANT & EQUIPMENT**

a) 2023	BALANCE			BALANCE
	01/01/2023	ADDITIONS	DISPOSAL	31/12/2023
Renov. of Bank Prem.	443,010	-	-	443,010
Motor Vehicles	552,781	-	-	552,781
Computers	123,325	173,976	-	297,301
Electrical Installations	259,267	26,086	-	285,353
Equipment	509,038	40,690	-	549,728
Furn. & Fitt.	180,682	8,295	-	188,977
Software-Bankmill	294,167	-	-	294,167
Software-T24	64,176	-	-	64,176
	<b>2,426,445</b>	<b>249,047</b>	<b>-</b>	<b>2,675,492</b>

**DEPRECIATION**

	BALANCE	CHARGED		ACCM DEPR
	01/01/2023	FOR YEAR	DISPOSAL	31/12/2023
Renov. of Bank Prem.	96,407	11,075	-	107,482
Motor Vehicles	330,788	89,556	-	420,344
Computers	108,244	49,605	-	157,849
Electrical Installations	258,345	3,225	-	261,570
Equipment	475,201	17,428	-	492,629
Furn. & Fitt.	170,366	272	-	170,638
Software-Bankmill	238,195	49,028	-	287,223
Software-T24	14,440	6,418	-	20,857
	<b>1,691,986</b>	<b>226,607</b>	<b>-</b>	<b>1,918,592.69</b>

**NET BOOK VALUE**

	<b>734,460</b>		<b>756,900</b>
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18b) **PROPERTIES, PLANT & EQUIPMENT**  
**2022**

	<b>BALANCE</b>			<b>BALANCE</b>
	<b><u>01/01/2022</u></b>	<b><u>ADDITIONS</u></b>	<b><u>DISPOSAL</u></b>	<b><u>31/12/2022</u></b>
Renov. of Bank Prem.	443,010	-	-	443,010
Motor Vehicles	- 418,761	134,020	-	552,781
Computers	- 101,447	21,878	-	123,325
Electrical Installations	- 259,267	-	-	259,267
Equipment	- 506,939	2,099	-	509,038
Furn. & Fitt.	- 173,732	6,950	-	180,682
Software-Bankmill	- 294,167	-	-	294,167
Software-T24	- 64,176	-	-	64,176
	<b>2,261,498</b>	<b>164,947</b>	<b>-</b>	<b>2,426,445</b>

	<b>BALANCE</b>	<b>CHARGED</b>		<b>BALANCE</b>
	<b><u>01/01/2022</u></b>	<b><u>FOR YEAR</u></b>	<b><u>DISPOSAL</u></b>	<b><u>31/12/2022</u></b>
Renov. of Bank Prem.	85,331	11,076	-	96,407
Motor Vehicles	238,465	92,323	-	330,788
Computers	91,046	17,198	-	108,244
Electrical Installations	241,704	16,641	-	258,345
Equipment	456,793	18,408	-	475,201
Furn. & Fitt.	149,119	21,247	-	170,366
Software-Bankmill	189,167	49,028	-	238,195
Software T-24	8,022	6,418	-	14,440
	<b>1,459,649</b>	<b>232,337</b>	<b>-</b>	<b>1,691,986</b>

**NET BOOK VALUE** **801,850** **-** **734,460**

19 **OTHER ASSETS ACCOUNT**

	2023	2022
	<b><u>GH¢</u></b>	<b><u>GH¢</u></b>
Rent Prepaid	190,269	2,138,008
Insurance Prepaid	15,256	13,714
WIP - Racecourse/Kejetia	1,610,050	568,180
Imprest Account	500,000	500,000
Ezwich	25,047	26,200
Prepayment	1,746,233	1,659,126
Inter-Branch DR Bankmill	15,637	1,744
Sundry Debtors	11,723	1,500
	<b>4,114,215</b>	<b>4,908,472</b>



**20 CREDITORS & ACCRUALS**

Provision - Others	1,200	-
Sundry Creditors	10,073,419	9,181,500
Bills Payable	2,500	7,540
Loan Insurance	177,593	172,483
Tax - GRA PAYE	34,756	25,069
Tax - GRA WHT	8,752	2,538
Audit Fee	40,000	25,000
SSNIT	39,972	27,126
Provident Fund	103,172	79,947
Accrued Interest	50,000	50,000
Akten Appiah-Menkah univ.of Skills Training & Ent.	3,050	4,650
Police Guard/Scholarship & Others	14,400	14,400
E-zwich Operations	1,104	-
Gen. Suspense	75,426	144,143
Uncleared Effect	-	-
Salary Suspense	4,574	4,574
	<b>10,629,919</b>	<b>9,738,970</b>

