

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
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AHANTAMAN RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER, 2021

BASIC INFORMATION

DATE OF INCORPORATION:	03-Oct-83
DATE OF COMMENCEMENT	23-Nov-84
OLD REGISTRATION NUMBER:	C-23,018
NEW REGISTRATION NUMBER:	PL000322017
DATE LICENCE WAS ISSUED:	12-Mar-85
BANK OF GHANA LICENCE NUMBER	110
OLD TIN	365B000002
NEW TIN	C0009043063

BOARD OF DIRECTORS:

		From	To
CHAIRMAN:	MR. VINCENT BLAYCHIE ESSIEN	1-Jan-21	30-Oct-21
CHAIRMAN:	MR. ERIC DANING	31-Oct-21	31-Dec-21
VICE CHAIRMAN:	MR. ERIC DANING	1-Jan-21	30-Oct-21
VICE CHAIRMAN:	MS. ELIZABETH OBENG	31-Oct-21	31-Dec-21
MEMBER/SECRETARY:	HON. EBENEZER KOJO KUM	1-Jan-21	31-Dec-21
MEMBER:	DR. DOLF KOFI BADU SUTHERLAND	1-Jan-21	31-Dec-21
MEMBER:	MS. ELIZABETH OBENG	1-Jan-21	30-Oct-21
MEMBER:	HON. SAMUEL JOHNFIAH	1-Jan-21	31-Dec-21
MEMBER:	MR. ANTHONY PETER AMISSAH	1-Jan-21	31-Dec-21
MEMBER:	MR. JOHN PAPA EKOW MENSAH-WOODE	1-Jan-21	31-Dec-21
MEMBER:	RT. REV. DANIEL DEGRAFT BRACE	1-Jan-21	31-Dec-21
CHIEF EXECUTIVE OFFICER	MR. BENJAMIN AFFUL-ESHUN	1-Jan-21	31-Dec-21

BRANCH NETWORK

AGONA	KOJOKROM	AGONA MARKET
ABURA	HOLY CHILD	ACCRA STATION (TKDI)
APOWA	NSUAEM	EFFIA
ANAJI	SEKONDI	ADUM BANSO
AXIM	TAKORADI	TWIFO PRASO
KWESIMINTSIM	TARKWA	AIYINASE

CLEARING BANK: ARB APEX BANK, TAKORADI

REGISTERED OFFICE:

AHANTAMAN RURAL BANK PLC PREMISES
DIGITAL ADDRESS: WH-0003-4456
P. O. BOX AA 41
AGONA AHANTA

EMAIL ADDRESS

info@ahantamanbank.com.gh

WEBSITE

www.ahantamanbank.com.gh

AUDITORS:

ASAMOA BONSU & CO,
CHARTERED ACCOUNTANTS,
56 (e146/10) ORGLE ROAD,
KANESHIE.
P. O. BOX AN-7751,
ACCRA.

SOLICITORS:

KENDICKS LAW FIRM (LAWYERS, CONSULTANTS & NOTARY PUBLIC)
22/8 OLD JOHN SARBAH ROAD
P. O. BOX 1656, TAKORADI

AHANTAMAN RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER, 2021

DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the audited Financial Statements of the Bank for the year ended 31st December, 2021 and report thereon as follows:

DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position as at 31st December, 2021, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies' Act, 2019, (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act 2020, (Act 1044)

The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, making accounting estimates that are reasonable in the circumstances.

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

FINANCIAL STATEMENTS AND DIVIDEND

The results are summarised as follows:

	2021 GH¢	2020 GH¢
Profit for Year, after Taxation, ended 31st December,	4,455,839	1,970,498
Opening Retained Earnings brought forward of	4,106,610	2,472,657
	4,106,610	2,472,657
Transfers From/(to)/Dividend Payable		
Other Reserves	-	-
Stated Capital	-	-
Reserve Fund	(1,113,960)	(544,651)
Credit Risk Reserve	-	-
	(1,113,960)	(544,651)
Leaving the balance Retained Earnings carried forward of	7,448,489	3,898,504
TOTAL ASSETS	166,019,417	139,186,429

In accordance with Section 139 of the Companies Act, 2019, (Act 992), the Auditors, Messrs' Asamoah Bonsu & Co. continue in office as auditors of the Bank.

