KWAEBIBIREM

RURAL BANK PLC

REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED

31st December, 2022

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that, the 36th Annual General Meeting of Shareholders of Kwaebibirem Rural Bank Limited will be held at the Roman Catholic Church Premises, (Behind ADB) Kade, on Friday, 1st December, 2023 at 10:00am to transact the following business;

AGENDA

1. To read the notice convening the meeting
2. To receive the Report of the Board Chairman
3. To receive directors report
4. To receive and consider the accounts of the Bank for the year ended December 31st, 2022
5. To pass a resolution to transfer funds from income surplus to stated capital
6. To approve the remuneration of the Directors
7. To authorize the directors to fix the auditors' remuneration
8. To elect/ratify the appointment of new Directors
9. To transact any other business

GEORGINA NIMAKO ADOMAKO (MRS.)
(SECRETARY)

By order of the Board
Dated 6th November, 2023

PROGRAM FOR 36TH ANNUAL GENERAL MEETING ON 1st DECEMBER, 2023 TIME: 10:00AM

1. Arrival and Registration of Shareholders
2. Arrival of Board of Directors and Invited Guests
3. Opening Prayer
4. Introduction of Directors and Invited guests
5. Reading of the notice conveying the meeting by the Board Secretary
6. Presentation of the Report of the Directors
7. Chairman's Report
8. Presentation of the Auditor's Report
9. Adoption and discussion of the 3 Reports
10. Resolution to transfer funds from income surplus to stated capital
11. Authorizing the Directors to fix Remuneration of the Auditors
12. Address by ARB Apex Bank Representative
13. Address by the Association of Rural Banks Representative
14. Election of Directors in place of those retiring
15. Optional Speeches
16. Vote of thanks
17. Closing prayer

BOARD OF DIRECTORS AND OFFICIALS

Board of Directors	Hon. Carlos Kingsley Ahenkorah	Non-Executive Chairman
	Mr. Kwaku Acheampong Ababio	Non-Executive Vice-Chairman
	Mr. James Kofi Kwarko	Non-Executive Member *(Resigned 29.03.2022)*
	Mr. Kwaku Owusu	Non-Executive Member
	Mr. Ernest Ampofo	Non-Executive Member
	Mr. Solomon Nyarko	Non-Executive Member

Secretary	Mrs. Georgina Nimako Adomako
	P.O. Box 21
	Asuom-Eastern Region

Management	Mr. Prince Obiri Yeboah	Chief Executive Officer
	Mr. Abdulai Yussif	Dep. GM, Operations
	Mr. Ernest Ohemeng	Head, Credit
	Mrs. Georgina N. Adomako	Head, HR & Administration
	Mr. Patrick Forson Bentsi	Head, Risk & Compliance
	Mr. Robert Osene	Head, ICT
	Mr. Alexander Asibidu Anaane	Head, Internal Audit *(Resigned 30/9/2022)*
	Mr. Seth Obeng Amoh	Head, Business Development

Registered Office	Bank Premises
	P.O. Box 21
	Asuom-Eastern Region

Auditors	Opoku, Andoh & Co
	Chartered Accountants
	SDA 8, Community 5
	P. O. Box CO 1364
	Tema-Ghana

Solicitors	Charles Bamfo Nimako Esq.
	Gyinae Consult

Bankers	ARB Apex Bank PLC
	GCB Bank PLC

CHAIRMAN'S REPORT

Nananom, Distinguish Shareholders, Representatives of ARB Apex Bank, Chairperson, Association of Rural Banks- Eastern Chapter, Fellow Directors, Directors of Sister Rural Banks present, CEOs of Sister banks, the Media, Staff, Ladies & Gentlemen, All protocols observed.
It is my singular honor to welcome you to the 36th Annual General Meeting of the bank and to account to you our stewardship for the 2022 financial year. This is in accordance with Companies Act of 2019, (ACT 992) and in compliance with Bank and Specialized Deposit Institution Act of 2016, ACT 930.

ECONOMIC ENVIRONMENT
Nananom, Fellow Shareholders, Ghana's economic challenges entered into full-blown macro-economic crises in the year 2022 at the back of pre-existing imbalances and external shocks as a result of the post Covid 19 recovery challenges and Russia-Ukraine war.

Huge financing gap and tightening fiscal conditions across the globe exacerbated debt sustainability concerns, shutting off Ghana from the international financial market. The external pressure on the economy caused prices of goods and services to rise sharply than expected leading to high inflation. This development affected general cost of doing business in the country and your bank was not exempted. Within the period inflation rate rose from 12.8% in December 2021 to 54.1% in December 2022.

THE PERFORMANCE
Fellow shareholders, Media present, at this point permit me to share with you the performance the bank recorded in the year under reviewed. Nananom, I am happy to inform you that, despite the economic challenges enumerated above in the year under review, your bank made the highest gains in its history with a profit before tax of GH¢3,447,455.00 as compared to the previous year's profit of GH¢1,490,181.00; a significant increase of 131%.
Fellow shareholders, this is a major achievement that needs to be celebrated and it's an indication that your bank is growing from strength to strength.

TOTAL ASSETS
The bank's total assets grew from GH¢40,669,665.00 in 2021 to GH¢57,112,851.00 in 2022. This represents a growth rate of 40%.

DEPOSIT
Total Deposit increased from GH¢36,862,875.00 in 2021 to GH¢48,585,493.00 in 2022 representing a growth rate of 32%.

LOANS AND ADVANCES
The bank's Loans and Advances increased to GH¢13, 279,784.00 as compared to GH¢10,209,234.00 in 2021. An increase of 30%.

INVESTMENTS.
The bank's investment increased from GH¢ 21, 790,257.00 in 2021 to GH¢34, 591,714.00. This represents an increase of 59%.

SHAREHOLDERS FUND
Shareholders fund increased from GH¢1,460,704 to GH¢4,404,570.00, representing an increase of 201%.
Fellow shareholders, find in the table below a four year performance trend of the bank

PERFOMANCE INDICATOR	2019	2020	2021	2022	% CHANGE 2022/2021
TOTAL ASSETS	23,476,347.00	33,143,061.00	40,669,665.00	57,112,851.00	40.43
TOTAL DEPOSIT	20,644,596.00	30,653,939.00	36,821,875.00	48,585,493.00	31.95
LOANS AND ADVANCES	6,017,052.00	6,897,930.00	10,209,234.00	13,279,784.00	30.08
INVESTMENT OTHER SECURITIES	11,043,629.00	20,430,142.00	21,790,257.00	34,591,714.00	58.75
PROFIT BEFORE TAX	484,536.00	-719,530.00	1,490,181.00	3,447,455.00	131.34
SHARE HOLDERS FUND	1,640,471.00	909,595.00	1,460,704.00	4,404,570.00	201.54
TOTAL OPERATING INCOME	5,080,232.00	5,929,219.00	8,122,899.00	11,527,525.00	41.91
TOTAL EXPENSES	4,595,696.00	6,648,749.00	6,632,717.00	8,080,070.00	21.82

From the table above the bank recorded significant growth in all key performance indicators in the year under review. This is an indication that the bank is on the path to sustainable growth.

DIVIDENDS.

Fellow shareholders, following the impressive performance recorded by your bank, the Board of Directors considered rewarding you for the sacrifices you've made over the period. Out of that, the Board proposed a dividend payment for the approval of the Bank of Ghana. Since our bank had not met the minimum capital at the time, the regulator declined the proposal by making reference to the Banking Act, which does not permit payment of dividend when a regulated financial institution has not met the minimum capital requirement.

Fellow shareholders, I am happy to inform you that, following the engagement with the regulator, an amount of GH¢601,627.00 has been declared as bonus issue to shore up the capital requirement. New share certificate shall be issued out to you in due course.

STATED CAPITAL

Distinguished shareholders, I am glad to inform you that the bank has now met the minimum required paid up capital of GH¢1,000,000.00, through the efforts of the Board. The strategic investors who invested GH¢700,000.00 in Redeemable preference shares converted it to ordinary shares.

CORPORATE SOCIAL RESPONSIBILITY

Fellow shareholders the bank continues to carry out its social responsibilities in its catchment area. The bank continues to support the Ghana Police Service by providing fuel subsidy to Asuom, Kade, Akwatia and Oda Command. The Bank also supports the Fire Service Command on the above areas. Not just this, the bank also supported GES and health etc.

FUTURE OUT LOOK

1. Kade New Office

Fellow shareholders I am happy to inform you that, we have secured a new office for the Kade branch, as you may be aware, our Kade branch premises is not conducive for banking business. In addition the location of the branch also put the bank at a disadvantage, since it is far from the market center. The new office is located directly opposite the Kade market near the main lorry station entrance. It is at Regina House. The office is being redesigned to make it very suitable for banking business.