**21 ADMINISTRATIVE AND MARKETING COST**

	2023	2022
	GH¢	GH¢
Specie	6,875	1,837
Subscription & Periodicals	57,812	41,987
Office Expenses	24,683	81,035
Attachment Students'Allowance	1,200	150
Postage & Telephone	26,293	47,055
Insurance	170,552	162,999
Audit/Inspection Expenses	14,800	14,383
Printing & Stationery	83,309	82,670
Travelling & Transport	604,386	657,351
Light & Water	142,042	130,359
Software Licence & Support Fees	339,355	252,705
Cleaning & Sanitation	63,299	51,319
Bank charges	21,535	22,188
Repairs & Maintenance(Generator	105,143	50,399
Akuafo Cheque Expenses	-	86,762
Enter. For Guest/Protocol & Public Relations	11,460	10,224
Board Meeting	63,930	69,597
Motor Vehicle Running	225,901	227,675
A. G. M. Expenses	39,064	30,998
Police Guard	45,650	42,925
Business Marketing & Promotion	384,800	-
Advertising,Publicity & Promotion	139,529	64,625
Legal	82,752	59,875
Donation	13,105	6,924
Generator Running Cost	43,564	41,631
Repairs & Maintenance	159,573	-
Business Registration & Licencing	90	4,264
Rates & Taxes	13,000	-
End of year Payment	158,700	166,824
Recruitment And Selection Expenses	-	6,500
Sundries Expenses	39,869	28,689
Social Responsibility	10,662	6,897
	<b>3,092,933</b>	<b>2,450,850</b>

22	<b><u>STAFF COST</u></b>	2023	2022
		<u>GH¢</u>	<u>GH¢</u>
	Salaries/Wages and Allowances	2,003,526	1,667,479
	13% SSF	243,716	212,994
	Staff Provident Fund	141,886	123,481
	Staff Training/Uniform	219,920	268,040
	Staff Medical	38,203	91,804
	Other Staff Cost	1,116,660	600,659
		<b><u>3,763,911</u></b>	<b><u>2,964,457</u></b>

23	<b><u>PROVISION FOR IMPAIRMENT</u></b>		
	Balance B/Fwd.	1,585,779	1,157,666
	Charged for Year	<u>2,313,695</u>	428,112
	<b>Balance Carried Down</b>	<b><u>3,899,473</u></b>	<b><u>1,585,779</u></b>

24	<b><u>TAXATION</u></b>	Bal. 01.01.23	Profit & Loss	Payment	Bal. 31.12.23
	<u>Company Tax</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>	<u>GH¢</u>
		-			-
	2018	1,188		-	1,188
	2019	(886)	-	-	(886)
	2020	(2,200)		-	(2,200)
	2021	-		-	-
	2022	-			
	2023	-			
		<u>(1,898)</u>	-	-	<u>(1,898)</u>

25	<b><u>SOCIAL RESPONSIBILITIES</u></b>	2023	2022
		GH¢	GH¢
	The social responsibilities undertaking by the Bank includes but not limited:		
	Breast Cancer Screening Awareness- KATH		6,097
	Agassi Memmorial School 10th Anniversary Celebration		800
	Office Tables, Chairs and Steal Cabinet - KMA	8,970	
	20 bags of Cement - Effiduase Government Hospital	1,692	
		<b><u>10,662</u></b>	<b><u>6,897.00</u></b>

#### **The Credit Committee**

To facilitate approval of loans, the Credit Committee meets monthly.

There is self-evaluation of members of the Board on an annual basis.

#### **Directorship**

In line with the Corporate Governance Directives issued by the Bank of Ghana, the Board has put in place a succession plan for gradual replacement of Directors over a three year period in compliance with the directives as indicated below.

The Bank, by an open and transparent selection and vetting processes, shall ensure that the normal rotational processes are made to suit new directors to replace those exiting from time to time.