The Directors recommend the payment of dividend of GH¢0.080 per share totalling GH¢2,714,278 in respect of the year ended 31st December, 2021 (2020: GH¢0.040: GH¢1,348,335). Bank of Ghana did not approve 2020 recommended dividend.

NATURE OF BUSINESS

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

There was no change in the activities of the Bank.

THE LIQUIDATION OF THE ONE HUNDRED PERCENT OWNED SUBSIDIARY, AHANTAMAN TRADING COMPANY LIMITED

The Bank has completed the liquidation of the above-named subsidiary. Full provision has been made for taxation and any adjustment that might arise in respect of the provision for taxation will be made subsequently in 2022, upon the agreement of the tax after the tax audit has been completed by Ghana Revenue Authority.

COMPARATIVE FIGURES

The comparative figures for year ending December 31, 2020 in the Financial Statements refer to the Bank's and not the Group's as the fully owned subsidiary has been liquidated and that the subsidiary no more exists. The figures for the financial year ending December 31, 2021 are those of only the Bank but it includes the Liquidation Surplus after Taxation.

APPROVAL OF THE FINANCIAL STATEMENTS

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

Directors' Assessment of the State of the Bank's Affairs

The Bank has put in place strategies to meet the Financial Reporting Guidelines on Bank's Financial Statement ending December 31, 2021. This is a requirement as directed and published in the 'Guide for Financial Publication for Banks & BOG Licensed Financial Institutions for all Financial Statements ending December 31, 2016.

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

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER

There was no transaction with potential conflict of interest situation requiring entry in the Interests Register.

CORPORATE SOCIAL RESPONSIBILITY

The following expenses were incurred in respect of corporate social responsibility in the course of the year.


	2021	2020
	GH¢	GH¢
Ahanta West Health Directorate - COVID-19	-	35,950
Traditional Authorities	-	1,000
Laptop donated to Ahanta Language Project	-	2,000
Educational Scholarship	114,000	75,000
Medical Support	20,500	10,000
Farmers Day	13,100	-
Sundry Donation	6,800	-
TOTAL	154,400	123,950

AUDIT FEES

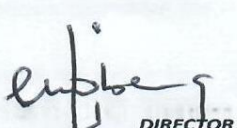
Audit fees payable amounts to Thirty-Two Thousand Ghana Cedis (GH¢32,000) inclusive of taxes.

STEPS TAKEN TO BUILD THE CAPACITY OF DIRECTORS

Directors undertook the following trainings during the year: AML/CFT; Investment Appraisal Guidelines for RCBs; Group Lending Methodology and Practices; Bank of Ghana Risk Management Guidelines for RCBs; Administrative Law in Banking.



DIRECTOR
ERIC DANING
AGONA-NKWANTA
JANUARY 21, 2022



DIRECTOR
ELIZABETH OBENG (MS)

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

We have audited the Financial Statements of Ahantaman Rural Bank Plc, which comprise the Statement of Financial Position as at 31st December, 2021, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, which include a summary of significant accounting policies as set on pages 11 to 25.

Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Bank as at 31st December, 2021, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of the Companies' Act, 2019 (Act 992) and Anti-Money Laundering Act, 2020 (Act 1044).

Basis of Opinion

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

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

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

Key Audit Matters

The Bank is engaged in training to ensure full compliance with Bank of Ghana Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), and Anti-Money Laundering Act, 2020, (Act 1044) and the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance 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 a 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 management.
- Conclude on the appropriateness of Management's 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Bank to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

We communicate with Management and 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.

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

Report on other Legal and Regulatory Requirements

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

- We have obtained all the information and explanations which we considered necessary for the performance of the audit.
- In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- The Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit or Loss Account) of the Bank are in agreement with the books of account.
- In compliance with section 143 of the Companies Act, 2019, (Act 992), we are independent of the Bank.