2. 40th Anniversary

It is also refreshing to inform you that, your bank will be 40 years next year 2024. A detail activity marking the anniversary will be communicated to you in due time.

3. Agency Banking

As part of our strategy to reach out to more potential customers, point of sale devices (POS) shall be deployed in the coming days with help of ARB Apex bank.

CONCLUSION

On behalf of the Board, I wish to express my sincere gratitude to the shareholders and deep appreciation to our customers for their support and loyalty since the existence of the bank.

I wish also to express my deepest gratitude to my colleague board members for your support and invaluable contributions during the period. Similarly, I thank Management and Staff of the bank for their unwavering dedication to hard work.

Finally, I wish to assure you that the bank will be in good position to pay dividend in the very near future. It is on this note that, I will like to urge all members gathered here to buy more shares in the bank and also, be good ambassadors to indigence who are outside to come and invest in the bank.

Thank you for your warm audience.
God bless us all.

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Bank for the year ended 31st December 2022.

1. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act,2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error. The Directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead.

2. NATURE OF BUSINESS

The Bank's principal activities are provision of Banking services.
There was no change in the nature of the Bank's business during the year.

3. FINANCIAL RESULTS

The results of operations for the year ended 31st December 2022 are set out in the attached financial statements, highlights of which are as follows:

	2022	2021
	GH¢	GH¢
The Bank recorded a net profit before taxation of	3,447,455	1,490,181
From which is deducted income tax expense of	(859,748)	(428,393)
Giving a net profit after tax of	2,587,707	1,061,788
There was a transfer to statutory reserve fund of	(323,463)	(530,894)
Leaving a profit for the year after tax and transfer to statutory reserve of	2,264,244	530,894
When added to the opening balance on the income surplus account as of 1 January	(33,386)	(749,871)
Transfer to Statutory Credit Risk Reserve	(462,213)	-
And adjusting it with Prior Year Adjustment of	(370,812)	185,591
And adjusting it with transfer to stated capital of	(601,627)	-
From which is deducted final dividend paid of	-	-
Leaving a closing balance on the income surplus account of	**796,206**	**(33,386)**

4. STATED CAPITAL

The Bank's Stated Capital increased from GH¢344,328 as at the end of the previous year to GH¢1,672,925, recording an increase of GH¢ 1,328,597, made up of GH¢26,970 in cash, a transfer from preference share of GH¢700,000 and a bonus issue of GH¢ 601,627. The Stated Capital is made up of Ordinary Shares and no Preference shares.

5. DIVIDEND

The Directors propose a dividend of GH¢ 0.018 per share for the year 2022 (2021 - nil).
The qualifying shares at the balance sheet date were 33,423,714 ordinary shares, making a total proposed dividend of GH¢ 601,627. This bonus issue is subject to the approval of Bank of Ghana.

6. CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring good corporate governance 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.

FULL BOARD MEETINGS

A total of five (5) board meetings and a total of eight (8) committee meetings were held. In attendance were as follows:

Names of Members	Full Board Meetings	Committee Meetings
Mr. Carlos Kingsely Ahenkorah	5/5	n/a
Mr. Kweku Acheampong Ababio	5/5	7/8
Mr. Ernest Ampofo	5/5	8/8
Mr. Kweku Owusu	5/5	8/8
Mr. Solomon Nyarko	5/5	6/8
Mr. James K. Kwarko	2/5	3/8

STEPS TAKEN TO BUILD THE CAPACITY OF DIRECTORS

Directors attended these various training and capacity building programmes listed below:

Course	Board Member(s)	Organizers
Training on Anti Money Laundering (AML/CFT & Counterfeit Fraud)	5	Consultant from ARB Apex Bank
Operational Meeting	1	ARB Apex Bank
Corporate Governance	1	Association of Rural Banks

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER

There was no transaction with potential conflict of interest situation requiring entry in the Interests Register. Therefore, no disclosure of entries in the interest register is stated in the Financial Statements ended December 31, 2022.

7. DIRECTORS REPRESENTATION

The Directors confirm that no matters have arisen since 31st December 2022 which materially affect the financial statements as presented.

8. DIRECTORS ASSESSMENT OF THE STATE OF AFFAIRS

The Directors consider the Bank's State of Affairs to be satisfactory. The Directors have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future and thus used the Going Concern basis in preparing these Financial Statements.

9. AUDITORS
The Auditors, Opoku Andoh & Co will continue in office in accordance with Section 134 (5) of the Companies Act, 2019 (Act 992).

AUDIT FEES
Audit fees payable amounts to Thirty Thousand, Eight Hundred and Fifty Ghana Cedis (GH¢30,850) (2021: GH¢23,850).

10. APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on ***2023***
and were signed on their behalf by the following:

DIRECTOR DIRECTOR

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KWAEBIBIREM RURAL BANK PLC

Report on the Audit of the Financial Statements

We have audited the financial statements of Kwaebibirem Rural Bank Limited, which comprise the statement of financial position as at 31st December 2022, and the statement of comprehensive income, changes in equity and 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, as set out on pages 15 to 49.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Kwaebibirem Rural Bank Limited as at 31st December 2022, its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Companies' Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930) and the Anti-Money Laundering Act, 2020, (Act 1044).

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 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 Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Finding

The Bank as at the balance sheet date **met** the mandatory minimum capital requirement of Bank of Ghana per its directive issued per "BG/GOV/SEC/2015/08" dated 3rd July, 2015, which announced the revision of minimum capital for Rural/Community Banks and Microfinance Institutions to **One Million Ghana Cedis (GH₵1,000,000)** to be complied with by 31st December, 2017.
The Bank's Stated Capital increased from GH¢344,328 as at the end of the previous year to GH¢1,672,925, recording an increase of GH¢1,328,597, made up of GH¢26,970 in cash, a transfer from preference shares of GH¢700,000 and a bonus issue of GH¢ 601,627.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors as required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), the Chairman's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information 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, 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.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 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 consolidated and separate 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.

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.

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) and Section 85 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930);

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.

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books.

The Statement of Financial Position and the Statement of Comprehensive Income of the Bank are in agreement with the accounting records and returns.

We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

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, 2022 of the Bank and the results for the year ended on that date.

ii. We have 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 Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), the Anti-Money Laundering Act, 2021, Act (1044), (AML) and International Financial Reporting Standards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Opoku (ICAG/P/1402).

Opoku Andoh & Co (ICAG/F/2022/053)
Chartered Accountants
SDA 8, Community 5
Tema

2023

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(NOTES)	2022	2021
		GH¢	GH¢
Interest Income	(7)	9,904,246	6,765,529
Interest Expense	(7)	(1,389,301)	(1,125,031)
Net Interest Income		**8,514,945**	**5,640,497**
Fees & Commission Income	(8)	1,623,279	1,354,153
Fees & Commission Expense	(8)	(116,125)	(360,418)
Net Fees & Commission Income		**1,507,154**	**993,736**
Other Income	(9)	-	3,217
Net Other Income		**-**	**3,217**
Total Operating Income		**10,022,100**	**6,637,450**
Net Impairment Loss on Financial Assets	(19)	(58,623)	173,528
Personnel Expenses	(10)	3,381,560	2,467,793
Depreciation & Amortization	(11)	274,204	189,322
Other Expenses	(12)	2,977,503	2,316,625
Total Operating Expenses		**6,574,644**	**5,147,268**
Profit Before Tax		**3,447,455**	**1,490,182**
Income Tax Expense	(13)	(859,748)	(428,393)
Profit For The Year		**2,587,708**	**1,061,789**
Other Comprehensive Income		-	-
Other Comprehensive Income		**-**	**-**
Total Comprehensive Income for the Year		**2,587,708**	**1,061,789**
Basic Earnings Per Share (Cedis)	(14)	**0.077**	**0.041**
Diluted Earnings Per Share (Cedis)	(14)	**0.077**	**0.041**

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

	(NOTES)	2022	2021
ASSETS		**GH¢**	**GH¢**
Cash and Cash Equivalents	**(16)**	5,454,320	5,238,138
Non-Pledged Trading Assets	**(17)**	2,645,414	2,193,957
Pledged Trading Assets	**(18)**	31,946,300	19,596,300
Loans and Advances to Customers	**(19)**	13,279,784	10,209,234
Other Assets	**(21)**	1,237,135	1,291,016
Investment in Securities	**(22)**	41,404	41,404
Property, Plant & Equipment	**(24)**	2,508,494	2,099,616
Total Assets		**57,112,851**	**40,669,665**
LIABILITIES			
Deposits from Customers	**(25)**	48,585,493	36,821,875
Redeemable Preference Shares	**(26)**	-	700,000
Deferred Tax Liability	**(20)**	155,006	93,070
Borrowings	**(27)**	241,111	-
Current Income Tax Liabilities	**(13)**	275,651	(56,910)
Other Liabilities	**(28)**	3,451,020	1,650,926
Total Liabilities		**52,708,281**	**39,208,960**
EQUITY AND RESERVES			
Stated Capital	**(29)**	1,672,925	344,328
Income Surplus		796,206	(33,386)
Revaluation Reserve	**(30)**	14,794	14,794
Statutory Reserve	**(31)**	1,458,431	1,134,968
Credit Risk Reserve	**(32)**	462,214	-
Total Equity and Reserves		**4,404,570**	**1,460,704**
Total Liabilities and Equity		**57,112,851**	**40,669,664**

The financial statements were approved by the Directors on ***2023***
and were signed on their behalf by:

DIRECTOR

DIRECTOR

The notes form an integral part of these financial statements.

