

2022

ANNUAL REPORT

AMENFIMAN RURAL BANK PLC



We are

No. 1

in Rural Banking and
17th in the Ghana Club 100



SAVINGS | INVESTMENTS | LOANS | MONEY TRANSFER



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RURAL BANK PLC



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Amenfiman Rural Bank & FC Samartex 1999

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CORPORATE INFORMATION

BOARD MEMBERS

Dr. Toni Aubynn
Mr. Moses Ampong
Mr. Anthony Justice Quaidoo
Mr. Edmund Afful
Dr. Lucas Nana Wiredu Damoah
Lawyer Rosemary Boakye Yiadom
Mr. Michael Beekye

SECRETARY

Mr. Justice Anthony Quaidoo

MANAGEMENT

Dr. Alexander Asmah
Mr. Evans Aikins
Mr. Patrick Darkwa
Mr. Charles Kwame Damoah
Mr. Frederick Ampomah -Amaning
Mr. Ebenezer Ankapong
Mr. Anthony Kwaw Adu-Broni
Mr. Richard Owusu Mensah Jnr
Mr. Paul Obrako Sarpong
Mr. Robert Asare
Mad. Rita Aidoo
Mad. Lydia Oduro

SOLICITORS

Nyanfeku Chambers
Shippers Council Roundabout
Takoradi

AUDITORS

Richard Owusu - Afriyie & Associates
Chartered Accountants & Business Advisors
P.O. Box AH 9139
Ahinsan- Kumasi

BANKERS

ARB Apex Bank
CBG
GCB Bank
Republic Bank
Zenith Bank Gh

REGISTERED OFFICE

Wassa Akropong
Box 14, Wassa Akropong, Western Region

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 39th Annual General Meeting of the Amenfiman Rural Bank PLC will be held on **Saturday 24th June, 2023 at 10.00am** prompt at the Assembly Hall of the **Amenfiman Senior High School, Wasa Akropong.**

A shareholder of the bank who is entitled to attend and vote may appoint someone else (a proxy) to attend and vote on their behalf. The proxy does not need to be a shareholder of the bank.

AGENDA

Ordinary Business

By Ordinary Resolution

1. To receive the reports of the Chairman of the Board of Directors for the year.
2. To receive and consider the report of the Directors for the year ended 31st December, 2023.
3. To receive and consider the Auditor's Report and approve the Financial Statements for the year ended 31st December, 2023.
4. To declare a dividend.
5. To authorize the Directors to fix the remuneration of the Auditors.
6. To approve the remuneration of Directors.
7. To elect Directors in place of those retiring.

Note:

A shareholder of the bank entitled to attend and vote may appoint a proxy to attend and vote in his/her stead and such proxy need not be a shareholder of the Bank. The instrument appointing such a proxy must be deposited at the registered office of the Bank, P. O. Box 14, Wasa Akropong not less than forty-eight (48) hours before the appointed time of the meeting.



.....
ANTHONY JUSTICE QUAIDOO
(Secretary to Board)

BOARD OF DIRECTORS



DR. TONI AUBYNN
Chairman



MR. MOSES AMPONG
Vice Chairman



MR. JUSTICE ANTHONY QUAIDOO
Secretary



MR. EDMUND AFFUL
Director



LAWYER ROSEMARY BOAKYE YIADOM
Director




MR. MICHAEL BEEKYE
Director




DR. LUCAS NANA WIREDU DAMOAH
Director

MANAGEMENT TEAM



DR. ALEXANDER ASMAH
CHIEF EXECUTIVE OFFICER



MR. EVANS AIKINS
Head: Finance & Operations



MR. FREDERICK AMPOMAH-AMANING
Chief Internal Auditor



MR. PATRICK DARKWA
Head: Microfinance



MR. ANTHONY KWAW ADU-BRONI
Head: HR/Administration



MR. EBENEZER ANKAPONG
Head, ITSM



MR. RICHARD OWUSU MENSAH JNR
Head, Risk and Rigor



MR. CHARLES KWAME DAMOAH
Head, Branch Network



MR. PAUL OBRAKO SARPONG
Head, Credit



MAD. RITA AIDOO
Branch Manager



MAD. LYDIA ODURO
Branch Manager



MR. ROBERT ASARE
Branch Manager



REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

Introduction

Distinguished shareholders, fellow Board Members, Nananom, ARB Apex Bank and ARB-Ghana, Our Business Partners, Friends from the Media, Management and Staff of Amenfiman Rural Bank, Ladies and Gentlemen, it is with great pleasure that I welcome all of you to the 39th Annual General Meeting of the Amenfiman Rural Bank PLC.

On behalf of the Board of Directors of the Bank, I am pleased to present the 39th Annual Report comprising the Financial Statements of Amenfiman Rural Bank PLC for the year ended 31 December 2022.

The Bank grew the size of its balance sheet by 33.43% over the period under review. In the area of Credit assets, a total of GH¢224 million loans were disbursed (growth of 3.02%) to over 14000 clients of the Bank in 2022 closing the year with a portfolio value of GH¢154 million. Investments increased from GH¢246million to GH¢275 million (growth of 11.44%). The growth in assets were financed by Deposit Liabilities which grew by 38.67%, and Shareholder funds (paid up capital and retained earnings of the Bank increased by 26.31% and 31.42% respectively). Gross income of the Bank increased from GH¢93 million to GH¢118 million (growth of 25.63%). Expenses increased from GH¢83million to GH¢107 million (growth of 28%). Profit before Tax achieved for 2022 was GH¢10.7million which is an increase of 5.94% over 2021's performance. Total comprehensive income achieved a value of GH¢8.4million in 2022 growing by 10.41% over 2021 performance.

Amenfiman Rural Bank PLC is gradually closing in on the strategic actions spelt out in the Bank's Strategic Agenda and is executing and delivering all indicators that had been spelt out in the strategy to represent a strong financial performance. In the face of considerable economic turmoil and high operational costs within the country and the added burden of inflation and a depreciating currency, the Bank has been able to grow in terms of key financial performance indicators. The Bank's response to the difficult changes in the economy during the year was remarkable and the plan for the year was successfully executed, and key objectives achieved despite all the challenges

Macroeconomic Environment

Ghana's economy was faced with considerable challenges in 2022 with the economy growing by 3.1% in 2022, against 5.1% recorded in the previous year.

The country recorded a new 21-year high inflation of 54.1% as at December 2022. The cedi also depreciated by 30% against the US dollar compared to 4.1% depreciation in 2021. This compared with the inflationary pressures drove cost of essential items such fuel, utility and rent to all time high during the year.

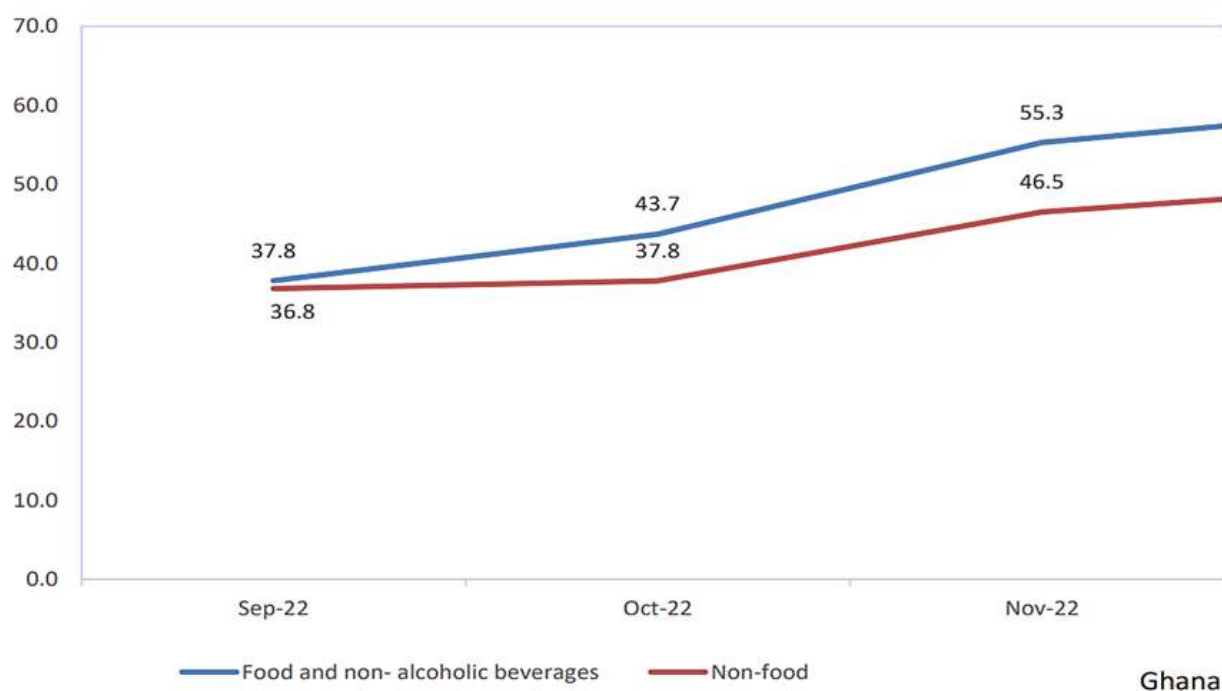
The Monetary Policy rate moved from 14% at the start of 2022 to 27.00% in December 2022. Treasury Bill rates soared to a record high of 35.48% in December 2022 from 12.46% in October 2021. Large external shocks contributed to worsening Ghana's pre-existing fiscal and debt vulnerabilities. Due to declining economic and financial conditions, multiple rating agencies reduced Ghana's rating which resulted in weaker investor confidence. Decreasing reserves, cedi depreciation, rising inflation, high debt to GDP ratio, and plummeting domestic investor confidence, eventually triggered an acute crisis. The Government's decision to access an Extended Credit Facility of US\$3 billion in July 2022 from the International Monetary Fund was not concluded as at December 2022. The government's debt

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

sustainability plan led to the announcement of Domestic Debt Exchange Program (DDEP) which required investors to surrender their existing bonds for new Government of Ghana Bonds which maturity up to 15 years. The DDEP undoubtedly has serious consequences for the banking sector though some regulatory interventions had been announced by the central bank.

Inflation Trend for the last quarter of 2022



Source: Ghana Statistical Service Consumer Price Index Statistical Bulletin for Dec 2022

With the Domestic Debt Exchange Program finally announced on 5th December 2022 to climax the issues encountered in the year, this significantly impacted the confidence of depositors and the public in the Banking sector due to the Banking sectors significant involvement in domestic financing programmes. However, With the acceptance of the DDEP and indicators of a successful IMF deal, the macroeconomy is gradually getting positioned for recovery

REPORT OF CHAIRMAN to the Members of Amenfiman Rural Bank PLC

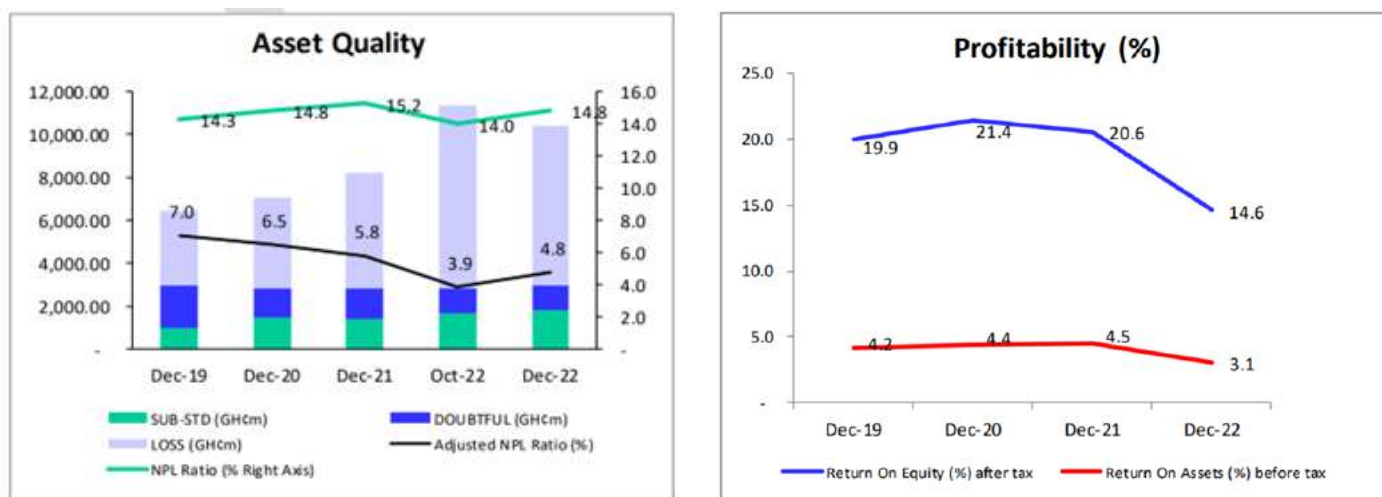
Banking Industry Performance Highlights

Distinguished Shareholders, the Banking industry in Ghana remains resilient and well positioned despite economic challenges encountered during the period under review.