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

- 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;
- We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
- The Bank's and its subsidiary's transactions were within its powers; and
- The Bank has complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Anti-Money Laundering Act, 2008, (Act 749) (AML), 2020, (Act 1044) and Anti-Terrorism Act, 2008, (Act 762).

kofi kusi asamoah-bonsu (icag/p/1479)

KUMASI Jan 21st 2022

Asamoah Bonsu & Co.
asamoah bonsu & co.(ICAG/F/2022/155)
chartered accountants
56 (e146/10) orgle road, kaneshie
p. o. box an-7751
accra

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
STATEMENT OF FINANCIAL POSITION

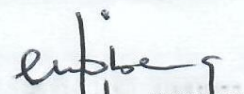
ASSETS

	<u>NOTES</u>	2021	2020
		<u>GHC</u>	<u>GHC</u>
<u>CURRENT ASSETS</u>			
Cash and Short-Term Funds	12	20,693,883	14,076,799
Short-Term Investments	13	85,291,613	78,057,383
Advances	14	49,685,290	37,762,544
Inventories	15	125,086	120,186
Investment Securities	17	284,952	394,952
Other Assets	16	1,352,958	1,777,241
		157,433,782	132,189,105
<u>NON CURRENT ASSETS</u>			
Intangibles	26	71,245	189,975
Property, Plant and Equipment	27	8,514,390	6,807,350
TOTAL ASSETS		166,019,417	139,186,429
<u>LIABILITIES AND SHAREHOLDERS FUNDS</u>			
Deposits and Current Accounts	19	143,303,446	120,681,905
Other Liabilities	20	3,577,830	3,995,490
Taxation	18	660,734	560,266
Deferred Taxation	18	319,652	321,897
Borrowings	18	-	-
		147,861,663	125,559,558
FINANCED AS FOLLOWS:			
Stated Capital	21	5,745,516	5,670,472
Revaluation Surplus		42,590	42,590
Other Reserves		-	-
Retained Earnings		7,448,489	4,106,610
Credit Risk Reserve		431,855	431,855
Reserve Fund		4,489,303	3,375,344
Shareholders Fund		18,157,753	13,626,871
TOTAL LIABILITIES AND SHAREHOLDERS FUND		166,019,417	139,186,429

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



DIRECTOR
ERIC DANING



DIRECTOR
ELIZABETH OBENG (MS)

AGONA-NKWANTA
JANUARY 21, 2022

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	2021 GH¢	2020 GH¢
Interest Income	8	32,587,973	23,476,872
Interest Expenses	9	(4,704,111)	(3,930,735)
Net Interest Income		27,883,862	19,546,137
Fees and Commission Income	10	7,151,637	5,573,072
Fees and Commission Expense		-	-
Net Fees and Commission		7,151,637	5,573,072
Other Operating Income		1,085,372	1,510,517
Operating Income		36,120,871	26,629,726
Net Impairment Loss on Financial Assets	28	(2,539,092)	(2,961,561)
Personnel Expenses	25.1	(13,272,891)	(10,091,854)
Depreciation and Amortisation	25.2	(1,278,608)	(1,287,587)
Corporate Social Responsibility	25.3	(154,400)	(95,500)
Directors Remuneration	25.4	(702,088)	(490,727)
Other Expenses	25.5	(11,809,465)	(8,483,706)
		(29,756,543)	(23,410,934)
Profit Before Taxation		6,364,328	3,218,791
Tax Expense		(1,908,489)	(1,040,188)
Net Profit for the Year		4,455,839	2,178,604
OTHER COMPREHENSIVE INCOME			
Revaluation of Property, Plant and Equipment		-	-
Defined Benefit Plan Actuarial Gain/(Loss)		-	-
Other Comprehensive Inc. for the Year (Net of Tax)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Profit attributable to:			
Controlling Equity Holders of the Bank		4,455,839	2,178,604
Non-Controlling Interest		-	-
Profit for the Year		4,455,839	2,178,604
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Total Comprehensive Income for the year		4,455,839	2,178,604
Basic Earnings per Share		0.13336	0.06520

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
STATEMENT OF CHANGES IN EQUITY