STATEMENT OF CASH FLOWS

	(NOTES)	2022 GH¢	2021 GH¢
Cash flows from operating activities			
Profit before tax		3,447,455	1,490,182
Adjustments for:			
Depreciation		274,204	189,322
Impairment on financial assets		(58,623)	173,528
Prior Year Adjustment-Differences		(370,812)	(514,409)
Profit on assets disposal		-	(3,217)
Change in loans and advances to customers		(2,771,090)	(3,611,303)
Change in pledged trading assets		(12,350,000)	(4,626,298)
Change in non-pledged trading assets		(692,295)	3,266,192
Change in other assets		53,881	(509,342)
Change in deposits from customers		11,763,619	6,167,936
Change in other liabilities		1,800,094	8,698
		1,096,434	2,031,290
Income tax paid		(465,250)	(412,618)
Net cash generated from operating activities		**631,184**	1,618,672
Cash flows from investing activities			
Purchase of property & equipment		(683,084)	(263,708)
Disposal of PPE		-	10,000
Net cash used in investing activities		**(683,084)**	(253,708)
Cash flows from financing activities			
Borrowed Funds		241,112	(97,225)
Preference Shares		(700,000)	700,000
Issue of ordinary shares		726,970	3,730
Net cash used in financing activities		**268,082**	606,505
Net increase in cash and cash equivalents		216,182	1,971,469
Cash and cash equivalents at 1 January		5,238,138	3,266,669
Cash and cash equivalents at 31 December	**(16)**	**5,454,320**	5,238,138

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY- 2022

	Stated Capital	Income Surplus	Revaluation reserve	Statutory Reserve	Credit risk reserve	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
At 1/01/2022	344,328	(33,386)	14,794	1,134,968	-	1,460,704
Prior Year Adjustment	-	(370,812)	-	-	-	(370,812)
Restated Balances	**344,328**	**(404,198)**	**14,794**	**1,134,968**	-	**1,089,892**
Net Profit for the year		2,587,708	-	-	-	2,587,708
Total Comprehensive Income		**2,587,708**	-	-	-	**2,587,708**
Transaction with equity holders						
Issue of share	26,970	-	-	-	-	26,970
Issue of shares-Transfer from Stated Capital	601,627	(601,627)	-	-	-	-
Transfer from Preference Shares	700,000	-	-	-	-	700,000
Total Transactions with equity holders	**1,328,597**	**(601,627)**	-	-	-	**726,970**
Regulatory Transfers						
Transfer to Statutory reserve funds	-	(323,463)	-	323,463	-	-
	-		-	-	-	-
Transfer to Credit Reserve	-	(462,213)	-	-	462,213	-
Total Regulatory reserve	-	**(785,676)**	-	**323,463**	**462,213**	-
Balance at 31/12/2022	**1,672,925**	**796,206**	**14,794**	**1,458,431**	**462,213**	**4,404,570**

The notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY- 2021

STATEMENT OF CHANGES IN EQUITY- 2021						
	Stated Capital	**Income Surplus**	**Revaluation reserve**	**Statutory Reserve**	**Credit risk reserve**	**Total Equity**
	GH¢	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
At 1/01/2021	1,040,598	(749,871)	14,794	604,074	-	909,594
Prior Year Adjustment	(700,000)	185,591				(514,409)
Restated Balance	**340,598**	**(564,280)**	**14,794**	**604,074**	**-**	**395,185**
Net Profit for the year	-	1,061,789	-	-	-	1,061,789
Total Comprehensive Income		**1,061,789**	**-**	**-**	**-**	**1,061,789**
Transaction with equity holders						
Issue of share	3,730	-	-	-	-	3,730
Issue of shares-Transfer from Stated Capital	-	-	-	-	-	-
Dividend Paid	-	-		-	-	-
Total Transactions with equity holders	**3,730**	-	**-**	**-**	**-**	**3,730**
Transfer to Statutory reserve funds	-	(530,894)	-	530,894	-	
Total Regulatory reserve	**-**	**(530,894)**	**-**	**530,894**	**-**	**-**
Balance at 31/12/2021	**344,328**	**(33,386)**	**14,794**	**1,134,968**	**-**	**1,460,704**

The notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Kwaebibirem Rural Bank Limited is a limited liability company incorporated in Ghana under the Companies Act, 2019 (Act 992). The address of the registered office of the Bank is The Bank Premises Kwaebibirem Rural Bank Limited, Asuom. The Bank is authorized and licensed to provide banking services.

2. Basis of preparation

a) 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). The financial statements also comply with the requirements of the Companies Act, 2019 (Act 992) and Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except otherwise stated.

c) Functional and presentational currency

The financial statements are presented in Ghana Cedis (GH¢), which is the Bank's functional and presentational currency.

d) Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in accounting policies that have the most significant effect on the amount recognized in the financial statements are described in the notes.

3. Significant accounting policies

The significant accounting policies set out below have been applied consistently to all periods these financial statements.

a) Interest

Interest revenue is generally recognized when future economic benefits of the underlying assets will flow to the organization and it can be reliably measured. It is income derived from use of an entity's assets and hence the interest is mostly dependent on the underlying agreement. Interest income and expense are however generally recognized in the income statement on straight-line basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability. Interest income and expense presented in the P&L and OCI include:

NOTES TO THE FINANCIAL STATEMENTS

- Interest on financial assets and liabilities at amortized cost on an effective interest rate basis and
- Interest on available-for-sale investment securities on an effective interest rate basis.

b) Fees and commissions

Fees and Commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees and special statement request are recognized as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognized on a straight-line basis over the commitment period. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

c) Other income

Other income comprises profit on disposal of assets.

d) Lease payments made

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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.

d) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the P&L/ OCI except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

NOTES TO THE FINANCIAL STATEMENTS

e) Financial assets and liabilities

i) Recognition

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

ii) De-recognition

The Bank de-recognizes 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 asset in a 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 recognized as a separate asset or liability.

The Bank de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Bank enters into transactions whereby it transfers assets recognized on its balance sheet 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- recognized 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 realize the asset and settle the liability simultaneously. 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) Amortized cost measurement

The amortized 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 amortization using the effective interest rate method of any difference between the initial amount recognized 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 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortized 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 management's judgement as to whether current economic and credit conditions 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 amortized cost 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 recognized in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognized 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 recognized by transferring the difference between the amortized acquisition cost net of any principal repayment and amortization and current fair value, less any impairment loss previously recognized 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 impairment loss on an available-for-sale- debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognized through OCI.
However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized 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 eliminates 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 that 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.

NOTES TO THE FINANCIAL STATEMENTS

g) Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with ARB Apex Bank and Other Banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at amortized 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.

h) 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 recognized 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 recognized as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

I) 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 recognized 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 recognized in the Bank's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortized cost using the effective interest rate method, except when the Bank chooses to carry the loans and advances at fair value through profit or loss as described in the accounting policies.

j) 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 held-to-maturity, fair value through profit or loss, or available-for-sale.

i) Held-to-maturity

Held-to-maturity 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 maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity investments are carried at amortized cost using the effective interest method. It must be noted that IFRS 9 only considers fair value and amortized cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus, all held-to-maturity assets are classified as amortized cost.

(ii) Fair value through profit or loss

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

NOTES TO THE FINANCIAL STATEMENTS

(iii) Available-for-sale

Available-for-sale investments are 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 cost. All other available-for-sale investments are carried at fair value. Interest income is recognized in profit or loss using the effective interest rate method. Dividend income is recognized in profit or loss when the Bank becomes entitled to the dividend.