Total assets of the banking sector grew by 22.9% to GH¢221.0 billion at end-December 2022, compared to 20.4% growth recorded in December 2021. Investments contracted by 4.8% to GH¢79.2 billion in December 2022 from a growth of 29% in 2021, as banks rebalanced their asset portfolios in favour of loans and other assets due to the Debt Exchange Program. Net loans and advances recorded 29.2% growth in December 2022 to GH¢60.9 billion, compared to 12.8% growth in the previous year.

Deposits remain the main source of funding for the banking sector, increasing by 30.4% to GH¢157.9 billion in December 2022, compared with the growth of 16.6% recorded in December 2021. Borrowings, however, declined by 14.1% to GH¢18.9 billion in December 2022 compared with 51.9% growth recorded in December 2021.

Banking Sector Asset Quality and Profitability

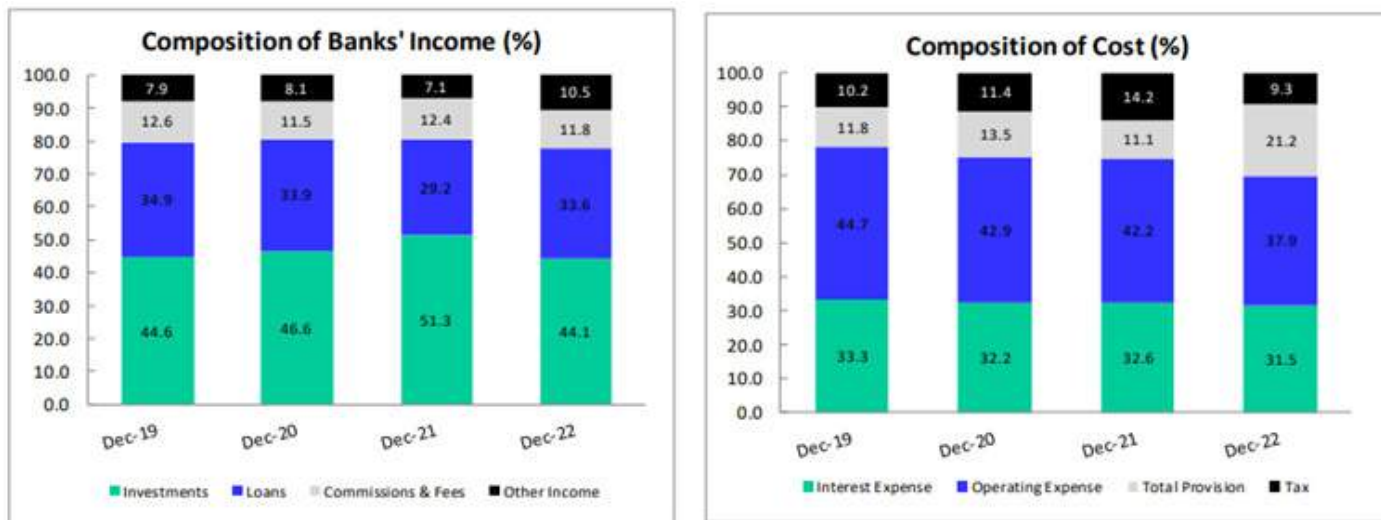


Source: BOG Monetary Policy Report Jan 2023

The industry's shareholders' funds increased by 12.5% to GH¢27.9 billion in December 2022 compared to a growth of 16.8% in December 2021. The industry's profit-after-tax contracted by 18.9% to GH¢3.9 billion in 2022, compared with the 12.2% growth recorded in December 2021. The decline in profit was on the back of higher costs and provisions during the year, which moderated the impact of higher income in 2022 on banks' net profit. Interest income increased by GH¢5.5 billion to GH¢24.5 billion, representing a growth of 29.2% in December 2022, from 15.5% in December 2021. Interest expenses also increased by GH¢2.5 billion to GH¢8.7 billion in December 2022, a growth rate of 42.2%, compared to the 17.6% growth recorded in December 2021. The industry's operating expenses grew by 32.2% in 2022, compared to 14.2% in 2021, on the back of higher staff costs and other operating (administrative) expenses. Provisions increased significantly by 184.2% in December 2022, after contracting by 4.7% in December 2021, reflecting higher impairments on loans and mark-to-market losses on investments. The sector remained solvent despite notable declines in the financial soundness indicators within the year. In the wake of the DDEP some safeguards are expected to be rolled out to ensure the continuous stability of the sector.

REPORT OF CHAIRMAN to the Members of Amenfiman Rural Bank PLC

Composition of Bank's income and expenses for 2022



Source: BOG Monetary Policy Report Jan 2023

Business Operating Results

Distinguished Shareholders, notwithstanding the global economic challenges in 2022 and Ghana's internal debt challenges, I am pleased to inform you that our Bank delivered a strong performance in 2022, executing well against its annual budget. Income was strong in 2022 with 25.49% increase in performance similar to the previous year's growth of 25.72%. The Bank had to adopt tough approach to loan recovery across the Branch network to ensure the quality of the Bank's credit portfolio. These programs are being sustained during the current year.

The table below provides details of the key performance indicators

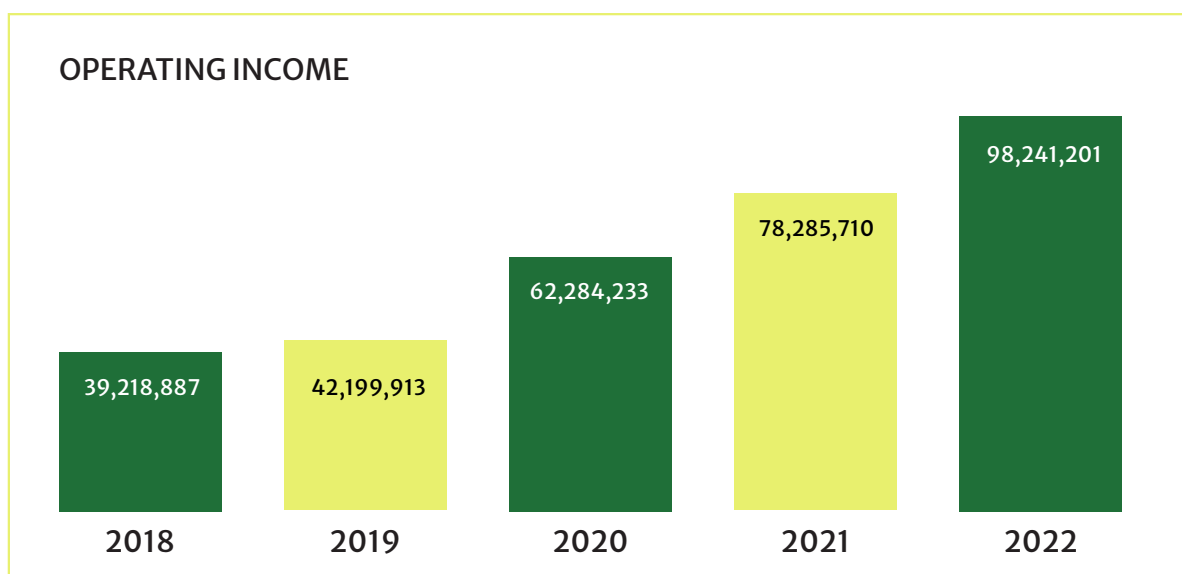
FINANCIAL INDICATOR	2022 GH¢	2021 GH¢	VARIANCE GH¢	% CHANGE
Operating Income	98,241,201.00	78,285,710.38	19,955,490.62	25.49%
Profit After Taxation	8,376,277.00	7,586,557.00	789,720.00	10.41%
Investments	275,009,184.00	246,777,773.00	28,231,411.00	11.44%
Cash and Bank Balances	173,988,467.00	52,314,658.00	121,673,809.00	232.58%
Loans and Advances	154,384,675.00	155,299,645.61	-914,970.61	-0.59%
Total Assets	637,069,103.78	477,458,766.80	159,610,336.98	33.43%
Total Deposits	557,173,164.00	401,799,301.91	155,373,862.09	38.67%
Shareholder Funds	54,999,388.51	46,921,954.71	8,077,433.80	17.21%

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

OPERATING INCOME

Distinguished shareholders, 2022 was a strong year for your Bank. Despite uncomplimentary economic challenges as presented earlier, the bank's Net Operating income increased from GH¢78.28million to GH¢98.24million (25.49%). Income for the year 2022 came from Interest on loans and overdrafts and investments, commissions and fees from services, and income from other operational activities.



The Bank achieved a total interest income of GH¢106million which is a year-on-year growth of 19.68% out of which 55% came from interest on Loans. Income from Commissions and Fees also grew by 193% in line with strategy to improving the Bank's income generation potential from non-funded sources. Total non-interest income of the Bank for 2022 was GH¢11.6million (132%) from the previous year's record of GH¢5million.

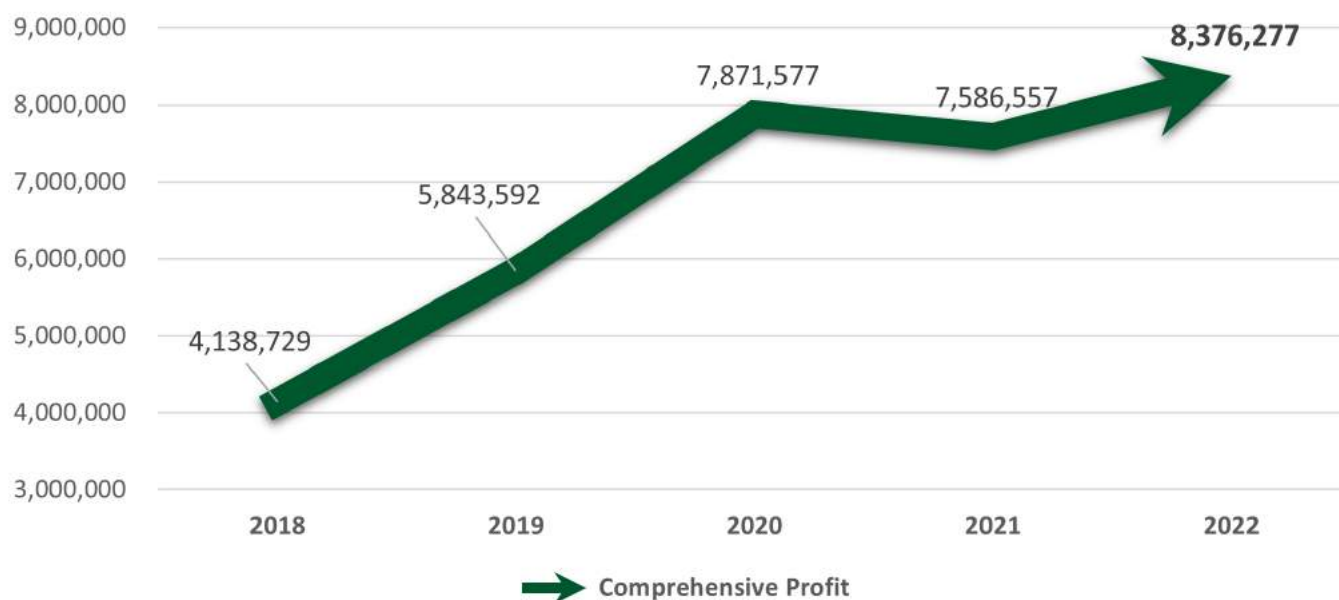
PROFITABILITY

Fellow Shareholders, I am happy to inform you that our bank continues to operate profitably even in difficult times. The Bank recorded profit before tax of GH¢10.7 million cedis which is an improvement over 2021's achievement of 10.1million cedis. Profit after tax for the year 2022 is 8.4million cedis after an expense of 4.8 million cedis in corporate tax. Comparing to the performance of 2021, Profit after Tax of the Bank has increased by 10.41% against a background of high additional impairment provisioning that had to be made within the year to ensure the Bank met prudential requirements. Management focused on improving the Bank's delivery of credit to the Small, Micro and Medium enterprises within the catchment of the Bank as part of a drive to revive and ensure that local businesses thrived amidst the challenges of the economy.