2021	Stated Capital	Reserve Fund	Revaluation Surplus	Retained Earnings	Credit Risk Reserve	Other Reserves	Shareholders' Fund
	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Balance b/f	5,670,472	3,375,344	42,590	4,106,610	431,855	-	13,626,871
Total Comp. Profit	-	-	-	4,455,839	-	-	4,455,839
	5,670,472	3,375,344	42,590	8,562,449	431,855	-	18,082,709
Dividend Approved	-	-	-	-	-	-	-
	5,670,472	3,375,344	42,590	8,562,449	431,855	-	18,082,709
Transfers							
Reserve Fund	-	1,113,960	-	(1,113,960)	-	-	-
Credit Risk Reserve	-	-	-	-	-	-	-
	-	1,113,960	-	(1,113,960)	-	-	-
Dividend for Shares	-	-	-	-	-	-	-
Sale of Share	75,044	-	-	-	-	-	75,044
	5,745,516	4,489,303	42,590	7,448,489	431,855	-	18,157,753
2020	Stated Capital	Reserve Fund	Revaluation Surplus	Retained Earnings	Credit Risk Reserve	Other Reserves	Shareholders' Fund
	GHC	GHC	GHC	GHC	GHC	GHC	GHC
Balance b/f	5,627,678	2,830,693	42,590	2,472,657	431,855	-	11,405,472
Total Comp. Income	-	-	-	2,178,604	-	-	2,178,604
	5,627,678	2,830,693	42,590	4,651,261	431,855	-	13,584,076
Dividend	-	-	-	-	-	-	-
	5,627,678	2,830,693	42,590	4,651,261	431,855	-	13,584,076
Transfers							
Reserve Fund	-	544,651	-	(544,651)	-	-	-
Credit Risk Reserve	-	-	-	-	-	-	-
	-	544,651	-	(544,651)	-	-	-
Dividend for Shares	-	-	-	-	-	-	-
	-	544,651	-	(544,651)	-	-	-
Sale of Shares	42,795	-	-	-	-	-	42,795
	5,670,472	3,375,344	42,590	4,106,610	431,855	-	13,626,871

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
STATEMENT OF CASH FLOWS

	2021	2020
	GHC	GHC
Cash Flow from Operating Activities		
Net Profit Before Tax	6,364,328	3,218,791
Credit Risk Reserve	-	-
Bad Debts Written Off	(6,668,453)	40,939
Impairment Loss	2,539,092	2,961,561
Depreciation	1,117,317	1,122,466
Amortisation	161,291	165,121
	3,513,575	7,508,878
(Increase)/Decrease in Advances	(7,649,156)	(4,109,162)
(Increase)/Decrease in Inventories	(4,900)	(137)
(Increase)/Decrease in Other Assets Account	424,282	(385,825)
Increase/(Decrease) in Deposits & Current Accounts	22,621,541	30,255,866
Increase/(Decrease) in Other Liabilities	(417,660)	623,528
Net Changes in Working Capital	14,974,108	26,384,271
Cash Flow from Operating Activities	18,487,683	33,893,149
Tax Paid	(1,810,267)	(633,246)
Net Cash Flow from Operating Activities	16,677,416	33,259,903
Cash Flow from Investing Activities		
Additions		
Proceeds from Disposals of PPE	-	-
Work-In-Progress	(1,549,973)	(12,000)
Intangibles	(42,560)	-
Purchase of Fixed Assets	(1,274,385)	(929,931)
	(2,866,918)	(941,931)
	13,810,498	32,317,972
Financing Activities		
Stated Capital	75,044	42,795
Dividends Paid	(34,227)	(76,232)
Borrowings	-	-
	40,817	(33,438)
Net Inc./(Dec.) in Cash and Cash Equivalent	13,851,315	32,284,534
Opening Cash and Cash Equivalent	92,134,181	59,849,647
Net Inc./(Dec.) in Cash and Cash Equivalent	13,851,315	32,284,534
Closing Cash and Cash Equivalent	105,985,496	92,134,181
Represented by Cash and Cash Equivalents	105,985,496	92,134,181

AHANTAMAN RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED
31ST DECEMBER, 2021
NOTES TO THE FINANCIAL STATEMENTS

1 NATURE OF OWNERSHIP AND OPERATIONS

The Bank was incorporated as a Public Limited Liability Company on 3rd October, 1983 with Registration No. 23018 under the Companies' Act 1963 (Act 179) in Ghana. The Bank was issued with a licence on 12th March, 1985, with Licence No. 110 by Bank of Ghana to operate a business of Banking. The registered address of the Bank is Ahantaman Rural Bank Premises, P. O. Box 41, Agona Nkwanta. The Financial Statements as of year ended 31 December, 2021 comprise the Bank only as its subsidiary, Ahantaman Trading Company Limited has been fully liquidated. The Bank primarily is involved in Rural Banking being Corporate and Retail.

1.1 Functional and Presentational Currency

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

2.0 ACCOUNTING POLICIES

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

2.01 Basis of Accounting

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis. The Bank of Ghana Guideline 'Guide for Financial Publication for Banks and BOG Licensed Financial Institutions' for 2016 and 2018 require certain disclosures to be completely complied with in applicable areas. These guidelines have been complied with and to this extent, the Financial Statements are in compliance with International Financial Reporting Standards, IFRS.