Other fair value changes are recognized directly in equity until the investment is sold or impaired and the balance in equity is transferred to profit or loss. Other fair value changes are recognized directly in equity until the investment is sold or impaired and the balance is transferred to profit or loss.

k) Property, plant and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When components of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Revaluation model

After recognition of an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. Revaluation model is used for only property and surpluses on such revaluations are restricted to tier two capital with respect to capital adequacy ratio computation.

(iv) Depreciation

Depreciation is recognized in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Motor Vehicles	3 years
Office Equipment	4 years
Furniture and Fittings	5 years
Computers & Accessories	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

NOTES TO THE FINANCIAL STATEMENTS

l) Leased assets – lessee

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognized on the Bank statement of financial position at its fair value.

m) Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value costs to sell. 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. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

n) Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Bank recognizes any impairment loss on the assets associated with that contract.

o) 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 Benefit Pension Scheme, the Bank contributes 13% of employee's basic salary in addition to 5.5% deduction from employee's basic salary to SSNIT and Enterprise Trustees for employee pensions. The Bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and Enterprise Trustees.

NOTES TO THE FINANCIAL STATEMENTS

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 recognized as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to employees who have reached their statutory retirement date.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognized for an amount expected to be paid under short-term cash 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.

p) Share capital and reserves

(i) Ordinary shares

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

(ii) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

q) 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.

r) Dividends

Dividends are recognized as a liability in the period in which they are declared. Dividend receivable from unquoted investments is recognized when the Bank's right to receive the dividend is established.

s) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

t) Acceptances, letters of credit, financial guarantees and commitments

Acceptances, letters of credits, financial guarantees and commitments are considered contingent liabilities and are disclosed unless the possibility of an outflow of resources involving economic benefit is remote.

u) Borrowings (liabilities to Banks and customers)

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method, any differences between proceeds net of transaction costs) and the redemption value is recognized in the income

NOTES TO THE FINANCIAL STATEMENTS

statement over the period of the borrowings. Borrowings and other forms of financial liabilities shall be de-recognized from the books only when they are extinguished, ie when the obligation specified in the contract is discharged or cancelled or expired.

v) IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces 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 2019, with early application permitted. The Bank adopted this standard effective 1st January 2020 and will not restate comparative information or apply it retrospectively.

a) Classification and measurement

The Bank does not expect a significant impact on its balance sheet 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.

b) 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 will apply the General Approach and calculate expected losses on all its instruments. Impairment Loss Schedule - 2022

Impairment Loss Classification	**Stage 1** **12-months** ECL	**Stage 2** **Lifetime ECL** Not credit impaired	**Stage 3** **Lifetime ECL** Credit impaired	Total
	GH¢	GH¢	GH¢	GH¢
Loans loss allowance	104,359	343	982,199	1,086,901
Investment with other institutions	240,838	-	-	240,838
	345,197	**343**	**982,199**	**1,327,739**

4. Financial risk management

a) Introduction and overview

The Bank's activities expose the business to risks. These risks are managed in a targeted manner. Key risks arising from core functions are identified and measured to facilitate, managing and determining risk positions and capital allocations.

The Bank has exposure to the following risks arising from the use of financial instruments.

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the Bank exposure to these risks, including the objectives, policies and processes for measuring and managing the risks as well as their impact on earnings and capital.

NOTES TO THE FINANCIAL STATEMENTS

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Finance, Audit and Risk, Information Communication Steering, Loans and the Administration Committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The risk management policies are established to identify and analyze the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Bank's Audit and Risk Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank's Audit and Risk Committee is assisted in its functions by the Internal Audit Department. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committees.

a) Credit risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's loans to customers and other Banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure. For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

Management of credit risk

The Board of Directors has delegated responsibility for the management of credit risk to its Loans Committee. A separate Bank credit department, reporting to the Bank Loans Committee, is responsible for oversight of the Bank's credit risk, including:

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- Establishing the authorization and structure for the approval and renewal of credit facilities. Authorization limits are allocated to branch managers. Larger facilities require approval by the head of credit, Chief Executive Officer and the Board of Directors as appropriate.

- Reviewing and assessing credit risk. The Bank's Loans Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band and market liquidity (for investment securities).

- Developing and maintaining the Bank's risk grading in order to categorize exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures.

NOTES TO THE FINANCIAL STATEMENTS

The current risk grading framework consists of various grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive / committee as appropriate. Risk grades are subject to regular reviews by the Bank risk function.

- Reviewing compliance with agreed exposure limits, including those for selected industries and product types. Regular reports are provided to the Bank's Loans Committee on the credit quality of portfolios and appropriate corrective action being taken.

- Providing advice, guidance, specialist skills and training to promote best practice throughout the Bank in the management of credit risk.

Each branch is required to implement Bank credit policies and procedures, with credit approval authorities delegated from the Bank Loans Committee. Each branch has a credit risk officer who reports on all credit related matters to local management and the Bank Loans Committee.

Each branch is responsible for the quality and performance of its credit portfolio and for monitoring risk in its portfolios, including those subjects to central approval. Regular audits of business units and Bank credit processes are undertaken by Internal Audit.

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 not 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, the Bank shall recalculate the gross asset, the Bank shall recalculate the gross carrying amount of the financial asset and shall recognize 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 that are incurred will adjust the carrying amount of the modified financial asset and are amortized 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 a loan/security when it determines that the loans/securities are uncollectible. This determination will be reached after considering information such as the occurrence of significant changes

NOTES TO THE FINANCIAL STATEMENTS

in the borrower / issuer's financial position such that the borrower or issuer can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure.

Collateral of impaired exposures
The Bank holds collateral against loans and advances to customers in the form of 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 Banks, except 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 on 31st December 2022 or 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 for impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans & advances advances to customers customers 2022 GH¢	Loans & to 2021 GH¢
Cash and near cash instruments	4,310,138	361,693
	4,310,138	**361,693**

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 for 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 GH¢	**2021 GH¢**
Agriculture	1,702,777	1,571,397
Cottage Industry	-	-
Transport	33,464	574,078
Trading	6,762,991	4,169,401
Others	5,867,452	5,166,719
	14,366,684	11,481,595
Credit impairment loss	(1,086,901)	(1,386,361)
	13,279,783	

NOTES TO THE FINANCIAL STATEMENTS

b) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities 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 the Bank's reputation.

The Head office receives information from 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 Bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through funds 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 its liquidity within the regulatory limit in co-ordination with Head Office. Head Office monitors compliance of all operating 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 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 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. Details of the net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

Average of liquidity ratios are as follows:

At 31 December	68.55	67.74
Average for the period	62.00	68.01
Maximum for the period	68.55	73.35
Minimum for the period	55.98	67.74

c) Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Banks's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

NOTES TO THE FINANCIAL STATEMENTS

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 the 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). 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, the model generates a wide range of plausible future scenarios for market price movements.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

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

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

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

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

- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The Bank uses VaR limits for total market risk, interest rate, equity and other price risks. The overall structure of VaR limits is subject to review and approval by credit 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 utilization of VaR limits are submitted to the Bank risk and regular summaries are submitted to credit 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 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.

NOTES TO THE FINANCIAL STATEMENTS

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 and deposits from Banks to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risks – non-trading portfolios
Credit spread risk (not relating to changes in the obligor/issuer's credit standing) on debt securities held by Central Treasury and equity price risk is subject to regular monitoring by Bank Risk but is not currently significant in relation to the overall results and financial position of the Bank.

d) Operational risks
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.

Compliance with the Bank standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Finance, Audit Committee and senior management of the Bank.

5. Capital management Regulatory Capital
The Bank of Ghana sets and monitors capital requirement for the Bank. In implementing current capital requirement, Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital

NOTES TO THE FINANCIAL STATEMENTS

to total risk-weighted assets. The Bank is also required to maintain a credible capital plan to ensure that capital level of the Bank is maintained in consonance with the Bank's risk appetite. The Bank's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes ordinary share capital, perpetual bonds, retained earnings, translation reserves and non-controlling interest after deductions for goodwill and other intangible assets and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purpose.

- Tier 2 capital, which includes qualifying subordinated liabilities, and the element of the fair value reserve relating to unrealized gains on equity instruments classified as available-for-sale. to unrealized gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50% of tier 1 capital. Other deductions from capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory consideration, investments in the capital of Banks and certain other regulatory items. Banking operations are categorized as either trading book or Banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Bank has complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period.