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

5 year trend of profit after tax



Interest on Loans grew from GH¢54.18 million to GH¢58.65 million which is an increase of 8.25% over the previous year's performance. Interest on Investments also increased by GH¢13million over the period closing the year with a total income of GH¢47.77 million. Commissions and other income lines also delivered a total income of GH¢11.6million. We believe that despite the challenges of the macro economy within which we operate, there exists opportunities that are yet to be explored, customers to be won, businesses to be built and a society that expects more so the Bank is positioning itself to deliver on its vision and mission and to meet the expectations of all stakeholders.

DEPOSIT

Distinguished Ladies and Gentlemen, deposit is essentially the life-blood of our Bank and I am happy to inform you that in the year 2022, the Bank's deposits grew from GH¢401.8 million cedis to GH¢557million cedis at the close of the year. A growth of 38.7% is impressive and testament to the confidence our customers and the public have in us as a Bank. Management is intensifying the financial inclusion drive to make our services more assessable and convenient to our customers and we are hopeful that the initiatives that have been set in motion will help drive this key balance sheet item to more impressive levels in the coming years.

The Board will continue working closely with Management to review and offer the best products, services and delivery channels to our customers. Innovation, speed and convenience are key attributes of these discussions as they would ensure greater performance in the years ahead.

TOTAL ASSETS

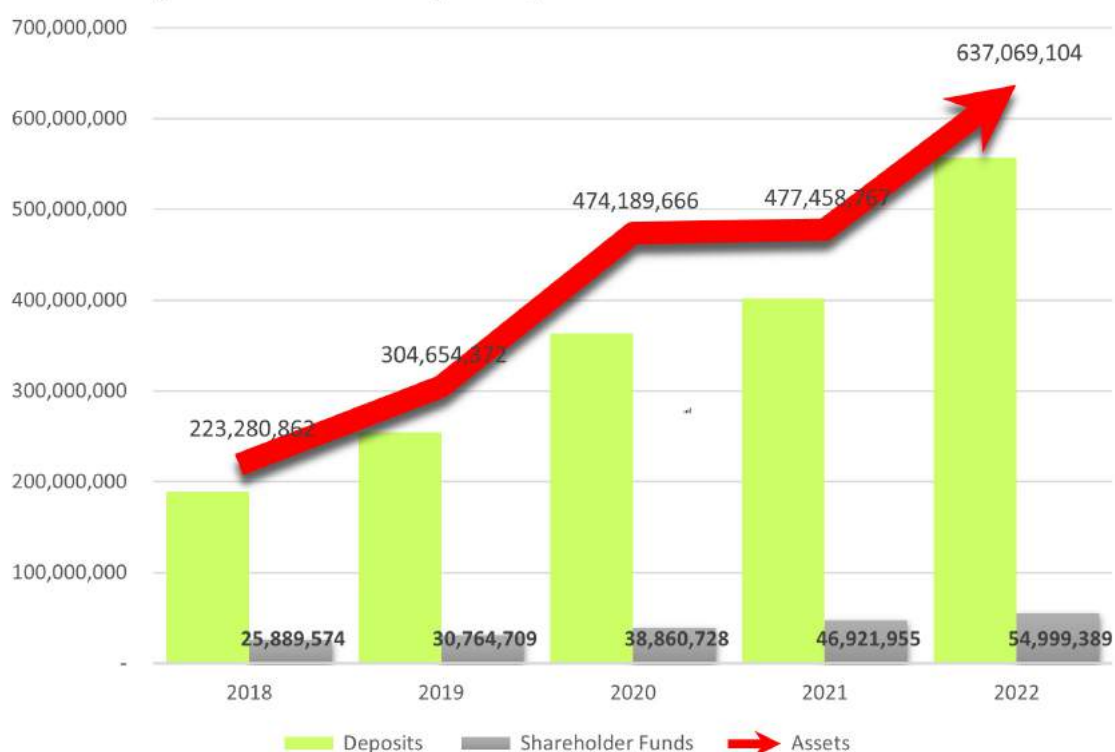
Distinguished shareholders, our Bank closed the year 2022 with a total asset of GH¢637million compared to the GH¢477 million achieved at the close of 2021. Total Assets grew by 33.43% over the year with

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

26% of the assets kept in portfolios that were cash and cash equivalent to meet depositor demands. Earning assets constituted 86.21% of the asset portfolio with a total holding of GH¢549million cedis from the previous year's GH¢402 million which is a growth of 36.57% over the period. Liquid assets of the Bank formed 70.48% of the portfolio increasing from a position of 62.54% from the previous year. The Bank has maintained and grown its position as the biggest Rural Bank in Ghana from a size of GH¢477million at the close of 2021 to a size of GH¢637million at the close of 2022.

5-year Trend of Deposits, Assets & Shareholder Funds



STATED CAPITAL

Fellow Shareholders, the stated capital of our Bank stood at GH¢8.5 million at the close of the year 2022 which is above the regulatory requirement of GH¢1 million, however, in lieu of the ongoing economic challenges in the country, the need for more capital injection is necessary. I use this opportunity to advise existing shareholders to increase their investments in the Bank. Comparing with 2021, the stated capital has increased by GH¢1.8million which is a growth of 26.31%. The Bank is sufficiently capitalized for business in excess of GH¢7.5million. In addition to the stated capital, the Bank has built up its reserves and currently holds in excess of GH¢45.5 million to support operations further. In total, shareholder funds at the close of 2022 was GH¢55million having increased by 17.21%. With the current initiatives of Board and Management, the Bank is positioned to build on these positions and increase shareholder funds of the Bank.

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

PROPOSED DIVIDEND

Distinguished Shareholders, Ladies and Gentlemen, given the impressive results of our performance for the period under review, and the fact that the Bank's reserves have increased over the past year, the Board was very much determined to declare and pay good dividends on your investment this year. Unfortunately, the Bank of Ghana, as part of its regulatory directives during the current economic changes and the impact from the DDEP, has restrained Banks and SDIs from declaring and paying dividends for the financial year 2022. This is a big blow to all of us who are so expectant of earning dividends on our investment.

We will like to assure members that the Board has put in place good measures as in the past to ensure that the Bank continues to operate profitably and to guarantee that good dividends are paid out in the future.

DIRECTORSHIP

Distinguished shareholders, one of the longest serving Directors of the Bank, Mr. Anthony Justice Quaidoo is retiring from the Board after over 20 years-service to the Bank. Ladies and Gentlemen, with a round of applause and standing ovation, join me to appreciate the contributions of this illustrious man, as he takes a bow after 20 years meritorious service to the Bank.

In line with the provisions of section 325 (1) of the companies Act 2019, Act 992, Mr Anthony Justice Quaidoo would be replaced by electing a new director.

In a related matter, Dr. Lucas Nana Wiredu Damoah and Mr. Edmund Afful are also due for re-election. The Board has duly considered the succession plan of the Bank, the contributions of these directors to the Bank and pleased to recommend them to your confirmation for them to continue to serve on the Board.

AWARDS AND OTHER ACHIEVEMENTS

Distinguished Shareholders, our Bank has been recognized locally and internationally for the significant role its playing in businesses and lives across the country especially within its catchment areas. The impact of the business's unique footprint in the rural community of Ghana, coupled with its impressive growth and performance has won the Bank multiple awards including;

1. Ghana Club 100's Position No 17 and No.1 in the Rural Banking Sector
2. Association of Rural Banks Ghana – Overall Best Rural Bank of the year 2021
3. Association of Rural Banks Ghana – Best Deposit Mobilizing Bank of the year 2021
4. World Confederation of Businesses 2021 Award for the Most Enterpenuerial Bank.

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

CORPORATE SOCIAL RESPONSIBILITY PROJECTS

Fellow Shareholders, our Bank continues to take Corporate Social Responsibility (CSR) seriously and endeavours to support worthy causes in multiple aspects of our communities and society. Education is a social responsibility item of focus for the Bank and one way that the Bank pursued the agenda in 2022 was the support of work on the Amenfi State University Project.

This position is more evident in the fact that 66.40% of CSR spending for the year went to educational programmes and projects.

For the year 2022, a total of GH¢470,446 was spent on CSR programmes for local communities as presented in the table below. Other areas that benefitted from the CSR projects of the Bank include Health, Security, and Agriculture.

S/N	Details	Beneficiary Communities	GH¢
Education	<ol style="list-style-type: none"> 1. Donation of paints to support the renovation of the Wasa Akropong Methodist school 2. Renovation of the Amenfiman Senior High School Assembly Hall 3. Renovation of the Ashireso Basic School 4. Support of work on the Amenfi State University College 5. Donation of paint towards the renovation of the Asankrangwa Nursing Training School 6. Scholarships & Bursarys 	Wasa Akropong Wasa Ashireso Oppong Valley Asankrangwa Samreboi Agona Manso Amenfi	312,366.00
Health	Donation of Bags of Cement to support the Amenfi West Health Directorate	Amenfi West District	8,000.00
Security	Donations to Ghana Police Service	Bawdie Prestea Dominase Nkwanta	57,900.00
Agriculture	Donations towards the National Farmer's Day Celebration	Wasa East, West, Central, Prestea Huni Valley, Sefwi Wiawso, Aowin Suaman, Bibiani, Atwima Kwanwoma, Bibiani, Suame, Kumasi Metropolitan Assembly	92,180.00
TOTAL			470,446.00

REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

HUMAN RESOURCE DEVELOPMENT

Our performance in 2022 is due in large part to the incredible work of our over 400 people across the branches of the Bank, Management Team and the Board. Employees of the Bank work tirelessly every day to deliver world class banking services for our clients at Branches, Mobilization centers to help achieve the results we are so proud of. A special mention of our field officers in the SUSU and Microfinance business sectors who walk several kilometers on daily basis to meet customers in their shops and market places to provide them with tailor-made products and services to help them and their businesses succeed.

Anchored in our mission to drive financial inclusion, we continue to drive commerce and prosperity in markets in multiple areas of the country with credit and some services reaching beyond our areas of operations. I am extremely proud of what we have achieved together in 2022, and I look forward to the opportunities that 2023 will bring.