2.02 Revenue Recognition

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

2.03 Interest Income and Expense

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

2.031 Non-Interest Income

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

2.04 Income Tax

Income Tax comprises Current Tax and Deferred Tax.

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

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

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

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

2.05 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

2.051 Categorisation

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

2.052 Date of Recognition

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

2.053 Initial Recognition of Financial Instruments

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

2.054 Subsequent Measurement of Financial Instruments

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

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

Held for Trading

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

Designated at Fair Value through Profit or Loss

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

All equity instruments are measured at fair value.

(b) Financial Assets Measured at Amortised Cost

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

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

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

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

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

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

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

(d) Financial Liabilities

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

2.055 Determination of Fair Value of Financial Instruments

i. Availability of Active Market

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

ii. Non-Availability of Active Market

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

iii. Short-Term Receivables

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

2.056 Offsetting of Financial Instruments

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

2.057 Derecognition of Financial Assets and Liabilities

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

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

2.058 Impairment of Financial Assets

(a) Framework for measuring impairment of Financial Assets .

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

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

(b) Loans and Advances and Amounts due from Banks & other Financial Institutions

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

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

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

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

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

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

2.059 Derecognition of Financial Assets and Liabilities

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

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

2.060 Impairment of Financial Assets

(a) Basis for Measuring impairment of Financial Assets

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

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

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

(c) Other Financial Assets

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

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

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

(d) Derecognition of Financial Assets and Liabilities

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

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

3 Regulatory Credit Risk Reserve

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

4 Property, Plant and Equipment

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

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

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

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

Buildings	5.0%
Branch Development	20.0% ****
Bungalow Furniture & Fittings	20.0%
Office Equipment	25.0%
Motor Vehicles	20.0%
Office Furniture & Fittings	20.0%
Plant and Machinery	25.0%

****Branch Development is for a useful life of 5 years, that is, 20% or the lease year which ever is earliest.

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

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

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

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

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

5 Use of Estimates and Judgement

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

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

6 RISK MANAGEMENT

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

6.1 Credit Risk

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

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

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

6.2 Market Risk

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

6.3 Liquidity Risk

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

6.4 Operational Risk

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

7 CAPITAL

7.1 The Objectives of Capital Management

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

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

7.2 Capital Description

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

7.3 Regulatory Capital

The Bank's Regulatory Capital consists of both Tier 1 and Tier 2 capital.

Tier 1 Capital consists of Stated Capital, Statutory Reserves and Income Surplus, after deductions of Intangible Assets and Other Regulatory Adjustments relating to items that are included in equity but are treated differently for Capital Adequacy purposes.

Tier 2 Capital consists of Convertible Debentures and Revaluation Surpluses. Total Tier 2 Capital is limited to 100% of the Net Tier 1 Capital.

The Bank's Regulatory Capital position as at 31st December, is summarised below:

7.4 The Level of Capital Adequacy

	2021	2020
	GHC	GHC
Tier 1 Capital		
1 Ordinary Share Capital	5,745,503	5,670,459
2 Permanent Non-Cumulative Preference Shares	13	13
3 Disclosed Reserves	12,412,237	7,956,399
4 Sub-Total Tier 1 Capital (1+2.3)	18,157,753	13,626,871
Less		
5 Goodwill/Intangibles/Preliminary Expenses	(1,281,714)	(1,587,265)
6 Investments In Subsidiaries	-	(110,000)
7 Fair Value Reserve for Available for Sale Equity Securities	(284,952)	(284,952)
8 Revaluation Reserve	(42,590)	(42,590)
9 Connected Lending of Long-Term Nature	-	-
10 Net Tier 1 Capital(5-6-7-8-9)	16,548,498	11,602,064
Add		
11 Revaluation Reserves	42,590	42,590
12 Subordinated Term Debt (Limited to 50% of 4)	-	-
13 Tier 2 Capital (11+12)(Limited to 100% of 5)	42,590	42,590
14 Adjusted Capital Base (10 + 13)	16,591,088	11,644,654
Total Assets	166,019,417	139,186,429
Less		
15 Cash on Hand	5,728,886	4,218,945
16 Claims on Bank of Ghana/ARB Apex Bank	-	-
17 Cedi Clearing Account Balance	8,813,999	6,702,131
18 Bills and Bonds	69,900,000	61,900,000
19 Treasury Securities	7,930,448	8,335,577
20 Stocks	-	-
21 80% of Cheques drawn on Other Banks	208,199	410,782
22 Goodwill/Intangibles	(1,281,714)	(1,587,265)
23 Investments in Subsidiaries	-	(110,000)
24 Investments in the Capital of Other Banks & Fin. Insts	(284,952)	(284,952)
25 Connected lending of Long Term Nature	-	-
26 80% of claims on Discount Houses in Cedis/Forex	-	-
27 80% of claims on Other Banks {Cedis/Forex}	4,712,599	2,113,796
28 50% of claims on Other Fin Insts. (Public Sector)	3,730,582	3,910,903
29 50% of Export Financing Loans	-	-
30 Adjusted Total Assets (15-16-17-18.....-29)	99,458,048	85,609,917
31	66,561,368	53,576,512
TOTAL OFF- BAL SHEET ITEMS ()	-	-
Less:	-	-
32 50% of class 1 Risk Weighted Off-Bal Sheet Items	-	-
33 80% of Class 2 Risk 0	-	-
34 Net Contingent Liabilities (40+41-48)	-	-
35 Add:		
36 100% of 3yrs Average Annual Gross Income	25,720,280	22,373,673
ADJUSTED ASSET BASE (31+32+33+34+35+36)	92,281,648	75,950,186
Adjusted Capital Base as %age of Adjusted Asset Base	17.98	15.33
CAPITAL SURPLUS/(DEFICIT)	9,129,192	10,729,020

I) Dividend

Dividend payable is recognised as a liability in the year in which they are approved at the AGM.

8 INTEREST INCOME

	2021 GH¢	2020 GH¢
Advances - Loans	14,952,962	11,515,444
Advances - Overdrafts & Salary Advances	3,765,525	3,497,435
Investment	13,869,486	8,463,993
	32,587,973	23,476,872

9 INTEREST EXPENSES

Savings Deposits	1,496,225	1,233,677
Time Deposits	3,207,886	2,696,028
Borrowings	-	1,030
	4,704,111	3,930,735

10 COMMISSIONS AND FEES

Commissions on Turnover	2,916,191	3,157,736
Commitment Fees	2,526,627	1,384,393
Commissions on SMS Alert	1,508,939	952,648
Cheque Clearing/Domestic Money Transfer Fee	199,879	78,294
	7,151,637	5,573,072

11 OTHER INCOME

Bad Debts Recovered	1,081	38,219
Sundry Income	1,084,291	1,472,298
	1,085,372	1,510,517

12 CASH AND SHORT TERM FUNDS

Cash on Hand	5,728,886	4,218,945
GT Bank	61,744	93,409
Ecobank	474,605	314,323
CAL Bank	855,792	709,440
ARB Apex Bank - Current	1,615,747	973,991
ARB Apex Bank - Reserve (5% Placement)	7,198,252	5,728,140
Items in Terms of Collection	260,248	513,478
CBG	70,617	66,327
GCB Bank	4,377,991	1,458,747
GCB Bank Tier 1	50,000	-
Money At Call	-	-
	20,693,883	14,076,799

13 SHORT-TERM INVESTMENTS**i. Other Financial Institutions**

Fixed Deposit	7,461,165	7,821,806
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ii. GOG Bills & Bonds

One-Year Treasury Note	227,478	228,199
Treasury Bills	4,390,849	4,172,123
14 Days Treasury Bills	-	997,706
2YR, 3YR & 5YR BONDS	69,900,000	61,900,000
	81,979,492	75,119,834
Interest Receivable on Investment	3,312,120	2,937,549
	85,291,613	78,057,383

14 LOANS AND ADVANCES

	2021 GH¢	2020 GH¢
Loans	47,401,589	39,088,045
Overdrafts	4,531,674	5,515,966
	51,933,264	44,604,011
Impairment Loss	(2,247,973)	(6,841,466)
	49,685,290	37,762,544
Impairment Provision		
Opening Balance	6,841,466	4,419,768
Bad Debts Reversed	(6,668,453)	40,939
	173,014	4,460,707
Loan Impairment Charges	2,074,960	2,380,760
Closing Balance	2,247,973	6,841,466
Loan Impairment Charges	2,074,960	2,380,760
Impairment Loss	464,132	580,802
Charged to Profit or Loss	2,539,092	2,961,561