Accordingly, the Board Charter emphasises on the recruitment of highly qualified management staff and very qualified directors with proven integrity, and shall ensure that the Board is made up of persons who must possess qualifications in the areas of Accounting/Finance, Banking, Law, and Education. The succession plan therefore is as follows:

1. Mr. Samuel Addo Otto(Esq), the Chairman of the Board of Directors of the Bank, a legal practitioner has served two terms in office and is currently serving his last term. His term of office will end after 11th Annual General Meeting to be held in 2024.
2. Mr. Musah Ahmed(Esq) is currently the Board vice-chair, a Legal Practitioner who has served for 10 years.
3. Dr. Grace Amoh-Agyei is an Educationist and has served five years in office.
4. Mr. Razak Abdul-Adam is a Chartered Accountant and has served 2 months as Board Director.
5. Madam Yvonne Yaa Yalley(Esq) is a Legal Practitioner and has served for 2 months as Board Director.

Membership and attendance at Board meetings during the year 2023 are set out below

<b>12 Name of Director</b>	<b>No. of Meeti</b>	<b>No. of Times Pre:</b>	<b>Percentage Attendance</b>
1 SAMUEL ADDO OTOO (ESQ.)	4	4	100%
2 MUSAH AHMED (ESQ.)	4	4	100%
3 DR. MRS. GRACE AMOH-AGYEI	4	1	10%
4 YVONNE YAA YALLEY	1	1	100%
5 ABDUL RAZAK ADAM	1	1	100%

#### **Directors' Shareholdings**

The shareholdings of Directors as at December 31, 2023 are as indicated below.

<b>Name of Director</b>	<b>No. of Shares</b>	<b>Percentage Shareholding</b>
1 SAMUEL ADDO OTOO (ESQ.)	1,184,333	25.76%
2 MUSAH AHMED (ESQ.)	8,600	0.19%
3 DR. MRS. GRACE AMOH-AGYEI	17,490	0.38%
4 YVONNE YAA YALLEY	-	0.00%
5 ABDUL RAZAK ADAM	-	0.00%

## **2023 ANNUAL REPORT**

### **Financial Reporting**

The Board has presented a balanced assessment of the Bank's position and prospects. The Board is mindful of its responsibilities and is satisfied that in the preparation of its Financial Report, it has met its obligation under the Board Charter and applicable legal provisions.

The Directors make themselves accountable to the shareholders through regular publication of the Bank's Annual Financial Reports and holding of Annual General Meetings (AGM). The Board has ensured that the Bank's reporting procedures are conveyed on the most recent infrastructure to ensure accuracy. These procedures involve the monitoring of performance throughout the financial year, in addition to monthly reporting of the key performance indicators. Asamoia Bonsu & Co. acted as external auditors to the Bank during the 2023 financial year.

### **Internal Control**

The Bank is mindful of the importance of its internal control functions in the general operations and has put in place effective control systems to ensure that the Bank's operations are carried out in a safe, objective and effective manner. The Board reviews the effectiveness of the system through regular reports which are submitted at Committee and Board meetings.

#### **1. Anti-Money Laundering**

The Board and Management of the Bank are committed to ensuring compliance with the statutory provisions in the Anti-Money Laundering Act,2020 (Act 1044) and the applicable regulations and guidelines. Staff are continuously trained on the Bank's anti-money laundering policies to ensure strict compliance.

## 2. Conflicts of Interest

The Bank has a comprehensive policy on conflict of interest and disclosures and the Bank ensures strict compliance with the legal provisions on conflicts of interest and disclosures. The Bank has an Interest Register where Directors and Key Management Personnel record their interests. The laid down policies and procedures of the Bank's businesses ensure that the law is strictly complied with to reduce any conflicts of interest that may arise and where there are conflicts, there are effective means of disclosing the conflict of interest.

## 3. Shareholding Rights

The Board ensures that general meetings are held annually in accordance with law and the shareholders are provided with all information as required by statute in respect of the Bank's general operations. Shareholders are treated equally and provided adequate time and equal opportunity to have clarifications on the Banks published Financial Statements at General Meetings.

## 4. Annual Certification

The Board certifies that for the financial year ended 31 December 2023, the Bank has complied with the provisions of the Corporate Governance Directive as contained in Act 930 and Act 1992 as well as the best practice, including but not limited to:

- Board qualification and composition
- Board size and structure
- Other engagements of Directors

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- It has independently assessed and resolved that the Bank's corporate governance process is effective and has successfully achieved its objectives
- Directors are aware of their responsibilities to the Bank as persons charged with governance.