Our success as a bank is underpinned by the quality of our workforce. Our people are one very critical success factor to the achievement of our strategic ambition and growth. The bank considers it a priority and continues to invest in upskilling its people to make them stay relevant in the business. We will continue our investment in Learning Resources that were pursued in 2022 to train about 150 employees following its successful implementation. The implementation of Bank approved medical facilities has been a huge success and will continue to partner with more facilities to bring comfort and health to our staff. Our focus on upskilling and wellness is aimed at positioning our staff to be well aligned with our strategy and performance.

SHARES MANAGEMENT AND POLL VOTING

Distinguished shareholders, ladies and Gentlemen, during the 38th AGM of the Bank, we were able to successfully deploy the use of Poll voting for the election of our Director, Mr. Michael Beekye. This year, we would continue this practice with the selection of a replacement for our exiting director, Mr. Anthony Justice Quaidoo. The use of poll voting is in line with the provisions of the Companies Act 2019, Act 992 and approved by the Bank of Ghana. In view of this, I wish to encourage all shareholders to take time to update your shareholding records with the Bank. This can be do same at the head office of the Bank or visit the nearest branch of the Bank after the AGM.

OUTLOOK

Distinguished shareholders, considering our leadership in Rural Banking today, a lot is expected of us to keep growing and ensure soundness and sustainability, which management working under the direction of the Board is poised to do.

In 2022 we achieved sustainable growth, including developing our digital and sustainability capabilities through innovative programs. Plans are well advanced in 2023 to improve the digital and technological backbone of the Bank. We will continue to work with our Micro, Small, Medium Enterprises as well as government and local institutions through new product innovation and service channels.

Distinguished Shareholders, building on the strong financial performance in 2022, I am happy to inform you that revenue outlook for 2023 is positive. Our core business of lending is doing well coupled with the strategy to grow non-funded income stream, the Bank is introducing cutting edge technology and innovation to grow income and profits this year and beyond. to achieve the Bank's vision to consolidate and sustain its leadership in the industry. Our strategy is clear, we continue to make good progress in closing our five targeted strategic plan and to drive financial inclusion in our communities by serving the unbanked and the underbanked population of the market with emphasis on MSME by giving them easy, convenient and cost-effective access to financial products using the appropriate technology and the best people while creating value for owners.



REPORT OF CHAIRMAN

to the Members of Amenfiman Rural Bank PLC

ACKNOWLEDGMENT

Fellow shareholders, Nananom, Ladies and Gentlemen, let me take a moment to thank the Board of Directors for their tireless response to duty in the service of the Bank. To our loyal customers, we thank you for the privilege of doing business with you in the past years. I would also like to acknowledge the management team and staff for their hard work and diligence that contributed to this great performance for the year 2022. Their contribution and commitment year after year to ensure the continued growth and profitability of our Bank is highly commendable and appreciated.

Finally, I want to say thank you to our shareholders who have supported us in this journey. I am confident that we are well prepared to address the challenges and take advantage of the opportunities in 2022 with the view to building a sustainable business that would provide value to our customers, shareholders, employees and all other stakeholders.

Long Live **Amenfiman Rural Bank PLC**, God Bless us all.

CONGRATULATIONS



Dr. Toni Aubynn ESQ.

On Behalf of Board, Management, Staff and Shareholders. We wish to congratulate you on your

CALL TO THE BAR

Ayeeko!!!



AMENFIMAN
RURAL BANK

... Your success our pride!

**020 203 0060,
020 203 0055**

Website: www.amenfimanbank.com
E-mail: info@amenfimanbank.com



REPORT OF DIRECTORS

to the Members of Amenfiman Rural Bank PLC

Directors' Responsibilities and Approval

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

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

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

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

The Directors have reviewed the Bank's cash flow forecast for the year to December 31, 2023 and, in light of this review and the current financial position, they are satisfied that the Bank has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the Bank's annual financial statements. The annual financial statements have been examined by the Bank's external auditors and their report is presented on pages 8 to 13.

Approval of financial statements


.....
Chairman


.....
Director

REPORT OF DIRECTORS

to the Members of Amenfiman Rural Bank PLC

The annual financial statements set out on pages 14 to 61, which have been prepared on the going concern basis, were approved by the Board of Directors on April 26, 2023 and were signed on their behalf by:

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

	2022	2021
	GHS	GHS
Profit before tax	10,712,714	10,111,863
From which is added / (deducted):		
A provision for estimated income tax expense	(4,823,846)	(3,566,828)
Deferred Tax Credit	2,487,409	1,041,522
Making a profit after tax of	8,376,277	7,586,557
Transfer to :		
Statutory Reserves Fund	(1,047,035)	(948,320)
Community Development Fund	(418,814)	(694,191)
Staff Fund	(418,814)	(694,191)
Scholarship Fund	(418,814)	(379,328)
Building Fund	2,862,894	(1,000,000)
Univeristy Project Fund	(586,339)	(1,160,785)
Anniversary Fund	-	(200,000)
	8,349,355	2,509,742
which is to be added to the surplus brought forward of	23,013,545	15,518,708
Credit Risk Reserve	(123,937)	1,148,392
Divident Paid	(2,070,007)	-
Fund Utilization	1,075,301	3,836,702
resulting in a balance to be carried forward on the		
Retained Earnings account as at 31st December	30,244,257	23,013,545

The full results of the year are set out in the attached financial statements.

REPORT OF DIRECTORS

to the Members of Amenfiman Rural Bank PLC

Incorporation

The Bank was incorporated on May 13, 1980 and re-registered on July 20, 2018. The Bank was granted a license to operate as a rural bank by the Bank of Ghana in accordance with the Banks and specialized Deposit Taking Institutions Act 2016, (Act 930).

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

Nature of Business

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

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

Review of financial results and activities

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

The Bank recorded a Net Profit after tax for the year ended December 31, 2022 of GHS 8,376,277. This represented a significant improvement from a profit-making position of GHS 7,586,557 from the prior year.

The Bank's net income increased 25.49% from GHS 78,285,710 in the prior year to GHS 98,241,201 for the year ended December 31, 2022.

The Bank generated GHS 166,066,764 from operating activities as against GHS 1,247,202 generated from operating activities for the year ended December 31, 2021.

Stated Capital

The Bank's Stated Capital increased from GHS 6,731,339 at the end of the previous year to GHS 8,502,503 resulting in an increase of GHS 1,771,164 which represents 26.31%. The increase emanates from the sale of shares of 8,855,820 at GHP 20.00 per share which amounted to GHS 1,771,164. The number of shares also increased from 34,775,719 in 2021 to 43,631,539 in 2022 representing 25.47% from the previous year.

Property, Plant and Equipment

There was no change in the nature of property, plant and equipment of the bank or in the policy regarding their use. As at December 31, 2022, the bank's investment in property, plant and equipment amounted to GHS 18,281,295 (2021: GHS 15,419,182) of which GHS 5,862,700 (2021: GHS 5,088,632) was added in the current year. Disposal for the year under review amounted to GHS 14,687 (2021: Nil).

Events after the reporting period

Events subsequent to the Statement of Financial Position date are reflected in the financial statements only to the extent that they relate to the period under review and the effect is material. There were no subsequent events at the reporting date, 31st December 2022.

REPORT OF DIRECTORS

to the Members of Amenfiman Rural Bank PLC

Going concern

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

Litigation statement

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

Terms of Appointment of the Auditors

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

Corporate Social Responsibility

The amount spent on Corporate Social Responsibility during the year by the Bank amounted to GHS 820,760 (2021: GHS 2,521,427).

Audit Fee Payable

Included in the general and administrative expenses is the agreed auditor's remuneration of GHS 80,000

Capacity of Directors

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

Corporate Governance

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

Anti – Money Laundering

The Bank has established an anti-money laundering system in compliance with the requirements of Ghana's Anti-Money Laundering Act, 2020 (Act 1044) and Anti – Terrorism Act, 2008 (Act 762), and the Regulations made under these enactments.. These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Dividend

The Directors do not recommend the payment of dividends for the year 2022 (2021: 2,070,007).

REPORT OF DIRECTORS

to the Members of Amenfiman Rural Bank PLC

State of Affairs

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

Directors' Interest in Contract

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

Directors

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

Names of Directors	Designation	Shareholdings
Dr. Toni Aubynn	Chairman	409,244
Mr. Justice Anthony Quaidoo	Secretary	173,894
Mr. Moses Ampong	Vice Chairman	166,422
Dr. Lucas Nana Wiredu Damoah	Member	115,653
Mr. Edmund Afful	Member	55,308
Lawyer Rosemary Boakye Yiadom	Member	47,000
Michael Beekye (appointed in November, 2022)	Member	37,296

Acknowledgements

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

Approval of Financial Statements

The financial statements of Amenfiman Rural Bank PLC were approved by the Board of Directors on 26th April, 2023 and signed on their behalf by:

Approval of financial statements


.....
Chairman


.....
Director

INDEPENDENT AUDITORS REPORT on the Financial Statements for the year ended 31st December, 2022

Opinion

In our opinion except for the effects of the matter described in the Basis of Qualified Opinion, the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31st December, 2022, and of its financial performance, changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 Act 930.

What we have audited

We have audited the financial statements of Amenfiman Rural Bank PLC for the year ended 31st December, 2022.

The financial statements comprise:

- the statement of comprehensive income for the year then ended;
- the statement of financial position as at 31st December, 2022;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for qualified Opinion

The Government of Ghana (GOG) introduced Ghana Domestic Debt Exchange (GDDE) programme on 5 December, 2022 for the conversion of existing domestic bonds and E.S.L.A. loans for new ones. The bank tendered its old eligible bonds of GHS 157,820,409.57 plus accrued interest for a set of twelve (12) new bonds valued at GHS 166,241,072 on 21st February 2023. Due to the issuer, (GOG) of the bonds being financially challenged the new bonds were considered credit impaired in accordance with IFRS 9. At 31 December 2022, the bank continued to hold the existing bonds in its books since the GDDE was executed after the reporting date on 21st February 2023. The bank was supposed to derecognise the old bonds and a new asset recognised for the new bonds at 31st December 2022.

However, the Board of Directors was of the view that the derecognition should be carried out in February 2023 when the exchange was carried out and the existing bonds impaired accordingly. In our opinion the changes to the terms of the exchange that were communicated after 31 December 2022 were considered as adjusting events and therefore the impairment should have been carried out as at 31st December, 2022.

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

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

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

Key Audit Matters

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

INDEPENDENT AUDITORS REPORT on the Financial Statements for the year ended 31st December, 2022

Impairment of Non – Pledged Trading Assets

The Bank has invested Non– Pledged Trading Assets with various fund managers. The investments with Black Shield Fund Management and Mcottley Capital totaling GHS 24,525,697 have matured as at 31st December 2022 but repayments have not yet been received. The total value of these investments has however been validated by the Receiver. Due to the significant judgment that is applied by management in determining whether an impairment loss has occurred and in estimating the expected amount and timing of future cash flows, we considered this to be a key audit matter.

Impairment of Loans and advances to customers

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

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

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

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

How our audit addressed the Key Audit Matters

Loan and Advances

We evaluated the design and tested the implementation of operating effectiveness of the key controls over the computation of impairment loss provisions. In evaluating the design of controls, we considered the appropriateness of the controls considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated throughout the year.

We performed an evaluation of management’s key assumptions over the expected credit loss model (ECL), including the probability of default (PD) and the loss given default (LGD). We challenged the management’s staging of financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable.

INDEPENDENT AUDITORS REPORT on the Financial Statements for the year ended 31st December, 2022

We further tested the disclosures to ensure that the required disclosures under IFRS 9 have been appropriately disclosed.

We further assessed as appropriate the classification of the Bank's loans and advances impairment provision in accordance with Bank of Ghana prudential guidelines and the transfer of any excess provision over the IFRS computed provision to the regulatory Credit Risk Reserve account.