15 INVENTORIES

Stationery	65,577	61,732
Other Stores	59,509	58,454
	125,086	120,186

16 OTHER ASSETS

Prepaid Rent	655,921	819,440
Renovation of Rented Premises	246,504	360,595
Office Account	136,413	126,757
Inter-Agency	-	127
Interest on 2/1-Year Treasury Note	-	115,669
T24 Software Licence	314,120	354,652
	1,352,958	1,777,241

17 INVESTMENT SECURITIES

Ahantaman Trading Co. Ltd 100% Owned	-	110,000
ARB Apex Bank	169,659	169,659
ARB - WERBA	115,293	115,293
	284,952	394,952

18 TAXATION

18a BANK	Balance 01-Jan-20 GH¢	Charges for Year GH¢	Payments GH¢	Balance 31-Dec-20 GH¢	Charge for year GH¢	Payments GH¢	Balance 31-Dec-21 GH¢
Tax Years							
Up to 2019	(244,840)	938,258	(693,418)	-	-	-	-
2020	-	1,126,595	(566,328)	560,267	-	(560,267)	-
	(244,840)	2,064,853	(1,259,746)	560,267	-	(560,267)	-
2021	-	-	-	-	1,910,734	(1,250,000)	660,734
	(244,840)	2,064,853	(1,259,746)	560,267	1,910,734	(1,810,267)	660,734
Deferred Tax	408,303	(86,407)	-	321,897	(2,245)	-	319,652
	163,463	1,978,446	(1,259,746)	882,164	1,908,489	(1,810,267)	980,386
Div. Tax Up to '20	-	-	-	-	-	-	-
Div. Tax 2021	-	-	-	-	-	-	-

RECONCILIATION/COMPUTATION OF EFFECTIVE TAX RATE

		2021 GH¢	2020 GH¢
Profit Before Tax		6,364,328	3,218,791
Income Tax Using Applicable Tax Rate 25%		1,591,082	804,698
Deferred Tax			
Balance	31-Dec	321,897	408,303
Adjustment to Deferred Tax		(2,245)	(86,407)
Balance	31-Dec	319,652	321,897
Tax Expense		1,910,734	1,126,595
Deferred Tax		(2,245)	(86,407)
Total		1,908,489	1,040,188
Effective Tax Rate %		29.99	32.32

19 DEPOSIT AND CURRENT ACCOUNT

	2021 GH¢	2020 GH¢
Current Accounts	28,295,774	26,033,125
Savings Accounts	59,562,622	51,075,281
Time	33,028,310	24,591,216
Susu Deposits	20,144,722	18,299,509
Others	2,272,019	682,774
	143,303,446	120,681,905

19.1 CURRENT ACCOUNTS

Individuals	21,558,886	20,596,491
Private Enterprises	6,736,888	5,436,635
	28,295,774	26,033,125

SAVINGS ACCOUNTS

Individuals	54,987,367	47,455,903
Private Enterprises	4,575,255	3,619,378
	59,562,622	51,075,281

19.2 TIME DEPOSIT ACCOUNTS

Individuals	30,809,016	23,655,448
Private Enterprises	2,219,294	935,768
	33,028,310	24,591,216

19.3 SUSU ACCOUNTS

Individuals	20,144,722	18,299,509
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19.4 OTHER DEPOSITS

E-Zwich	430,712	363,710
Lien Account	1,841,307	319,064
	2,272,019	682,774

20 OTHER LIABILITIES

	2021 GH¢	2020 GH¢
Sundry Creditors	982,272	846,506
Dividend Payable	913,305	947,532
Audit Fees	30,403	27,934
Bills Payable	66,846	241,547
Staff Ex-Gratia/Provident Fund	29,407	522,399
Loan Insurance	19,614	9,304
NLA Control	4,086	7,644
AGM	331,913	364,990
Office Account	676,221	142,811
Communication	-	119,595
PBC Cocoa Account	-	4,468
Payment Order	158,964	322,611
Scholarship/Donation	-	63,000
Interest Suspense on Fixed Deposit & Savings	100,000	164,420
Cont. & Accountant Generals Department	259,763	210,069
Uncleared Effect	4,475	662
Balance with Agencies	563	-
	3,577,830	3,995,490