The Bank’s regulatory capital position at 31 December are as follows:

Adjusted Capital Base	**2022**	**2021**
Tier 1 capital	**GH¢**	**GH¢**
Ordinary share capital	371,298	344,328
Disclosed Reserve	3,318,477	1,101,582
Less: Investments in the capital of other financial institutions	(41,404)	(41,404)
Intangible Assets	(214,187)	(271,945)
	3,434,184	1,132,561
Tier 2 capital		
Subordinated Capital	-	700,000
Other reserves (Revaluation)	14,794	14,794
	14,794	714,794
Total Adjusted Capital Base (Tier 1 and Tier 2)	**3,448,978**	**1,847,355**

NOTES TO THE FINANCIAL STATEMENTS

Adjusted Asset Base		
Total assets	57,112,851	40,669,665
Less: Cash on hand	(2,422,846)	(1,680,450)
Claims on ARB Apex Bank (clearing)	(899,154)	(2,366,587)
Claims on ARB Apex Bank (5% Deposit)	(2,132,321)	(1,791,101)
Claims on government	(31,946,300)	(19,596,300)
Intangible Assets	(214,187)	(271,945)
Investment in the capital of other financial institutions	(41,404)	(41,404)
80% of claims on Discount Houses	(1,040,000)	(1,275,166)
50% claims on other financial institutions	(1,274,803)	(510,053)
Adjusted total assets	17,141,837	13,136,658
100% of 3 years average annual gross income	8,525,475	5,205,530
Total Adjusted Asset Base	**25,667,312**	**18,342,188**
Capital Adequacy Ratio	**13.44%**	**10.07%**

6. Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the finance and operation and is subject to review by the Bank as appropriate. Although maximization of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Consideration also is made of synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the Bank's longer term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

1. Use of estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates. These disclosures supplement the commentary on financial risk management (see notes).

NOTES TO THE FINANCIAL STATEMENTS

Key sources of estimation uncertainty Allowances for credit losses
Assets accounted for at amortized cost are evaluated for impairment on a basis described in the accounting policy. The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realizable value of any underlying collateral.

Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the credit risk function. Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

Determining fair values
The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical accounting judgements in applying the Bank's accounting policies
Critical accounting judgements made in applying the Bank's accounting policies include:

Financial asset and liability classification
The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as “trading”, the Bank has determined that it meets the description of trading assets and liabilities set out in the accounting policy.
- In designating financial assets or liabilities at fair value through profit or loss, the Bank has determined that it has met one of the criteria for this designation set out in the accounting policy.
- In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by the accounting policy.

Financial assets and liabilities Accounting classifications and fair values
The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair values (excluding accrued interest).

NOTES TO THE FINANCIAL STATEMENTS

2022	**Carrying value**	**Fair value**
Assets as at 31 December, 2022	**GH¢**	**GH¢**
Cash and cash equivalents	5,454,320	5,454,320
Non-pledged assets	2,886,252	2,645,414
Pledged assets	31,946,300	31,946,300
Loans & advances to customers	14,366,685	13,279,784
Other assets	1,237,135	1,237,135
Investment securities	41,404	41,404
	55,932,096	**54,604,357**
Liabilities as at 31 December, 2022		
Deposits from customers	48,585,493	48,585,493
Other liabilities	3,451,020	3,451,020
Institutional borrowings	241,111	241,111
	52,277,625	**52,277,625**

2021	Carrying value	Fair value
Assets as at 31 December, 2021	GH¢	GH¢
Cash and cash equivalents	5,238,138	5,238,138
Non-pledged assets	2,193,957	2,193,957
Pledged assets	19,596,300	19,596,300
Loans & advances to customers	11,595,595	10,209,234
Other assets	1,291,016	1,291,016
Investment securities	41,404	41,404
	39,956,410	**38,570,049**
Liabilities as at 31 December, 2021		
Deposits from customers	36,821,875	36,821,875
Other liabilities	1,650,926	1,650,926
	38,472,801	**38,472,801**

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
7.	**Net interest income**	GH¢	GH¢
	Interest income		
	Loans and advances to customers	5,300,692	4,037,031
	Investment (Trading)	4,603,554	2,728,498
	Total interest income	**9,904,246**	**6,765,529**
	Interest expense		
	Deposits from customers	1,216,132	1,125,031
	Borrowings	173,169	-
	Debt securities issued	-	
	Total interest expense	**1,389,301**	**1,125,031**

		2022	2021
8.	**Net fees and commission income**	GH¢	GH¢
	Fees and Commission Income		
	Retail Banking customer fees	1,071,678	951,908
	SMS charges	120,319	87,146
	Sundry income	431,282	315,099
	Total fees and commission income	**1,623,279**	**1,354,153**
	Fees and commission expenses		
	Susu mobilisation expenses	116,125	360,418
	Total fees and commission expenses	**116,125**	**360,418**

		2022	2021
9.	**Other income**	GH¢	GH¢
	Profit on disposal of assets	-	3,217
			3,217

		2022	2021
		GH¢	GH¢
10.	**Personnel expenses**		
	Salaries & Other Related Costs	2,321,989	1,657,779
	Contributions to defined benefit plans - Tier 1	206,038	147,189
	Contributions to defined contribution plans - Tier 3	44,000	135,866
	Medical expenses	64,107	43,025
	Other Staff Cost	645,951	381,273
	Staff training	99,475	102,661
		3,381,560	**2,467,793**

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
		GH¢	GH¢
11.	**Depreciation & Amortisation**		
	Amortization	28,879	28,879
	Depreciation of property & equipment	245,325	160,443

12.	**Other expenses**	GH¢	GH¢
	Directors fees & Meeting Expenses	168,497	178,724
	Software licensing and support	266,811	276,807
	Auditors' remuneration	30,850	23,850
	Electricity & water	115,912	112,779
	Other Administrative Expenses	2,395,432	1,724,465
		2,977,502	**2,316,625**

		2022	**2021**
13.	**Income tax expense**	GH¢	GH¢
	Current Income Tax (a)	797,811	390,250
	Deferred Income Tax (b)	61,936	38,144
		859,748	**428,393**

(a) Current income tax

Year of Assessment	**Balance at 1/1/2022**	**Payments for the year**	**Charged to P&L**	**Balance at 31/12/2022**
	GH¢	**GH¢**	**GH¢**	**GH¢**
2021	(214,852)	(232,307)	390,250	(56,910)
2022	(56,910)	(465,250)	797,811	275,651

All Tax liabilities are subject to the agreement with the Ghana Revenue Authority. Income tax rate was 25% per the Income Tax Act, 2015 (Act 896).

NOTES TO THE FINANCIAL STATEMENTS

(b) Deferred income tax

2022	**Assets GH¢**	**Liabilities GH¢**	**Net GH¢**
Property and equipment		155,006	155,006
Impairment allowances for loan losses			-
Net Tax (Assets)/Liabilities	**-**	**155,006**	**155,006**

2021	**Assets GH¢**	**Liabilities GH¢**	**Net GH¢**
Property and equipment		93,070	93,070
Impairment allowances for loan losses			-
Net Tax (Assets)/Liabilities	**-**	**93,070**	**93,070**

Deferred income tax is calculated using the enacted income tax rate of 25% (2021: 25%). Deferred income tax liability and deferred income tax charge in the statement of profit or loss and other comprehensive income are attributable to the following items;

2022	**Balance at 1/1/2022 GH¢**	**Recognised in P&L GH¢**	**Balance at 31/12/2022 GH¢**
Property and equipment	93,070	61,936	155,006
Impairment allowances for loan losses		-	-
Total	**93,070**	**61,936**	**155,006**

2021	**Balance at 1/1/2021 GH¢**	**Recognised in P&L GH¢**	**Balance at 31/12/2021 GH¢**
Property and equipment	54,926	38,144	93,070
Impairment allowances for loan losses		-	-
Total	**54,926**	**38,144**	**93,070**

NOTES TO THE FINANCIAL STATEMENTS

Reconciliation of effective tax rate	2022 GH¢
Profit before income tax	3,447,455
Income tax using the enacted corporate tax rate	861,864
Non-deductible expenses	53,895
Tax incentive not recognized in the income statement	(117,948)
Deferred tax	61,936
Total income tax expense in income statement	**859,747**
Effective tax rate	**24.94%**

14. Earnings per share Basic earnings per share

The calculation of basic earnings per share at 31st December 2022 was based on the profit attributable to ordinary shareholders of GH¢ 2,587,708 (2021: GH¢ 1,061,789) and number of ordinary shares of 33,423,714 (2021: 26,154,014) existing as at 31 December, calculated as follows:

	2022 GH¢	2021 GH¢
Profit attributable to ordinary shareholders		
Net profit for the period attributable to equity holders of the Bank	2,587,708	1,061,789
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	26,154,014	35,614,956
Effect of share issued as at 31 December	7,269,700	37,300
Write-offs	-	(9,498,242)
Number of ordinary shares at 31 December	**33,423,714**	**26,154,014**

Diluted earnings per share

The calculation of diluted earnings per share at 31st December 2022 was based on the profit attributable to ordinary shareholders of GH¢ 2,587,708 (2021: GH¢ 1,061,789) and number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 33,154,014 (2021: 35,614,956) calculated as follows:

Profit attributable to ordinary shareholders (diluted)	2022 GH¢	2021 GH¢
Profit for the period attributable to ordinary shareholders	2,587,708	1,061,789

	2022 GH¢	2021 GH¢
Weighted average number of ordinary shares (diluted)		
Number of ordinary shares (basic)	26,154,014	35,614,956
Effect of share purchase after 31 December	7,269,700	37,300
Write-offs	-	(9,498,242)
Number of ordinary shares (diluted) at 31 December	**33,423,714**	**26,154,014**

NOTES TO THE FINANCIAL STATEMENTS

15. Dividend per share

At the Annual General Meeting to be held in 2023, the Directors propose a bonus dividend of GH¢0.018 per share. The qualifying shares at the balance sheet date were 33,423,714 ordinary shares, making a total proposed dividend of GH¢ 601,627. This bonus issue is subject to the approval of Bank of Ghana.

		2022	2021
16.	**Cash and cash equivalents**	**GH¢**	**GH¢**
	Cash balance	2,422,846	1,680,450
	Unrestricted balance with ARB Apex Bank & Others	899,154	1,766,587
	Restricted balance with ARB Apex Bank- 5% placement	2,132,321	1,791,101
		5,454,320	**5,238,138**

		2022	2021
17.	**Non-pledged trading assets**	**GH¢**	**GH¢**
	Fixed Deposits and Call Accounts:		
	SDC Investment	622,898	602,227
	Unisecurities	963,353	963,353
	UMB 1 Year	-	28,377
	UMB 182 Days		-
	ACOD 7	1,300,000	600,000
		2,886,252	**2,193,957**
	Impairment on investment in fixed deposits	**(240,838)**	**-**
		2,645,414	**2,193,957**

		2022	2021
18.	**Pledged trading assets**	**GH¢**	**GH¢**
	Government of Ghana Bonds	9,000,000	5,500,000
	Bank of Ghana Treasury Bills held by Apex Bank	22,946,300	14,096,300
		31,946,300	**19,596,300**

Trading liabilities

There were no trading liabilities during the year.

		2022	2021
19.	**Loans and advances to customers**	**GH¢**	**GH¢**
	Loans and advances to customers at fair value through profit or loss	14,366,685	11,595,595
		14,366,685	11,595,595
	Allowances for impairment	(1,086,901)	(1,386,361)
		13,279,784	**10,209,234**

NOTES TO THE FINANCIAL STATEMENTS

Loans and advances to customers at amortised cost-	2022	2021
Loans by business segment to customers:	GH¢	GH¢
Agriculture	1,702,777	1,571,397
Cottage industries	-	-
Transport	33,464	574,078
Commerce	6,762,992	4,169,401
Other credit lines	5,867,452	5,280,719
	14,366,685	**11,595,595**

Allowances for impairment	2022	2021
Individual allowances for impairment	**GH¢**	**GH¢**
Balance at 1 January	1,386,361	1,215,514
Impairment loss for the year:		
Charge for the year	(299,461)	173,528
Excess Impairment	-	-
Write-offs		(2,680)
Balance at 31 December	**1,086,901**	**1,386,361**

Loans and advances to customers at fair value through profit or loss

At 31st December 2022 the maximum exposure to credit risk on loans and advances at fair value through profit or loss was GH¢13.27 million (2021: GH¢10.20 million).

Loan statistics	2022	2021
i) Twenty (20) largest exposures to total exposures	23.29	21.71%
ii) Loan loss provision ratio	7.57%	12.07%

20. Deferred tax assets and liabilities

Deferred tax is calculated, in full, on all temporary differences under the liability method using a principal tax rate of 25% (2021: 25%). The movement on the deferred income tax account is as follows:

	2022	2021
	GH¢	**GH¢**
Balance at 1/1/22	93,070	54,926
Income Statement (credit)/charge	61,936	38,144
Net tax (assets)/ liabilities	**155,006**	**93,070**

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
		GH¢	GH¢
21.	**Other assets**		
	Office account	62,947	28,624
	Accrued interest - investments	487,425	548,657
	Accrued interest -Loans	148,506	155,450
	Stationery stocks	230,842	273,582
	Prepayments	15,079	15,463
	Uncleared Effect	174,879	19,028
	Ezwich	48,240	42,519
	Others		2,814
	Others-Interest in Arrears	69,217	204,879
		1,237,135	**1,291,016**

		2022	2021
22.	**Investment in Securities**	**GH¢**	**GH¢**
	Investment in ordinary shares of ARB Apex Bank	41,404	41,404
		41,404	**41,404**

Investment in securities have upon initial recognition been designated at fair value through equity, and therefore eliminates or reduces any accounting mismatch that would otherwise arise.

23. Leases (IFRS 16)

The Company applies IFRS 16 where leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right-of-use asset is presented separately in the statement of financial position, except for right-of-use assets that meet the definition of investment property, which is presented in the statement of financial position in separate line items – “investment property”. IFRS 16 allows two methods of initial application: (1) full retrospective application with the restatement of comparatives and (2) modified retrospective approach without the restatement of comparatives and with certain simplifications available upon adoption. The Company has elected to use the second approach by implementing the standard retrospectively in relation to all leases in which the Company is a lessee without restating comparatives. The implementation of IFRS 16 will not affect total equity. The adjustments to assets and liabilities are disclosed in the financial statements. The Company has elected to apply the exemption for low value assets on lease-by-lease basis. The Company has decided that for the leases where the asset is sub-leased, a right-of-use asset is recognized with the corresponding lease liability. For all other leases of low value assets, the lease payment associated with those leases will be recognized as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
		GH¢	GH¢
21.	**Other assets**		
	Office account	62,947	28,624
	Accrued interest - investments	487,425	548,657
	Accrued interest -Loans	148,506	155,450
	Stationery stocks	230,842	273,582
	Prepayments	15,079	15,463
	Uncleared Effect	174,879	19,028
	Ezwich	48,240	42,519
	Others		2,814
	Others-Interest in Arrears	69,217	204,879
		1,237,135	**1,291,016**

		2022	2021
22.	**Investment in Securities**	**GH¢**	**GH¢**
	Investment in ordinary shares of ARB Apex Bank	41,404	41,404
		41,404	**41,404**

Investment in securities have upon initial recognition been designated at fair value through equity, and therefore eliminates or reduces any accounting mismatch that would otherwise arise.

23. Leases (IFRS 16)

The Company applies IFRS 16 where leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right-of-use asset is presented separately in the statement of financial position, except for right-of-use assets that meet the definition of investment property, which is presented in the statement of financial position in separate line items – “investment property”. IFRS 16 allows two methods of initial application: (1) full retrospective application with the restatement of comparatives and (2) modified retrospective approach without the restatement of comparatives and with certain simplifications available upon adoption. The Company has elected to use the second approach by implementing the standard retrospectively in relation to all leases in which the Company is a lessee without restating comparatives. The implementation of IFRS 16 will not affect total equity. The adjustments to assets and liabilities are disclosed in the financial statements. The Company has elected to apply the exemption for low value assets on lease-by-lease basis. The Company has decided that for the leases where the asset is sub-leased, a right-of-use asset is recognized with the corresponding lease liability. For all other leases of low value assets, the lease payment associated with those leases will be recognized as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

24a. Property, Plant and Equipment- 2022

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Computer & Accessories	Plant and Generator	Right of Use	Total
COST	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Balance at 1/1/2022	1,277,124	268,836	351,802	424,171	909,068	88,883	154,519	3,474,403
Additions	0	558,000	11,690	13,832	71,190	0	28,372	683,084
Balance at 31/12/2022	1,277,124	826,836	363,492	438,003	980,258	88,883	182,891	4,157,487
Depreciation								
Balance at 1/1/2022	173,502	256,381	175,079	259,827	609,800	88,883	54,382	1,617,854
Charge for the year	29,391	71,667	35,022	26,040	61,926	-	21,280	245,325
Balance at 31/12/2022	202,893	328,048	210,101	285,867	671,726	88,883	75,662	1,863,179
CARRYING AMOUNT - 31/12/2022	**1,074,231**	**498,788**	**153,391**	**152,136**	**308,532**	**-**	**107,229**	**2,294,307**
CARRYING AMOUNT - 31/12/2021	**1,103,622**	**12,455**	**176,724**	**164,344**	**299,268**	**-**	**100,137**	**1,856,550**