Non- Pledged Trading Assets

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

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not, and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

INDEPENDENT AUDITORS REPORT on the Financial Statements for the year ended 31st December, 2022

going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

INDEPENDENT AUDITORS REPORT on the Financial Statements for the year ended 31st December, 2022

Report on Other Legal and Regulatory Requirements

Companies Act, 2019 (Act 992)

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

1. 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.
2. In our opinion proper accounting records have been kept by the Bank so far as appears from our examination of those records, and
3. The Statement of Financial Position and Statement of Comprehensive Income of the Bank are in agreement with the accounting records.
4. The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review
5. We are independent of the Bank in accordance with section 143 of the Companies Act, 2019 (Act 992)

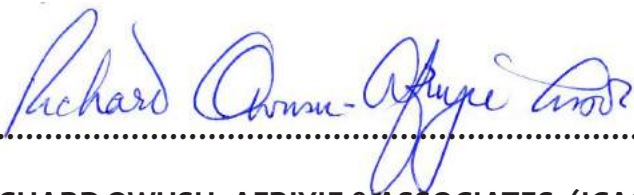
Banks and Specialised Deposit-Taking Act, 2016 (Act 930)

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

We hereby state that:

1. The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review.
2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors.
3. The Bank's transactions are within its powers.
4. The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020, (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments.
5. The Bank has generally complied with the provisions of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)

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



RICHARD OWUSU-AFRIYIE & ASSOCIATES: (ICAG/F/2023/084)

Chartered Accountants

House of Grace, Adum, Kumasi

28 th April 2023

STATEMENT OF COMPREHENSIVE INCOME

Year Ended 31st December, 2022

	Notes	2022	2021
		GH¢	GH¢
Interest Income	(7)	106,418,867	88,919,039
Interest Expense	(8)	(19,823,319)	(15,695,039)
Net Interest Income		86,595,548	73,224,000
Commissions and Fees	(9)	5,460,270	1,863,004
Other Operating Income	(10)	6,185,383	3,198,706
Operating Income		98,241,201	78,285,710
Impairment charge on Financial Assets	(11)	(8,878,937)	(5,946,228)
Specific Bad Debts	(11a)	(7,379,514)	-
Personnel Cost	(12)	(38,788,393)	(30,501,309)
Depreciation and Amortisation	(13)	(2,438,269)	(1,896,673)
Interest on Borrowings and Finance Cost	(14)	(690,269)	(3,960,064)
Other Operating Expenses	(15)	(29,353,105)	(25,869,573)
Net Operating Profit Before Taxation		10,712,714	10,111,863
Deferred Tax Credit (Liability)	(16i)	2,487,409	1,041,522
Taxation	(16ii)	(4,823,846)	(3,566,828)
Profit for the year		8,376,277	7,586,557
Other Comprehensive Income			-
Total Comprehensive Income for the year		8,376,277	7,586,557

STATEMENT OF FINANCIAL POSITION

Year Ended 31st December, 2022

	Notes	2022 GH¢	2021 GH¢
ASSETS			
Cash and Balances with ARB Apex Bank	(17)	171,909,021	42,275,125
Due from Other Banks	(18)	2,079,446	10,039,533
Non – Pledged Trading Assets	(19)	275,009,184	246,777,773
Loans and Advances	(20)	154,384,675	155,299,646
Other Assets Accounts	(21)	9,477,992	4,211,030
Investments – (Long Term)	(22)	244,152	244,152
Deferred Tax Assets	(16v)	5,409,770	2,883,096
Intangible Assets	(23)	273,569	309,230
Property , Plant & Equipment	(24)	18,281,295	15,419,182
TOTAL ASSETS		637,069,104	477,458,767
LIABILITIES			
Deposits and Current Accounts	(25)	557,173,164	401,799,302
Interest Payable and Other Liabilities	(26)	15,916,415	10,144,876
Due to Other Financial Institution	(27)	5,000,000	15,000,000
Current Corporate Tax Liabilities	(16 iii)	2,313,542	1,965,305
Deferred Tax Liability	(16 v)	1,666,581	1,627,316
Other Liabilities		13	13
TOTAL LIABILITIES		582,069,715	430,536,812
SHAREHOLDERS FUNDS			
Stated Capital	(28)	8,502,503	6,731,339
Statutory Reserve Fund	(29)	9,983,962	8,936,927
Credit Risk Reserve	(30)	214,343	90,406
Retained Earnings	(31)	30,244,257	23,013,545
Community Development Fund	(32)	618,675	489,077
Staff Fund	(33)	602,909	438,636
Building Fund	(34)	-	2,862,894
Scholarship Fund	(35)	1,356,666	937,852
University Project Fund	(36)	587,061	532,266
Impaired Investment Fund	(37)	2,889,013	2,889,013
TOTAL SHAREHOLDER FUNDS		54,999,389	46,921,955
TOTAL SHAREHOLDER FUNDS AND LIABILITIES		637,069,104	477,458,767

The Financial Statements were approved by the board on **26th April, 2023** and were signed on their behalf by:



DIRECTOR



DIRECTOR

STATEMENT OF CASH FLOW

Year Ended 31st December, 2022

	2022	2021
	GHC	GHC
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit Before Taxation	10,712,714	10,111,863
Depreciation Charge	2,402,608	1,861,012
Amortisation-Software	35,661	35,661
Transfer of CWIP /Non- Cash Movement	597,981	(1,639,134)
Impairment charge on loans and advances	8,878,937	5,946,228
Profit before Changes in Working Capital	22,627,901	16,315,630
CHANGES IN OPERATING ASSETS AND LIABILITIES		
Changes in Loans & Advances to Customers	(7,963,966)	(51,726,856)
Changes in Other Assets Accounts	(5,266,962)	1,435,093
Changes in Customers Deposits	155,373,862	38,185,034
Changes in Interest Payable and Other Liabilities	5,771,539	88,259
Tax Paid	170,542,374	4,297,160
Net cash from /(used in) Operating Activities	(4,475,610)	(3,049,958)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	166,066,764	1,247,202
Increase in Capital Work -in-Progress Expenditure	(3,127,924)	(2,512,682)
Changes in Non -Pledged Trading Assets	(2,734,776)	(2,575,950)
Net Cash From/(Used in) Investing Activities	(28,231,411)	2,725,576
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of Shares	5,000,000	30,000,000
Dividend Paid	(2,070,007)	-
Loan Received	(15,000,000)	(25,000,000)
Repayment of Loan	(10,298,843)	5,474,670
Net cash from /(Used in) Financing Activities	(10,298,843)	5,474,670
Net Increase / (Decrease) in Cash and Cash Equivalents	121,673,809	4,358,816
Cash and Cash Equivalents at Start	52,314,658	47,955,842
Cash and Cash Equivalents at Close	173,988,467	52,314,658
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Cash on Hand	25,195,846	18,578,842
Bank Balances with ARB Apex Bank - Current	3,958,250	1,618,496
- 5% Apex Deposit	22,952,581	19,445,781
ACOD	-	2,500,000
91- Days Marketable Securities	119,802,344	132,006
Balances with Other Banks	2,079,446	10,039,533
	173,988,467	52,314,658

ACCOUNTING POLICIES

Year Ended 31st December, 2022

1. General Information

Amenfiman Rural Bank PLC is a Private Company incorporated and domiciled in Ghana. The Registered office is located at Wassa Akropong, Western Region. The Bank primarily is involved in rural banking.

Amenfiman Rural Bank PLC (“the Bank”) is a limited liability Bank incorporated under the Companies Act, 1963, Act 179, (now repealed and replaced by the Companies Act, 2019, Act 992) on 13th May, 1980, and re-registered on 20th July, 2018. The Bank is licensed by the Bank of Ghana (BOG) to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator.

The address of its registered office is Unnumbered Bank Building, Old Town Junction, Amenfiman, Wassa Akropong and a Postal Address of P. O. Box 14, Wassa Akropong, Western Region, Ghana.

The Bank provides a wide range of services to a substantial and diversified client base that includes other financial institutions, businesses, government and public corporations and individuals.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

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

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for the measurement of available-for-sale financial assets that are measured at fair value.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and Judgement

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

2.5 Income and Statement of cash flows

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

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

3. Significant Accounting Policies

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

3.1 Revenue Recognition

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

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

a. Interest Income and Expenses

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

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

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

b. Fees and Commission

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

c. Other income

Other incomes are recognised as and when they are earned.

d. Dividends income

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

e. Right of Use

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

3.2 General and administrative expenses

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

3.3 Employee Benefits

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

I. Social Security and National Insurance Trust (SSNIT)

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

II. Provident Fund

The Bank has a provident fund scheme for all employees who have completed probation with the Bank. Employees contribute 5% of their basic salary to the fund whilst the Bank contributes 12.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates

III. Termination Benefits

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

IV. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

3.4 Cash and cash equivalents

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

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

3.5 Initial Assets

a. Initial recognition

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

b. Subsequent measurement

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

c. Amortisation

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

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

- Computer software licenses: 33.33%

3.6 Property, Plant and Equipment (PPE)

All property, plant and equipment (PPE) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs.

Cost of an item of PPE includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

ACCOUNTING POLICIES

Year Ended 31st December, 2022

Depreciation

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

Assets	Rate(%)
Office Furniture and Equipment	20
Building	5
Temporal Structure	20
Office Equipment	20
Motor Vehicles	33.33
Computers	20
Generator	25
Safe, Lawn and Mower	15
Leasehold Property	2
Solar Energy	20
Lawn Mower	25

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

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

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

3.7 Impairment of non-financial assets

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

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

3.8 Financial Assets and Liabilities

i. Recognition

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

ii. De-recognition

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

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

iii. Offsetting

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

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

iv. Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

v. Fair value measurement

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

vi. Identification and measurement of impairment

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

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

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

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

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

vii. Designation at fair value through profit or loss

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

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

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

3.9 Trading Assets and Liabilities

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

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

3.10 Loans and Advances

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

3.11 Investment Securities

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

i. Hold-to-collect

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

ii. Hold to sell

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

iii. Hold to collect and sell

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

3.12 Pre-payment

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

3.13 Stated Capital

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

3.14 Earnings per Share

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

3.15 Dividend

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

3.16 Income Tax Expense

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity – in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in Ghana where the Bank operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

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

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

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

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

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

3.17 Provisions

Provisions for legal claims are recognised when:

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

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

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

3.18 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, unless they are capitalized, are presented net in the statement of profit or loss within finance costs and finance income respectively.