## STEPS TAKEN TO BUILD THE CAPACITY OF DIRECTORS

Directors were sponsored to attend various training and capacity building programs listed below:

Course	Board Members	Organisers
Corporate Governance	Mr. Samuel Addo Otto	Association of Rural and Community Banks
<b>Loans and advances to customers at amortised cost-</b>		
Loans by business segment to customers:		
		2023                      2022
		GH¢                      GH¢
Agriculture (Individual)		49,324                      75,991
Cottage industries (Private Enterprise)		-                              -
Transport (Others)		-                              -
Commerce		17,943,056                      17,055,217
Susu and other credit lines		442,050                      373,103
		-                              -
		<b>18,434,429                      17,504,311</b>
<b>Loan Statistics</b>		
i) Twenty (20) largest exposures to total exposures		13,995,210                      14,328,184
ii) Loan loss provision ratio		24.08%                      26.73%
iii) Non-performing ratio		24.52%                      26.77%
<b>Right of use - Office rent</b>		
Non-Cancellable Operating Lease Rentals are Payable as follows:		
Between One and Five years		114,799                      96,799
More than Five years		32,940                      81,850
		<b>147,739                      178,649</b>

The Bank leases a number of branch premises for its operations. The rent lease paid for the year 2023 is GH¢147,739. Rent for 2022 IS GH¢178,649. and beyond for various years came to GH¢808,170. The rent lease for each one of them has an option to renewal after expiry date.

	2023 GH¢	2022 GH¢
<b>LONG TERM INVESTMENT</b>		
Balance 01 January	24,600	24,600
Addition	31,250	-
Investment in ordinary shares of ARB Apex bank	<b>55,850</b>	<b>24,600</b>

**TRADEABLE ASSET**

This relates to the following building assets relinquished by the owners for amounts owing to the Bank and were unable to pay as settlements for their debts.

Balance Brought Forward	775,222	775,222
Addition	-	-
Impairment	-	-
	<b>775,222</b>	<b>775,222</b>
	<b>775,222</b>	<b>775,222</b>

**Off Balance Sheet Contingencies And Commitments**

In the ordinary course of business, the Bank did not conduct business involving guarantee, acceptance and performance bond.

**Nature of Contingent Liabilities**

Guarantees are generally written by a bank to support performance by a customer to third parties. The bank will only be required to meet these obligations in the event of the customer's default.

An acceptance is an undertaking by the bank to pay a bill of exchange drawn on the customer.

**CONTINGENT ASSET**

The following law suits were pending which could result in a contingent asset. .

No	Case Title		Brief	Status
1	Yaa Asantewaa Rural Bank Ltd Vs James Obeng Afriyie	Default in payment	Judgement obtained against the defendant in 2023	
				GHc450,000 paid by the customer in 2023 as at 31/12/2023
2	Yaa Asantewaa Rural Bank Ltd Vs John Kweku Taylor	Default in pay	Judgement will be given by the Judge on 19/09/2024	
3	Yaa Asantewaa Rural Bank Ltd Vs Andrews Acheampong	Default in payment	Terms of settlement agreed in court for client to commence payment in July 2024.	
4	Yaa Asantewaa Rural Bank Ltd Vs Oheneba Adusei Poku	Default in payment	Judgement obtained. We will be meeting with customer to conclude on a terms of settlement	
5	Yaa Asantewaa Rural Bank Ltd Vs New Agogo Community Market Association	Default in payment	At the pre-trial and case management conference stage. All parties are praying for the court to appoint an independent auditor	

**34 RELATED PARTIES****34.1 Transactions with directors****Loan Balances**

Transactions in the normal course of business with directors who are hereby referred to as related party. The outstanding loan balances and deposits for the year are as follows:

	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
	Closing	Closing
	Balance	Balance
Loans and Advances to Directors	-	-
Fixed Deposits from Directors	-	-
<b>Maximum Amount of Loans granted to directors during the year</b>	<b>Max. Balance</b>	<b>Max. Balance</b>
Mortgage Lending and Other Secured Loans	-	-
Other Loans	-	-
<b>Directors Remuneration During the Year</b>	-	-

**34.2 Short-Term Directors' Benefits**

The Bank does not have any share options policy in place for its Directors .

There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

No impairment losses have been recorded against balances outstanding during the period with Directors, and no specific allowance has been made for impairment losses on balances with Directors and their immediate relatives at the period end.