NOTES TO THE FINANCIAL STATEMENTS

24b.Plant, Property and Equipment- 2021

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Computer & Accessories	Plant and Generator	WIP Brodua	Right of Use	Total
COST	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1/1/2021	681,450	340,279	238,105	356,227	778,947	87,425	682,790	143,959	3,309,182
Additions	0	27,044	49,198	45,327	130,121	1,458	-	-	263,708
Disposal/Transfer	595,674	(98,487)	64,499	22,617	-	-	(682,790)	10,560	(98,487)
Balance at 31/12/2021	**1,277,124**	**268,836**	**351,802**	**424,171**	**909,068**	**88,883**	**-**	**154,519**	**3,474,403**
Depreciation									
Balance at 1/1/2021	142,548	340,279	145,540	246,778	565,411	80,157	-	35,184	1,555,897
Charge for the year	30,954	14,589	29,539	13,049	44,389	8,726	-	19,198	160,444
Disposal/Transfer	-		(98,487)	-	-	-	-	-	(98,487)
Balance at 31/12/2021	**486,429**	**312,079**	**32,981**	**108,462**	**213,250**	**113,288**	**20,143**	**82,500**	**1,724,085**
CARRYING AMOUNT - 31/12/2021	**1,103,622**	**12,455**	**176,724**	**164,344**	**299,268**	**-**	**-**	**100,137**	**1,856,550**
CARRYING AMOUNT - 31/12/2020	**538,902**	**-**	**92,565**	**109,449**	**213,536**	**7,268**	**682,790**	**108,775**	**1,753,285**

NOTES TO THE FINANCIAL STATEMENTS

24c. INTANGIBLE ASSETS- 2022	2022	2021
	GH¢	GH¢
Balance at 1/1/2022	243,066	271,945
Additions	-	-
Amortisation	(28,879)	(28,879)
Balance at 31/12/2022	214,187	243,066

24d. INTANGIBLE ASSETS- 2021	2021	2020
	GH¢	GH¢
Balance at 1/1/2021	271,945	-
Additions	-	288,791
Amortisation	(28,879)	(16,846)

25.	Deposits from customers	2022	2021
	Retail customers:	GH¢	GH¢
	Demand deposits	8,375,064	6,624,419
	Savings deposits	16,554,105	12,833,926
	Time deposits	7,893,217	6,009,101
	Installment deposits- Susu	15,763,108	11,354,429
		48,585,493	**36,821,875**

Deposit statistics		
i) Ten (10) largest depositors to total deposit ratio	6.9%	14.38%

26. Redeemable Preference Shares (Subordinated Term Debt)-GH¢700,000.00

The redeemable preference shares which represented an amount advanced by some strategic investors to the Bank in 2018, but upon negotiations with these Investors, the amount has since been converted into shares at the balance sheet date. The shares qualifying for the GH¢700,000 was 7,000,000 ordinary shares, which changes have since been effected in the Share Register

27.	Borrowings	2022	2021
		GH¢	GH¢
	Apex Loan	241,111	-
		241,111	**-**

NOTES TO THE FINANCIAL STATEMENTS

		2022	2021
28.	**Other liabilities**	**GH¢**	**GH¢**
	Unearned Discount on Treasury Bills	2,272,324	767,162
	Audit Fees	28,491	2,020
	Office Account	37,605	346,427
	T24 Software Payable	-	84,231
	Bills Payable	50,041	37,262
	Sundry Creditors	97,149	70,456
	Accrued Charges/Interest	306,543	226,960
	GOPDC/Back Pay/Casual Workers Salary	1,401	18,844
	Interagency/Managed Funds	7,815	3,329
	Other Provisions	70,383	22,420
	E-zwich Operation (Credit)	2,140	2,140
	Interest Suspense	124,869	54,668
	Sundry Liabilities	452,261	15,006
		3,451,020	**1,650,926**

29. a) Stated capital - 2022

Ordinary shares	**Number of Shares**		**Proceeds**	
	2022	**2021**	**2022**	**2021**
Authorised:			**GH¢**	**GH¢**
Ordinary shares of no par value	50,000,000	50,000,000		
Issued and fully paid:				
Balance at 1 January	26,154,014	35,614,956	344,328	340,598
For Cash - 2022	269,700	37,300	26,970	3,730
	26,423,714	35,652,256	371,298	344,328
Preference Shares	7,000,000	-	700,000	700,000
Transfers	-	-	-	(700,000)
Bonus Issues	-	-	601,627	-
Write-offs	-	(9,498,242)	-	-
Balance at 31 December	**33,423,714**	**26,154,014**	**1,672,925**	**344,328**

NOTES TO THE FINANCIAL STATEMENTS

b) Stated capital - 2021

Ordinary shares	Number of Shares		Proceeds	
	2021	**2020**	**2021**	**2020**
Authorised:			GH¢	GH¢
Ordinary shares of no par value	50,000,000	50,000,000		
Issued and fully paid:				
Balance at 1 January	35,614,956	35,597,906	340,598	338,893
For Cash - 2021	37,300	17,050	3,730	1,705
	35,652,256	35,614,956	344,328	340,598
Preference Shares	-	-	700,000	700,000
Transfers			(700,000)	
Write-offs	(9,498,242)			
Balance at 31 December	**26,154,014**	**35,614,956**	**344,328**	**1,040,598**

Shares in treasury
There is no share in treasury and no call or instalment unpaid on any share.

Income surplus
This represents the residual of cumulative annual profits that are available for distribution to shareholders.

Statement of changes in issued number of shares	**Ordinary Shares 2022**	**Ordinary Shares 2021**
On issue at 1 January	26,154,014	35,614,956
Number of shares issued during the year	269,700	37,300
Preference Shares	7,000,000	-
Write-offs	-	(9,498,242)
On issue at 31 December	**26,423,714**	**26,154,014**

At 31st December 2022 the authorized share capital comprised 50,000,000 ordinary shares (2021: 50,000,000). The shares are of no-par value. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to poll voting per share at meetings of the Bank. All shares rank equal with regard to the Bank's residual assets.

Dividend	2022 GH¢	2021 GH¢
The following dividends were paid by the Bank for the year ended 31 December:		
No dividend	-	-
Capitalization Issue	0.018	-
	0.018	-

NOTES TO THE FINANCIAL STATEMENTS

After 31st December 2022 a bonus dividend per ordinary share of GH¢0.018 (2021: GH¢ nil) was proposed by the Directors. The dividends have not been provided for in the profit or loss or the statement of financial position and there are no income tax consequence.

		2022	2021
30.	**Revaluation reserve**	**GH¢**	**GH¢**
	Balance at begin	14,794	14,794
	Balance at end	**14,794**	**14,794**

This represents increase in share value with ARB Apex Bank Limited

		2022	2021
31.	**Statutory reserve**	**GH¢**	**GH¢**
	Balance at Beginning	1,134,968	604,074
	Transfer from income surplus	323,463	530,894
	Balance at End	**1,458,431**	**1,134,968**

This is a non-distributable reserve. The transfer to Statutory Reserve Fund represents 12.5% (2021: 12.5%) of the net profit after tax and before dividend for the year. The transfer is in compliance with section 34 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

32. Credit risk reserve

The credit risk reserve is a non-distributable reserve and it 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 recognized in the income statement under the IFRS framework. As at the reporting date, total provision for losses under the Bank of Ghana provisioning criteria amounted to GH¢1,549,083 (2021:GH¢1,360,742). This was above the impairment allowance for loans and advances recognized under the IFRS framework of GH¢1,086,901. The resulted in the passing of GH¢ 462,213 as credit reserve.

33. Contingencies

Claims and litigation / Legal Proceedings

The following law suits were pending against the Bank which could result in a loss or contingent liability. There was no legal opinion on the amount of claim, if any that the Bank could be made to suffer on any one of the suits.

CASE TITLE	BRIEF	STATUS
Kwaebibirem Rural Bank vrs Ellachelle	Failed to repay his overdraft outstanding balance	Ongoing

Contingent liabilities

In the ordinary course of business, the Bank did conduct business involving guarantees and did not engage in letters of credits and acceptances. These facilities are offset by corresponding obligations of third parties.