4. Quantitative Disclosures

	2022	2021
Capital Adequacy Ratio	13.27%	16.51%
Non-Performing Loans Ratio	10.31%	20.95%
Loan Loss Provision Ratio	10.96%	6.12%
Liquid Ratio	70.48%	62.54%

5. Critical accounting judgements and key sources of estimation uncertainties

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

5.11 Critical accounting estimates and assumptions

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

a. Income taxes

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

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

b. Fair value of non-derivatives and other financial instruments

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

5.12 Critical judgements in applying the Bank's accounting policies

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

Useful economic life of property, plant and equipment

To a large extent, the bank financial statements are based on estimates, judgements and models rather than exact depictions of reality. Providing relevant information about the Bank's Property, plant and equipment requires estimates and other judgements. This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgements and estimates including:

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

ACCOUNTING POLICIES

Year Ended 31st December, 2022

6. Application of new and revised International Financial Reporting Standards (IFRSs)

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

i. Classification and measurement

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

ii. Impairment

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

Impairment Loss Schedules – 2022

Impairment Loss Classification per IFRS 9	Stage 1 12-Months ECL GHS	Stage 2 Lifetime ECL Non-credit impaired GHS	Stage 3 Lifetime ECL Credit impaired GHS	Total GHS
IFRS Impairment	2,208,232	348,753	16,442,082	18,999,067
Impairment per BOG Guidelines				19,213,410
Transfer to Credit Risk Reserves				(214,343)

Application of new and revised International Financial Reporting Standards

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
7. INTEREST INCOME		
Interest on Loans and Advances	58,647,126	54,179,606
Interest on Investments	47,771,741	34,739,433
	106,418,867	88,919,039
8. INTEREST EXPENSE		
Interest Paid on Savings	8,306,933	6,909,626
Interest Paid on Fixed Deposit	11,516,386	8,785,413
	19,823,319	15,695,039
9. COMMISSIONS AND FEES		
Commitment Fees and Commission Received	5,460,270	1,863,004
	5,460,270	1,863,004
10. OTHER OPERATING INCOME		
Sundry Income	6,185,383	3,198,706
	6,185,383	3,198,706
11. NET IMPAIRMENT CHARGES ON FINANCIAL ASSETS		
Loans and Advances	8,878,937	4,307,094
Impairment of unvalidated Short Term Investment	-	1,639,134
	8,878,937	5,946,228
11a. SPECIFIC BAD DEBT		
Bad Debt Written Off	7,379,514	-
This represents loans and advances which were written off during the year after approval from Bank of Ghana		-
		-
12. PERSONNEL COST		
Salaries and Wages	28,095,842	20,742,373
Social Security Contribution	2,114,792	1,742,301
Provident Fund Contribution	1,058,958	819,189
Medical Expenses	407,897	601,203
Staff Training Expenses	853,656	858,586
Staff Gratuity	254,541	373,525
Annual Bonus	3,780,454	4,082,985
Funerals & Staff Welfare	2,222,253	1,281,147
	38,788,393	30,501,309

The average number of persons employed by the Bank during the year ended 31 December 2022 was 479 (2021:476)

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
13. DEPRECIATION & AMORTISATION		
Depreciation of Property, Plant & Equipment	2,402,608	1,861,012
Amortisation of Intangible Assets	35,661	35,661
	2,438,269	1,896,673
14. INTEREST ON BORROWINGS AND FINANCE COST		
Interest on Borrowings & Processing Fees	690,269	3,960,064
	690,269	3,960,064
15. OTHER OPERATING EXPENSES		
Occupancy Cost	6,113,728	5,566,714
General & Administrative Expenses	23,239,377	20,302,859
	29,353,105	25,869,573
15a GENERAL & ADMINISTRATIVE EXPENSES: include		
Auditors Remuneration	80,000	61,000
- Fees	80,000	61,000
15b DIRECTORS EMOLUMENTS	1,553,487	1,303,956
Board Meetings Expense	56,844	24,717
Directors Fees	196,500	172,250
Directors Transportation	258,597	212,230
Directors Sitting Expenses	1,041,546	894,759
16. INCOME TAX		
i. Income tax expense		
The major tax expense components of income tax expense for the years ended 31 December 2022 and 2021 are:		
Statement of profit or loss		
Current income charge	4,823,846	3,566,828
Deferred tax charge / (credit)	(2,487,409)	(1,041,522)
Income tax reported in the statement of profit or loss	2,336,437	2,525,306
ii. Reconciliation of Effective Tax		
The tax on the Bank's profit before tax differs from the theoretical amount that would arise using the statutory tax rate on the applicable profit as follows:		

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GHC	GHC
ii. Accounting Profit before income tax	10,712,714	10,111,863
Statutory income tax rate of 25% (2021: 25%)	2,678,179	2,527,966
Non- deductible expenses for tax purposes	3,196,624	358,640
Effect on non-chargeable income	(134,347)	(109,544)
Effect on capital allowance utilised	(916,609)	(764,111)
Change in recognised temporary differences	(2,487,409)	(1,041,522)
Income tax reported in the statement of profit or loss	2,336,437	971,429
Effective tax rate	21.81	9.61

iii. Current Corporate Tax account

Year of Assessment	Balance as at Jan 1	(Over) / Under Prov. In Prior Years	Payments During the Year	Provision for the Year	Balance as at Dec 31
	GHS	GHS	GHS	GHS	GHS
2019	1,581,662	(1,581,662)	(500,000)	485,182	(14,818)
2020	(14,818)	-	(2,300,000)	3,763,254	1,448,436
2021	1,448,436		(3,049,958)	3,566,828	1,965,306
2022	1,965,306	-	(4,475,610)	4,823,846	2,313,542

	2022	2021
	GHC	GHC
iv. The movement on the deferred tax account is as follows:		
Balance at January 1	(1,255,780)	(214,258)
Origination / reversal of temporary differences:		
recognised in the statement of profit or loss (Note 16 i)	(2,487,409)	(1,041,522)
Balance at December 31	(3,743,189)	(1,255,780)
v. Recognised deferred tax liabilities and assets are as follows:		
Deferred tax assets	(5,409,770)	(2,883,096)
Deferred tax liability	1,666,581	1,627,316
Net Deferred Tax Assets	(3,743,189)	(1,255,780)

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
17. CASH & BALANCES WITH ARB APEX BANK		
Cash on Hand	25,195,846	18,578,842
Balances with ARB Apex Bank – Current	3,958,250	1,618,496
– 5% Apex Deposit	22,952,581	19,445,781
91 Days T. Bills	119,802,344	132,006
ACOD	-	2,500,000
	171,909,021	42,275,125

The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS 22,952,581 (2021: GHS 19,445,781) which is not available for use in the Bank's day to day operations. Cash on Hand and Balances with ARB Apex Bank are non-interest bearing.

18. BALANCES WITH OTHER BANKS		
GCB Bank	1,013,618	556,004
Zenith Bank and Other Banks	1,065,828	9,483,529
	2,079,446	10,039,533

19. NON - PLEDGED TRADING ASSETS		
These are made up of:		
– Fees		
Government Securities (T. Bills/Bonds)	250,483,487	222,252,076
Money Placements with Discount Houses	24,525,697	24,525,697
	275,009,184	246,777,773

20. LOANS AND ADVANCES		
(a) Analysis by type of Product		
Overdrafts	14,325,893	14,546,436
Loans	159,057,849	150,873,340
	173,383,742	165,419,776
Less: Impairment charge	(18,999,067)	(10,120,130)
	154,384,675	155,299,646
(b) Analysis by Business Segment		
Agriculture	5,402,412	8,594,812
Transport	2,796,695	3,820,503
Trading	104,056,960	100,938,299

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
Others	61,127,675	52,066,162
	173,383,742	165,419,777
Less: Impairment charge	(18,999,067)	(10,120,130)
	154,384,675	155,299,646
(c) Analysis by Type of Customer	149,843,441	158,113,761
Individuals	23,540,301	7,306,015
Private Enterprise	173,383,742	165,419,776
	(18,999,067)	(10,120,130)
Less: Impairment charge	154,384,675	155,299,646
(d) Impairment Charges /Allowances		
Individual allowances for impairment		
Balance at 1 January	10,120,130	5,813,036
Impairment Charge for the year:	8,878,937	4,307,094
Balance at 31 December	18,999,067	10,120,130
(e) Bank of Ghana Provisions		
Balance at 1 January	10,210,536	5,813,036
Loan Impairment Charge	9,002,874	4,397,500
	19,213,410	10,210,536
21. OTHER ASSET ACCOUNTS		
Interest and Commission Receivable	5,710,359	742,400
Rent Prepaid (Right of Use)	2,495,561	2,824,431
Inter Agency Balance	-	2,025
Office Account	863,710	400,012
Stationery Stock	408,362	242,162
	9,477,992	4,211,030
22. INVESTMENTS (LONG-TERM)		
WERBA Investment	115,293	115,293
Shares in ARB APEX Bank Ltd.	128,859	128,859
	244,152	244,152

24. PROPERTY, PLANT & EQUIPMENT

2022	Land & Building	Motor Vehicle	Office Furniture Equipment	Computers	Safe & Lawn Mower	Generator	Temporal Structure	Solar Energy	Leasehold Property	CWIP	Total
COST	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS
Balance as at 1/1/22	5,482,286	1,707,453	3,753,784	4,442,901	450,170	559,768	292,415	329,638	87,278	4,566,583	21,672,276
Additions during the year		1,276,920	984,924	704,000	162,080		-			2,734,776	5,862,700
Transfer	1,457,670	-	-	30,000	-	-	-	-	-	(2,084,999)	(597,329)
Disposal/Write-Off	(7,287)	-	-	-	(7,400)	-	-	-	-		(14,687)
Balance as at 31/12/22	6,932,669	2,984,373	4,738,708	5,176,901	604,850	559,768	292,415	329,638	87,278	5,216,360	26,922,960
DEPRECIATION											
Balance as at 1/1/22	791,687	621,796	2,445,343	2,060,333	102,537	72,473	97,472	59,880	1,573	-	6,253,094
Charge for the year	140,129	570,814	554,914	762,971	84,089	143,535	58,483	85,928	1,746	-	2,402,608
Disposal	(7,287)	-	-	-	(6,750)	-	-	-	-	-	(14,037)
Balance as at 31/12/22	924,529	1,192,610	3,000,257	2,823,303	179,876	216,008	155,955	145,808	3,319	-	8,641,665
NET BOOK VALUE- 31/12/22	6,008,140	1,791,763	1,738,451	2,353,598	424,974	343,760	136,460	183,830	83,959	5,216,360	18,281,295
2021											
COST											
Balance as at 1/1/21	5,295,331	776,974	3,525,026	3,704,811	261,270	471,768	292,415	179,638	85,778	1,990,633	16,583,644
Additions during the year	204,000	930,479	211,713	738,090	188,900	88,000	-	150,000	1,500	2,575,950	5,088,632
Transfer	(17,045)	-	17,045	-	-	-	-	-	-	-	-
Balance as at 31/12/21	5,482,286	1,707,453	3,753,784	4,442,901	450,170	559,768	292,415	329,638	87,278	4,566,583	21,672,276
DEPRECIATION											
Balance as at 1/1/21	660,882	316,936	1,849,627	1,378,933	81,344	39,846	38,989	23,952	1,573	-	4,392,082
Charge for the year	130,805	304,860	595,716	681,400	21,193	32,627	58,483	35,928	-	-	1,861,012
Balance as at 31/12/21	791,687	621,796	2,445,343	2,060,333	102,537	72,473	97,472	59,880	1,573	-	6,253,094
NET BOOK VALUE- 31/12/21	4,690,599	1,085,657	1,308,441	2,382,568	347,633	487,295	194,943	269,758	85,705	4,566,583	15,419,182

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
28. STATED CAPITAL	Number	Number
i) Authorised Ordinary Shares of No Par Value	100,000,000	100,000,000
ii) Issued Ordinary Shares of No Par Value	43,631,539	34,775,719
	GHS	GHS
iii) Proceeds Issued for Cash–Ordinary Shares	6,851,807	5,080,643
iv) Transfer from Income Surplus /Retained Earnings	1,650,696	1,650,696
	8,502,503	6,731,339
v) There is no unpaid Liability on any share and there is no share in Treasury.		
29. STATUTORY RESERVE FUND		
Balance at 1 January	8,936,927	7,988,607
Add: Transfer from Retained Profits	1,047,035	948,320
Balance as at 31 December	9,983,962	8,936,927

Under Section 34 (1) of the Banks and Specialized Deposit Taking Act 2016 (Act 930) the Bank has transferred the prescribed portion of 12.5% of the net profit for the year to Statutory Reserve Fund. The movement is included in the statement of changes in equity.