Loan and Advances to Directors and their Associates

**0.1 Directors' shareholding**

	<b>As At</b>	<b>Addition</b>	<b>As At</b>	
	<b>31-Dec-22</b>	<b>During Year</b>	<b>31-Dec-23</b>	
	<b>Number of Shares</b>			<b>Percentage</b>
<b>Name of Director</b>	Shares			<b>Holding (%)</b>
SAMUEL ADDO OTOO (ESQ.)	1,184,333	-	<b>1,184,333</b>	25.76
MUSAH AHMED (ESQ.)	8,600	-	<b>8,600</b>	0.19
DR. MRS. GRACE AMOH-AGYEI	17,490	-	<b>17,490</b>	0.38
YVONNE YAA YALLEY	-	-	-	0.00
ABDUL RAZAK ADAM	-	-	-	0.00
<b>Total</b>	<b>1,210,423</b>	<b>-</b>	<b>1,210,423</b>	<b>26.33</b>

	<b>As At</b>	<b>Addition</b>	<b>As At</b>	
	<b>31-Dec-21</b>	<b>Number of Sh</b>	<b>31-Dec-22</b>	
<b>Directors' shareholding</b>				<b>Percentage</b>
<b>Name of Director</b>				<b>Holding (%)</b>
MR SAMUEL ADDO OTOO	1,184,333	-	1,184,333	25.77
MUSAH AHMED (ESQ.)	8,600	-	8,600	0.19
DR. GABRIEL SAM AHINFUL	276,600	-	276,600	6.02
DR. FRANK NKETIA BOAKYE	270,110	-	270,110	5.88
DR. MRS. GRACE AMOH-AGYEI	17,490	-	17,490	0.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,757,133</b>	<b>38.23</b>

## 0.2 Transactions with Key Management Personnel

The Bank's key management personnel includes directors (executive and non-executive) and members of the executive committee. Transactions in the normal course of business with these people who are hereby referred to as related party as follows:

	<b>2023</b>	<b>2022</b>
	<b>Closing</b>	<b>Closing</b>
	<b>Balance</b>	<b>Balance</b>
Loans and advances to key management personnel	196,491	270,158
Fixed deposits from key management personnel	-	-

### Maximum Amount of Loans Granted to Key Management During the Year

	<b>Max. Balance</b>	<b>Max. Balance</b>
	<b>GH¢</b>	<b>GH¢</b>
Mortgage Lending and Other Secured Loans	-	-
Other Loans	63,500	199,000
	<b>63,500</b>	<b>199,000</b>

### Key Management Remuneration During the Year

Key management personnel compensation for the year comprised

	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
Salary	469,920	423,464
Allowances	181,528	151,497
	<b>651,448</b>	<b>574,960</b>

## 0.3 Related Party Income

Income earned on Key Management Personnel

All transactions other than with related parties are priced in an arm's length basis and was entered into in the normal course of business.

## 0.4 Employee Benefits

Employee Benefits are all forms of consideration given by an entity in exchange of service rendered by the employees or for termination of employment.

Consideration for leave days outstanding for employees of the Bank were provided for as a liability to be paid.

	<b>2023</b>	<b>2022</b>
Total Leave Outstanding as at	-	-
Leave for the year	-	0
<b>Balance at 31 December</b>	<b>-</b>	<b>0</b>

### Short-Term Employee Benefits

The Bank does not have any share options policy in place for its Key Management Personnel or Executive Officers.

There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with Key Management Personnel and their immediate relatives at the period end.

	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>Loans and Advances to Employees</b>		
Balance at 1 January	695,097	242,254
Loans Advanced during the Year	464,340	411,000
Interest Charged	49,000	4,184
Loans Repayments Received	539,617	46,027
<b>Balance at 31 December</b>	<b>668,820</b>	<b>695,097</b>

No Loans and Advances were advanced to companies in which some of the Board of Directors have interest.