NOTES TO THE FINANCIAL STATEMENTS

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.
Letters of credit commit the Bank to make payment to third parties, on production of documents, which are subsequently reimbursed by customers.
An acceptance is an undertaking by the Bank to pay a bill of exchange drawn on the customer. The Bank expects most acceptances to be presented and reimbursed by the customer immediately. The nominal principal amount of the guarantees are as follows:

	2022 GH¢	2021 GH¢
Guarantees	-	-

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.

34. Related parties

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:

Directors Loans	**2022 GH¢**	**2021 GH¢**
	Closing Balance	**Closing Balance**
Loans and advances to directors	-	-
Fixed deposits from directors	-	-
	-	-

Maximum Amount of Loans granted to directors during the year	**Maximum Balance**	**Maximum Balance**
Mortgage Lending and Other Secured Loans	-	-
Other Loans	-	-
	-	-

Directors Remuneration During the Year	63,456.00	56,864.00

NOTES TO THE FINANCIAL STATEMENTS

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.

Loan and Advances to Directors and their Associates
The Bank has entered into transactions with its directors and their Associates, Associate's Companies or Directors as follows:

Loan and Advances to Directors and their Associates	2022 GH¢	2021 GH¢
Gross Amount at 1 January	-	-
Loans Disbursed	-	-
Interest Charged	-	-
Total	-	-
Cash Received	-	-
Net Movement in Overdraft Balances	-	-
Net Amount at 31 December	-	-

Directors' shareholding

Name of Director	As At 31-12-21	Additions During 2022	As At 31-12-22	Percentage Holding (%)
Carlos K. Ahenkorah	55,228	-	55,228	0.21%
Kwaku Owusu	36,438	-	36,438	0.14%
Kwaku Acheampong Ababio	17,000	-	17,000	0.06%
Ernest Ampofo	12,654	-	12,654	0.05%
Solomon Nyarko	5,200	-	5,200	0.02%
Total	**126,520**		**126,520**	**0.48%**

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:

Transactions with key management personnel

	2022 GH¢ Closing Balance	2021 GH¢ Closing Balance
Loans and advances to key management personnel	146,400.00	215,000.00
Fixed deposits from key management personnel	-	-
	146,400.00	215,000.00

NOTES TO THE FINANCIAL STATEMENTS

Maximum Amount of Loans Granted to Key Management During the Year	Maximum Balance	Maximum Balance
Mortgage Lending and Other Secured Loans	-	-
Other Loans	-	-
	-	-

Key management personnel compensation for the year comprised	696,078.97	437,325.74

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.

Short-Term Employee Benefits
The Bank does not have any share options policy in place for its Key Management Personnel and other employees.
There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

Loans and Advances to Employees	2022 GH¢	2021 GH¢
Balance at 1 January	872,517.97	475,905.35
Loans Advanced during the Year	803,500.00	849,400.00
Interest Charged	56,245.00	59,458.00
Loans Repayments/Interest Received	861,582.00	816,441.00
Balance at 31 December	920,714.20	872,517.97

All the transactions with the Related Parties are priced on arm's length basis and have been entered into in the normal course of business.

DIRECTORS

NAMES	DESIGNATION	FROM	TO
CARLOS KINGSLEY AHENKORAH	DIRECTOR	23/11/2013	T0 DATE
KWAKU ACHEAMPONG ABABIO	DIRECTOR	13/01/21	TO DATE
ERNEST AMPOFO	DIRECTOR	23/11/2013	TO DATE
KWAKU OWUSU	DIRECTOR	23/11/2013	TO DATE
SOLOMON NYARKO	DIRECTOR	22/6/2015	TO DATE
JAMES KOFI KWARKO	DIRECTOR	14/5/2019	29/3/2022

NOTES TO THE FINANCIAL STATEMENTS

KEY MANAGEMENT PERSONNEL

NAMES	DESIGNATION	FROM	TO
PRINCE OBIRI YEBOAH	CEO	01-09-21	TO DATE
ABDULAI YUSSIF	HEAD OF OPERATIONS	04-05-15	TO DATE
SETH OBENG AMOH	BDM	01-12-11	TO DATE
ROBERT OSENE	HEAD OF ICT	03-15-05	TO DATE
ERNEST OHEMENG	HEAD OF CREDIT	03-07-20	TO DATE
PATRICK BENTSI FORSON	HEAD OF RISK & COM.	02-10-18	TO DATE
GEORGINA NIMAKO ADOMAKO	HEAD OF HR/ADMIN	02-07-13	TO DATE
ALEXANDER ANAANE ASIBIDU	HEAD AUDIT (Resigned 30/9/22)	01-08-18	30-09-22

35. Capital Commitments

There were no capital commitments as of 31 December, 2022 (2021: Nil)

36. Country analysis

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

37. Comparative figures

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

38 Value added statement	2022 GH¢	2021 GH¢
Interest earned and other operating income	11,527,526	8,119,682
Direct cost of services	(1,505,426)	(1,485,449)
Value added by Banking services	10,022,100	6,634,233
Non-Banking Income	-	3,217
Impairments	58,623	173,528
Value Added	**10,080,722**	**6,810,978**
Distributed as follows:		
To Employees:-		
Directors (non-executives)	168,497	178,724
Other employees	3,381,560	2,467,793
To Government:		
Income tax	465,250	428,393
To providers of capital:-		
Dividends to shareholders		
To expansion and growth		
Depreciation	245,325	160,443
Amortisation	28,879	28,879
Income Surplus	**1,397,833**	**1,061,789**

NOTES TO THE FINANCIAL STATEMENTS

39. Analysis of shareholdings as at 31 December, 2022

Number of shareholders

The Bank has two thousand, two hundred and eighty-five (5,312) ordinary shareholders at 31 December, 2022 distributed as follows:

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	3,677	1,373,487	5.20%
1,001-5,000	817	1,481,498	5.61%
5,001-10,000	285	2,133,065	8.07%
Over 10,000	533	21,435,664	81.12%
Total	**5,312**	**26,423,714**	**100.00%**

Twenty (20) largest shareholders

	Name of Shareholder	Number of Shares	Percentage Holding (%)
1	S. D. BOTCHWAY	464,042	1.76%
2	RICHARD NWIAH	403,297	1.53%
3	ACHEAMPONG MICHAEL	402,686	1.52%
4	GREAT ANKONAM BOAFO FARMS	383,126	1.45%
5	PRAMKESE COCOA FARMERS SHED 1	369,369	1.40%
6	YORZIE MARTIN JOHN	361,442	1.37%
7	S. Y. APPEATU	296,455	1.12%
8	SABINA F. JONES	216,915	0.82%
9	ABUGRI FRAFRA	214,042	0.81%
10	OHENE ADDO DAVID	183,659	0.70%
11	SAMPSON ASANTE	183,659	0.70%
12	BARIMA OWUSU KONADU	181,570	0.69%
13	DORA AFRA	180,720	0.68%
14	FRANCIS PIRKUO	180,720	0.68%
15	THOMAS KOFI ZEGAH	170,148	0.64%
16	APPIAH DANKWA DARKO	157,550	0.60%
17	CLEMENT ASARE BUAFOUR	149,473	0.57%
18	A. K. AMPONSAH	148,480	0.56%
19	KOFI DARWA	146,927	0.56%
20	AGYENIM BOATENG	144,838	0.55%

Reported Totals	**4,939,118**	**18.69%**
Unreported Totals	**21,484,596**	**81.31%**
Total	**26,423,714**	**100.00%**

PROXY FORM

Annual General Meeting to be held at Kade on 1st December, 2023 at Roman Catholic Church at 10:00am.

I / WE...

(BLOCK LETTERS)

I / We direct that my / our vote(s) be cast on the specific Resolutions as indicated by an X in appropriate spaces.

RESOLUTION	FOR	AGAINST
1. Receive the accounts 2. Appoint Directors in place of those retiring 3. To approve the Directors fees. 4. Authorize the Directors to fix the Auditors Remuneration. 5. To declare Dividend 6. Any Other Business		

....

SHAREHOLDER'S SIGNATURE

Being a member / members of Kwaebibirem Rural Bank PLC hereby appoint

NAME:...

Or falling him the duly appointed Chairman of the meeting as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Bank to be held at Kade, on Friday 1st December, 2023 at Roman Catholic Church and at any adjournment thereof.

Dated this..**day of**...**2023**

NOTE

If you wish to insert in the blank on the above Proxy Form the name of any person who will attend the meeting and vote on your behalf, you may do so. If you do not insert a name, the Chairman of the meeting will vote on your behalf.