30. CREDIT RISK RESERVE		
Balance at 1 January	90,406	1,238,798
Add: Movement for the year	123,937	(1,148,392)
Balance as at 31 December	214,343	90,406

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

31. RETAINED EARNINGS ACCOUNT		
Balance as at 1 January	23,013,545	15,518,709
Profit for the year transferred from Statement of Comprehensive Income	8,376,277	7,586,557
	31,389,822	23,105,266

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
Transfers to:		
Statutory Reserve Fund	(1,047,035)	(948,320)
Community Development Fund	(418,814)	(694,191)
Scholarship Fund	(418,814)	(379,328)
Staff Fund	(418,814)	(694,191)
Building Fund	2,862,894	(1,000,000)
Anniversary Fund	-	(200,000)
University Project Fund	(586,339)	(1,160,785)
Credit Risk Reserve	(123,937)	1,148,392
Dividend Paid	(2,070,007)	-
Funds Utilization	1,075,301	3,836,702
Balance as at 31st December	30,244,257	23,013,545

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

32. COMMUNITY DEVELOPMENT FUND		
Balance as at 1 January	489,077	195,795
Transfer from Retained Earnings	418,814	694,191
	907,891	889,986
Utilization during the year	(289,216)	(400,909)
	618,675	489,077
33. STAFF FUND		
Balance as at 1 January	438,636	117,970
Transfer from Retained Earnings	418,814	694,191
	857,450	812,161
Utilization during the year	(254,541)	(373,525)
	602,909	438,636

This represents portion of Retained Earnings set aside for Development projects

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
34. BUILDING FUND		
Balance as at 1 January	2,862,894	2,804,644
Transfer from Retained Earnings	-	1,000,000
	2,862,894	3,804,644
Transfer from Retained Earnings	(2,862,894)	(941,750)
	-	2,862,894

This represents portion of Retained Earnings set aside for Development projects

35. SCHOLARSHIP FUND		
Balance as at 1 January	937,852	558,524
Transfer from Retained Earnings	418,814	379,328
	1,356,666	937,852
Utilization during the year	-	-
	1,356,666	937,852

This represents portion of Retained Earnings set aside for Development projects

36. ANNIVERSARY FUND		
Balance as at 1 January	-	797,200
Transfer from Retained Earnings	-	200,000
	-	997,200
Utilization during the year	-	(997,200)
	-	-

37. UNIVERSITY PROJECT FUND		
Balance as at 1 January	532,266	494,799
Transfer from Retained Earnings	586,339	1,160,785
	1,118,605	1,655,584
Utilization during the year	(531,544)	(1,123,318)
	587,061	532,266

This represents portion of Retained Earnings set aside for Development projects

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

	2022	2021
	GHC	GHC
38. IMPAIRED INVESTMENT FUND		
Balance as at 1 January	2,889,013	
Transfer from Retained Earnings	-	2,889,013
	2,889,013	2,889,013
Utilization during the year	-	-
	2,889,013	2,889,013
39. EARNINGS PER SHARE		

The calculation of Basic and Diluted earnings per share at 31 December 2022, was based on the profit attributable to ordinary shareholders of GHS 8,376,277 (2021: GHS 7,586,557) and number of ordinary shares of 43,631,539 (2021: 34,775,719), calculated as follows:

Profit attributable to ordinary shareholders		
Net Profit for the period attributable to equity holders	8,376,277	7,586,557
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	34,775,719	32,402,370
Effect of shares issued as at 31 December	8,855,820	2,373,349
Number of ordinary shares at 31 December	43,631,539	34,775,719
Basic and Diluted Earnings per Share	0.192	0.218

There are no potentially dilutive shares outstanding at 31 December 2022. Dilutive earnings per share are therefore the same as the basic earnings per share.

40. DIVIDEND PER SHARE

At the Annual General Meeting to be held in 2023, the directors do not recommend the payment of dividend for the year ended 31 December, 2022 (2021: GHS 2,070,007) There is no tax consequence since no dividend will be declared.

41. COMMITMENTS

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

42. CONTINGENT LIABILITIES

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

43. RELATED PARTY TRANSACTIONS AND BALANCES

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

a. Loans to Directors and Connected Persons

	2022	2021
	GHS	GHS
Loans outstanding as 1 Jan	8,055,490	5,863,415
Loans granted during the year	---	3,000,000
Loans repayment during the year	(4,149,996)	(807,925)
Loans outstanding as 31st Dec	3,905,494	8,055,490

The loans to directors and key management personnel are repayable from various cycles ranging from monthly to annually over the tenor and have average interest rates of 30%.

b. Loans to Key Management Staff and connected persons

	2022	2021
	GHS	GHS
Loans outstanding as 1 Jan	1,984,963	1,984,963
Loans granted during the year	1,990,271	1,644,305
Loans repayment during the year	(655,476)	(285,722)
Loans outstanding as 31st Dec	3,319,758	3,343,546

c. Key management personnel and directors emoluments

	2022	2021
	GHS	GHS
Directors Emoluments Fees	196,500	172,250
Directors Sitting Expenses	1,041,546	894,759
Directors Transportation	258,597	212,230
Board Meeting Expenses	56,844	24,717
Key Management Salaries	2,364,951	2,176,257

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

44. FINANCIAL RISK MANAGEMENT

Introduction and overview

An organization may be exposed to different types of financial risks depending on the size and complexity of business activities. Amenfiman Rural Bank PLC, however, is generally exposed to:

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

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

Risk Management Framework

The Board of Directors and Senior Management have developed and established policies and procedures to facilitate effective risk management. These policies and procedures provide guidance on risk appetite/tolerance limit, risk identification, monitoring and control and adherence to set risk limits. The risk management policies and procedures are continually reviewed to reflect changes in economic and financial landscape as well as products and services offered.

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

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

a. Credit Risk Management

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

Credit Risk stems from outright default due to inability or unwillingness of a client or counterpart to meet commitments in relation to lending, trading settlement and other financial transaction. Resultant losses may result in reduction in receivables portfolio value due to the actual or perceived deterioration in those receivables portfolio quality.

The Bank has established credit policies under which new customers are assessed for credit worthiness before credit is extended to them.

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

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

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

Managing problems of Loans and Advances

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

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

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

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

		2022		2021	
		Gross Amt GHS	Impairment GHS	Gross Amt GHS	Impairment GHS
Current	0 – 30	153,529,642	-	151,914,927	3,251,794
OLEM	30 – 90	1,983,492	2,264,745	2,959,480	295,948
Sub-standard	91 – 180	7,852,611	593,711	3,311,424	827,856
Doubtful	181 – 360	8,744,185	4,083,667	2,514,144	1,257,072
Loss	Over 360	1,273,812	12,271,287	4,719,801	4,719,801
		173,383,742	19,213,410	165,419,776	10,352,473

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

Provisioning for Loans and Advances

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

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

Exposure to credit risk

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

	2022	2021
	GHS	GHS
Cash and Balances with Other Banks	173,988,467	52,314,658
Non – Pledged Trading Assets	275,009,184	246,777,773
Loans and advances	154,384,675	155,299,646
Other assets Account	9,477,992	4,211,030
	612,860,318	458,603,107

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

AT 31ST DECEMBER, 2022, THE BANK'S FINANCIAL ASSETS WERE CATEGORIZED UNDER IFRS 9 AS FOLLOWS:

STAGE 1 – At initial recognition Performing

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

STAGE 3 – Credit Impaired – Non- Performing

2022	STAGE 1	STAGE 2	STAGE 3	TOTAL
	GHS	GHS	GHS	GHS
Cash and Cash Equivalentents	173,988,467	-	-	173,988,467
Non – Pledged Trading Assets	275,009,184	-	-	275,009,184
Investment other than securities	244,152	-	-	244,152
Loans and Advances to Customers	146,723,885	8,217,774	18,442,082	173,383,742
Other Assets (Less Prepayments)	6,982,431	-	-	6,982,431
Gross Carrying Amount	602,948,119	8,217,774	18,442,082	629,607,976
Loss Allowances	(287,696)	(1,243,810)	(8,588,624)	(10,120,130)
Net Carrying Amount	602,660,423	6,973,964	9,853,458	619,487,846

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

2021

	STAGE 1	STAGE 2	STAGE 3	TOTAL
	GHS	GHS	GHS	GHS
Cash and Cash Equivalents	52,314,658	-	-	52,314,658
Non - Pledged Trading Assets	246,777,773	-	-	246,777,773
Investment other than securities	244,152	-	-	244,152
Loans and Advances to Customers	100,815,943	21,554,203	43,049,630	165,419,776
Other Assets (Less Prepayments)	1,386,599	-	-	1,386,599
Gross Carrying Amount	401,539,125	21,554,203	43,049,630	466,142,958
Loss Allowances	(287,696)	(1,243,810)	(8,588,624)	(10,120,130)
Net Carrying Amount	401,251,429	20,310,393	34,461,006	456,022,828

Impaired loans and Securities

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

Loans with renegotiated terms

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

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

Allowances for Impairment

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

Write-off Policy

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

Collateral of Impaired exposures

The Bank holds collateral against loans and advances to customers in the form of cash deposits, mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral is not normally held for loans and advances to Bank, when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2022 and 2021. An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. It must, however, be noted that collateral values of impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans & Advances to Customers	Loans & Advances to Customers
	2022	2022
	GHS	GHS
Cash and Near Cash Instruments	18,977,176	11,971,048

Repossessed Assets

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

	2022	2021
	GHS	GHS
Agriculture	5,402,412	8,594,812
Transport	2,796,695	3,820,503
Trading	104,056,960	100,938,299
Others	61,127,675	52,066,162
	173,383,742	165,419,776
Credit Impairment Loss	(18,999,067)	(10,120,130)
	154,384,675	155,299,646

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

b. Liquidity Risk

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

Management of Liquidity Risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses that will damage to the Bank's reputation. The Head office receives information from other branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Head office then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through short-term loans from Head Office to cover any short-term fluctuations and longer-term funding to address any structural liquidity requirements. When an operating branch is subject to a liquidity limit, it manages the regulatory limit in co-ordination with Head Office, Head Office monitors compliance of branches with local regulatory limits on a daily basis. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Finance and operation committee. Daily reports cover the liquidity position of the Bank. A summary report, including any exceptions and remedial action taken, is submitted regularly to the finance and operations committee.

Exposure to Liquidity Risk

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

	2022	2021
	%	%
At 31 December	76.18	69.60
Average for the period	68.03	79.73
Maximum for the period	76.18	89.87
Minimum for the period	62.87	66.33

c. Market risk

Market risk represents the risk exposures the Bank has in relation to instruments whose value vary with the level of interest rates. These include investments, debt securities, and borrowings.

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

The Bank's exposure to the risk of changes in market interest rates relates primarily to its long-term borrowings with floating interest rates. All of its borrowings are at floating interest rates. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

Management of Market Risk

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

Exposure to market risk – trading portfolios

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

- A 10-day holding period assumes that it is possible to hedge or dispose of positions within that period. This is considered to be a realistic assumption in almost all cases but may not be the case in situations in which there is severe market illiquidity for a prolonged period.
- A 99 percent confidence level does not reflect losses that may occur beyond this level. Even within the model used there is a one percent probability that losses could exceed the VaR.
- VaR is calculated on an end-of-day basis and does not reflect exposures that may arise on positions during the trading day.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent upon the Bank's position and the volatility of market prices. The VaR of an unchanged position reduces if the market price volatility declines and vice versa.

The Bank uses VaR limits for total market risk, interest rate, equity and other price risks. The overall structure of VaR limits is subject to review and approval by credit and marketing committee. VaR limits are allocated to trading portfolios. VaR is measured at least daily and more regularly for more actively traded portfolios.

Daily reports of utilisation of VaR limits are submitted to Bank risk and regular summaries are submitted to the credit and marketing committee.

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands.

The credit and marketing committee is the monitoring body for compliance with these limits and is assisted by finance and operations department in its day-to-day monitoring activities. The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) fall or rise in all financial market interest rates. Overall non-trading interest rate risk positions are managed by Central Treasury, which uses investment securities, advances to banks, deposits from banks and derivative instruments to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risks – non-trading portfolios

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

d. Operational risk

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

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

e. Compliance and regulatory risk

In order to strengthen the Bank's compliance with regulatory requirements, the Bank

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

organises series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimise risk emanating therefrom.

f. Legal risk

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

g. Reputational risk

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

h. Capital Risk Management

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

This objective will be to ensure that at any time, the Stated Capital requirement by the Bank of Ghana would be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of the Bank of Ghana. This will be achieved by maintaining an appropriate level of profits to meet these expected Capital increases by the Bank of Ghana.