## 35 COUNTRY ANALYSIS

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

**36 COMPARATIVE FIGURES**

Where necessary, figures within notes have been restated to either conform to changes in presentation in the current year or for adoption of new IFRS requirement,

1	List of Related Parties	Designation	Period	
			From	To/From
	Samuel Addo Otoo Esq	Director	24-Jul-12	Date
	Ahmed Musah Esq	Director	24-Feb-14	Date
	Dr. Grace Amoh-Agyei	Director	24-Oct-16	Date
	Abdul-Razak Adam	Director	13-Nov-23	Date
	Yvonne Yaa Valley Esq	Director	13-Nov-23	Date

1	Key Management Personnel Name	Designation	Period	
			From	To/From
	Dr. Stephen Sarfo Kantanka	Chief Executive Officer	28-Nov-22	Date
	Samuel Ampofo Jacobson	Ag. Head of Operations	15-Nov-22	Date
	Jeremiah Woode	Head of Credit	18-Nov-19	Date
	Patrick Gyamfi	Head of Audit	01-Sep-20	Date
	Melody Asamoah-Frimpong	HR & Admin Manager	01-Jul-17	Date
	Frank Nyarko	Head Risk & Compliance	01-Apr-18	Date
	Gershon Sam Woode	Head of IT	01-Mar-13	Date
	Emmanuel Boateng	Head of Sales & Business	01-Apr-22	Date

1	a. Number of Shareholders	2023	2022
		-	-

1	a. Twenty Largest Shareholders Name	No. of Shares		%		2022	
		2023		2023			
		Number of Shares		Percentage	Number of		Percentage
		01-Jan-23	Addition	Holding (%)	Shares		Holding (%)
	SAMUEL ADDO OTOO	1,184,333	-	1,184,333	26.919	1,184,333	26.919
	EASY INVESTMENT SERVICES LTD	874,911	-	874,911	19.886	874,911	19.886
	GABRIEL SAM AHINFUL	276,600	-	276,600	6.287	276,600	6.287
	FRANK NKETIAH-BOAKYE	270,110	-	270,110	6.139	270,110	6.139
	JOHN KWAME AWUKU DZUAZAH	265,400	-	265,400	6.032	265,400	6.032
	EMMANUEL WILLIAM DODOO	234,000	-	234,000	5.319	234,000	5.319
	PAUL KOFI OPPONG BOAKYE	140,000.00	-	140,000	3.182	140,000	3.182
	KWABENA OBIRI-YEBOAH	122,000.00	-	122,000	2.773	122,000	2.773
	DR. MUSTAPHA AHMED	100,000.00	-	100,000	2.273	100,000	2.273
	NANA AFRANIE OKESE IV	81,400	-	109,355	2.486	81,400	1.850
	OGUAKRO AFRANIE OKESE IV-ITF**THE STOO	76,000	-	105,556	2.399	76,000	1.727
	MAXWELL KUSI	75,000	-	75,000	1.705	75,000	1.705
	STEPHEN AGBELI	75,000	-	75,000	1.705	75,000	1.705
	RICHARD KWESAH SALLAH	70,000	-	70,000	1.591	70,000	1.591
	ABRAHAM ADU-KWARTENG	70,000	-	70,000	1.591	70,000	1.591
	JANET ACHEAMPONG	65,000	-	65,000	1.477	65,000	1.477
	ALEXANDER KOFI EDUFUL	54,000	-	54,000	1.227	54,000	1.227
	EUGENIA ELSIE DODOO	40,000	-	40,000	0.909	40,000	0.909
	PETER ADDO OTOO	40,000	-	40,000	0.909	40,000	0.909
	NTIM TWUMASI KWAKU	40,000	-	40,000	0.909	40,000	0.909
	<b>Reported Totals</b>	<b>4,153,754</b>	<b>-</b>	<b>4,211,265</b>	<b>95.72</b>	<b>4,153,754</b>	<b>94.41</b>
	Unreported Totals			4,211,265	95.72%	4,153,754	94.41%
	<b>Total</b>			<b>4,399,546</b>	<b>100.00%</b>	<b>4,399,546</b>	<b>100.00%</b>



**Number of Shareholders**

The Bank had 250 ordinary shareholders at 31 December, 2023 distributed (2022:) as follows:

	2023			2022		
	Number of Shareholders	Number of Shares	Percentage Holding (%)	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	177	48,890	1.06	176	48,690	1.06
1,001-5,000	31	75,540	1.64	31	75,540	1.64
5,001-10,000	9	73,400	1.60	9	73,400	1.60
Over 10,000	33	4,399,546	95.70	33	4,399,546	95.70
<b>Total</b>	<b>250</b>	<b>4,597,376</b>	<b>100.00</b>	<b>249</b>	<b>4,597,176</b>	<b>100.00</b>

1 Number of Employees

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