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing the current capital requirement, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analyzed as follows:

Tier 1 Capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by an appropriation of after-tax retained earnings/surplus, retained profits, and general statutory reserves and do not include regulatory credit risk reserve.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor, and market confidence, and to sustain the future development of the business. The impact of the

The Level of Capital Adequacy

	2022	2021
	GHS	GHS
Paid Capital	8,502,503	6,731,339
Disclosed Reserves	46,282,543	40,100,210
Permanent Preference Shares	13	13
Tier 1 Capital	54,785,059	46,831,562
Investments in the capital of other Banks	(244,152)	(244,152)
Revaluation Reserves	-	-
Tier 2 Capital	54,540,907	46,587,410

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

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 complied with the statutory capital requirements throughout the period. There have been no material changes in the Bank's management of capital during this period.

45. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Fair values

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

	Carrying amount		Fair Value	
	Dec. 31	Dec. 31	Dec. 31	Dec. 31
	2022	2021	2021	2020
	GHS	GHS	GHS	GHS
FINANCIAL ASSETS				
Cash and Balances with Other Banks	173,988,467	52,314,658	173,988,467	52,314,658
Non-Pledged Trading Assets	275,009,184	246,777,773	275,009,184	246,777,773
Loans and advances	154,384,675	155,299,646	154,384,675	155,299,646
Other assets	9,477,992	4,211,030	9,477,992	4,211,030
TOTAL	612,860,318	458,603,107	612,860,318	458,603,107
FINANCIAL LIABILITIES				
Current Accounts	116,553,472	66,995,510	116,553,472	66,995,510
Savings Accounts	358,778,458	251,817,520	358,778,458	251,817,520
Time Deposits	80,032,919	82,648,772	80,032,919	82,648,772
Other Deposits	1,808,315	337,500	1,808,315	337,500
Interest Payable and Other Liabilities	15,922,510	10,144,876	15,922,510	10,144,876
Due to Other Financial Institutions	5,000,000	15,000,000	5,000,000	15,000,000
Total	578,095,674	426,944,178	578,095,674	426,944,178

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

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

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Bank based on parameters such as interest rates. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at December 31, 2022, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

46. FAIR VALUE HIERARCHY

As at 31 December 2022 the Bank held the following financial instruments carried at fair value on the statement of financial position: The bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

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

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

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

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

2022	Total	Level 1	Level 2	Level 3
	GHS	GHS	GHS	GHS
FINANCIAL ASSETS				
Cash and Balances with Other Banks	173,988,467	-	173,988,467	-
Non - Pledged Trading Assets	275,009,184	-	275,009,184	-
Loans and advances	154,384,675	-	154,384,675	-
Other Assets Account	9,477,991	-	9,477,991	-
TOTAL	612,860,317	-	612,860,317	-
FINANCIAL LIABILITIES				
Financial Liabilities				
Current Accounts	116,553,472	-	116,553,472	-
Savings Accounts	358,778,458	-	358,778,458	-
Time Deposits	80,032,919	-	80,032,919	-
Other Deposits	1,808,315	-	1,808,315	-
Interest Payable and Other Liabilities	15,922,510	-	15,922,510	-
Due to Other Financial Institutions	5,000,000	-	5,000,000	-
Total	578,095,674	-	578,095,674	-

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

NOTES TO THE FINANCIAL STATEMENT

Year Ended 31st December, 2022

46. VALUE ADDED STATEMENT

	2022	2021
	GHS	GHS
Interest earned and other operating income	118,064,520	93,980,749
Direct cost service	(49,670,193)	(45,352,427)
Value added by banking services	68,394,327	48,628,322
Non-banking services	2,487,409	1,041,522
Specific Bad Debt	(7,379,514)	-
Impairments on Financial Assets	(8,878,937)	(5,946,228)
Value added	54,623,285	43,723,616
Distributed as follows:		
To Employees:		
Directors (without executives)	196,500	172,250
Executive directors		
Other employees	38,788,393	30,501,309
To Government:		
Income Tax	4,823,846	3,566,828
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	2,402,608	1,861,012
Amortisation - Software	35,661	35,661
Retained earnings	8,376,277	7,586,557
	54,623,285	43,723,616

NOTES TO THE FINANCIAL STATEMENT

Analysis of shareholdings as Ended 31st December, 2022

NUMBER OF SHAREHOLDERS

The Bank had eight thousand, one hundred and eleven (8,111) Ordinary shareholders as at 31st December 2022 distributed as follows;

SHAREHOLDING CLASSIFICATION

CATEGORY	Number of Holders	Number of Shares	Percentage
1 - 1000	6,420	1,231,816	2.82%
1001 - 5000	1,027	2,740,598	6.28%
5001 - 10000	246	1,996,725	4.58%
Over 10000	418	37,662,400	86.32%
TOTAL:	8,111	43,631,539	100.00%

DIRECTORS' SHAREHOLDING

	Name of Director	Number of Shares	Percentage
1	Dr. Tony Aubynn	409,244	0.91
2	Mr. Moses Ampong	166,422	0.37
3	Mr. Justice Anthony Quaidoo	173,894	0.38
4	Dr. Lucas Nana Wiredu Damoah	115,653	0.26
5	Mr. Edmund Afful	55,308	0.12
6	Lawyer Rosemary Boakye Yiadom	47,000	0.10
7	Mr. Michael Beekye	37,296	0.08
	TOTAL	1,004,817	2.22

NOTES TO THE FINANCIAL STATEMENT

Analysis of shareholdings as Ended 31st December, 2022

DIRECTORS' SHAREHOLDING

	Name Of Shareholder	Number of Shares	Percentage %
1	Nartey Desmond Afutu	2,242,978	4.97
2	Anthony Peter Amissah	1,623,792	3.6
3	Wasa Amenfi Traditional Council	1,245,436	2.76
4	Wasa Amenfi Dist Assembly	1,189,138	2.63
5	Dadzie Samuel	1,112,927	2.47
6	Essien Vincent Blaychie	888,000	1.97
7	Martha Buabin	827,842	1.83
8	Adei Stephen	816,544	1.81
9	Ofori Nicholas Yaw	762,062	1.69
10	Nartey Sophie	623,198	1.38
11	Agyapomah Ernestina Dwamena	621,600	1.38
12	Agyeman Aboagye Abraham	532,715	1.18
13	Dennis Mensah Nkrumah	513,110	1.14
14	Nsenkyire Richard	500,000	1.11
15	Aduana Family	500,000	1.11
16	Aggrey Kakraba Charles	500,000	1.11
17	Banao Abdul-Karim	500,000	1.11
18	Fordjour Kwaku Minka	445,591	0.99
19	Aubynn Kwesi Anthony	409,244	0.91
20	Michael Oppong Mensah	328,560	0.73
	Reported Totals	16,182,737	35.88
	Unreported Totals	27,448,802	64.12
	Totals	43,631,539	100

SCHEDULE TO STATEMENT OF COMPREHENSIVE INCOME FOR Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
PERSONNEL COST		
Salaries and Wages	28,095,842	20,742,373
Social Security Contribution	2,114,792	1,742,301
Provident Fund Contribution	1,058,958	819,189
Medical/Welfare Expenses	407,897	601,203
Staff Training Expenses	853,656	858,586
Staff Gratuity	254,541	373,525
Annual Bonus	3,780,454	4,082,985
Funerals & Staff Clothing	2,222,253	1,281,147
	38,788,393	30,501,309
OCCUPANCY COST		
Repairs and Maintenance	334,981	375,513
Rent	743,603	905,063
Electricity and Water	1,105,327	1,063,959
Generator Running	385,810	295,256
Security Expenses	2,383,259	1,853,374
Sanitation & Cleaning Expenses	1,160,748	1,073,549
	6,113,728	5,566,714
GENERAL & ADMINISTRATION EXPENSES		
Travelling and Transport	1,379,048	1,345,822
Printing and Stationery	637,984	480,907
Hospitality to Guest & Protocol Expenses	1,981,799	1,474,194
Micro Finance	6,344	6,567
Board Meeting Expenses	56,844	24,717
Directors Fees	196,500	172,250
Specie Movement Expenses	194,290	139,996
Deposit Mobilisation Programme	1,841,757	1,758,526
Audit Fees	80,000	61,000
Vat on Audit Fees	17,520	11,743
Internal Audit Expenses	136,110	126,800
Office Expenses	3,034,930	2,730,958
Insurance	1,828,149	1,451,872
Postages and Telecommunications	362,343	201,303

SCHEDULE TO STATEMENT OF COMPREHENSIVE INCOME FOR Year Ended 31st December, 2022

	2022	2021
	GH¢	GH¢
Defalcation	-	218,933
Motor Vehicle Running Expenses	3,892,448	1,935,869
Legal Expenses	542,532	599,589
Newspapers, Subscriptions and Periodicals	163,730	126,382
Bank Charges	472,588	337,737
SFC	223,590	106,988
Advertising and Publicity	1,030,876	557,356
Annual General Meeting Expenses	380,355	664,749
Motor Vehicle Repairs and Maintenance	984,010	967,789
Directors Transportation	258,597	212,230
Directors Sitting Expenses	1,041,546	894,759
Tax Consultancy and Professional charges	15,000	10,000
Social Responsibility	820,760	2,521,427
Computerization Expenses	1,659,727	1,162,396
	23,239,377	20,302,859
TOTAL OPERATING EXPENSES	68,141,498	56,370,882



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CSR projects



Donated farm inputs to MDAs in the catchment areas towards the Farmers Day Celebration at a cost of GHC 92,180



Renovated Amenfiman Senior High School at a cost of GHC 93,000.00



Donated Refrigerator at the cost of GHC 4,000.00 to Sefwi Wiawso Educational Directorate – GES



Donated drinks at the cost of GHC 4,000.00 as refreshment towards the Independence Day Celebration



Donated an amount of GHC 3,000.00 towards GNAT Conference



Donated GHC 10,000.00 towards the treatment of Hole – In – Heat Patient



Cement Bag Donation to Amenfi West Health Directorate



Donation to Asankrangwa Nursing Training College IRO Painting and Restoration work



AMENFIMAN RURAL BANK PLC

Iof
.....being a
Member of the above-named Company hereby appoint of
..... as
my proxy to vote for me on my behalf at the Annual General Meeting of the
Company to be held on 24th June, 2023 and at any adjournment thereof.
Signed this Day of 2023.

This form is to be used:

RESOLUTION	FOR	AGAINST
To receive the 2022 Financial Statements and the Report of the Directors and Auditors thereon		
To authorise the Directors to fix the remuneration of the Auditors		
To approve the remuneration of Directors		
To (re) elect Directors in place of those retiring by rotation		

.....
.....
.....

Unless otherwise instructed, the proxy will vote as he/she thinks fit.

*Strike out whichever is not desired.



NOTES



NOTES

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AMENFIMAN RURAL BANK PLC

AMERB EDUFINANCE LOAN



School Improvement loan

Amerb School Improvement loan is an all-inclusive financial solution tailor made for private schools in the country.

For a major school projects such as:

- Building of New School Block.
- School Libraries and Laboratory.
- Purchase of School Bus.
- Purchase of School Supplies.
- Payment of Staff Salaries During Vac.
- And Many More....



School Fees Loan

Amerb School Fees loan is focused on parents or guardian whose ward is in a private school or tertiary in Ghana.

We offer a wide range of solutions to cater and aid them:

- Pay School Fees.
- Buy Stationary for Wards..
- Boarding Accomodation.
- All Other School Related Expenses.



Teacher Loan

Amerb Teacher Loan is special loan product designed for private school teachers to support them to further their education and upgrade themselves.

We offer a wide range of solutions to cater:

- Payment of Fees.
- Buying of Stationery.
- Other Business Purpose/Need.

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