21 STATED CAPITAL

<u>Authorised:</u>				<u>Number</u>	
Ordinary Share of no par value				100,000,000	
Preference Share of no par value				125,000	
DETAILS		NO. OF SHARES	Value	NO. OF SHARES	Value
		2021		2020	
<u>NO. OF SHARES</u>	<u>CONSIDERATION</u>	<u>Number</u>	<u>(GH ¢)</u>	<u>Number</u>	<u>(GH ¢)</u>
Ordinary	Cash	22,413,897	2,874,979	22,298,236	2,832,185
Additions	Cash	220,718	75,044	115,661	42,795
		22,634,615	2,950,023	22,413,897	2,874,979
Ordinary		10,998,118	2,795,493	10,998,118	2,795,493
Transfer from Surplus		-	-	-	-
		10,998,118	2,795,493	10,998,118	2,795,493
		33,632,733	5,745,516	33,412,015	5,670,472
Opening Balance		33,412,015	5,670,472	33,296,354	5,627,678
Additions		220,718	75,044	115,661	42,795
Closing Balance		33,632,733	5,745,516	33,412,015	5,670,472
Preference Shares		-	-	-	-
		33,632,733	5,745,516	33,412,015	5,670,472

There is no liability on any share and there is no share in treasury.

22 OTHER RESERVES**22.1 PENSION FUND**

	2021 GH¢	2020 GH¢
Opening Balance	-	-
Addition	-	-
	-	-
Deduction/Payment	-	-
Closing Balance	-	-

22.2 SCHOLARSHIP FUND

Opening Balance	-	-
Addition	-	-
	-	-
Transfer Income Surplus/Payment	-	-
	-	-

22.3 SOCIAL RESPONSIBILITY

Opening Balance	-	-
Addition	-	-
	-	-
Deduction/Payment	-	-
Closing Balance	-	-

22.4 STAFF BUILDING FUND

Opening Balance	-	-
Addition	-	-
	-	-
Transfer Income Surplus/Payment	-	-
Closing Balance	-	-

22.5 DEVELOPMENT FUND

Opening Balance	-	-
Addition	-	-
	-	-
Transfer Income Surplus/Payment	-	-
Closing Balance	-	-

22.6 TRANSFERS FROM OTHER RESERVES TO INCOME SURPLUS

	2021 GH¢	2020 GH¢
Opening Balance	-	-
Addition	-	-
	-	-
Transfer to Income Surplus	-	-
Closing Balance	-	-

23 OCCUPANCY

405,150	173,805
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24 DEPRECIATION AND AMORTISATION

1,278,608	1,287,587
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25 OTHER OPERATING EXPENSES**25.1 Staff Costs**

Salaries, Wages & Allowances	10,745,590	8,341,436
Medical Expenses	133,043	107,892
Staff Training	246,242	73,675
Others Staff Costs	2,148,015	1,568,851
	13,272,891	10,091,854

25.2 Depreciation & Amortisation

Depreciation	27	1,117,317	1,122,466
Amortisation	26	161,291	165,121
		1,278,608	1,287,587

25.3 Corporate Social Responsibility

The following funding arrangements/payments were embarked by the Bank as its Corporate Social Responsibilities:

154,400	95,500
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25.4 Directors' Remuneration

The total Directors Remuneration for the year was

702,088	490,727
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25.5 Operating Costs

Repairs & Maintenance	481,723	317,868
Occupancy	405,150	173,805
Insurance	224,360	262,746
Police Guard	384,026	112,475
Generator Expenses	117,841	76,516
Electricity & Water	553,260	444,759
Audit Fees	32,000	24,700
Administrative	9,611,106	7,070,838
	11,809,465	8,483,706

26 INTANGIBLE ASSETS**27.1.1 Cost****Balance at 1 January, 2020**

Acquisitions

Balance at 31 December, 2020**Balance at 1 January, 2021**

Acquisitions

Balance at 31 December, 2021**27.1.2 Amortisation and Impairment****Balance at 1 January, 2020**

Amortisation for the Year

Balance at 31 December, 2020**Balance at 1 January, 2021**

Amortisation for the Year

Impairment Loss

Balance at 31 December, 2021**27.1.3 Carrying Amounts****Balance at 1 January, 2020****Balance at 31 December, 2020****Balance at 31 December, 2021****27 PROPERTY, PLANT & EQUIP.****27.1 2021****28.1.1 COST**

	GH¢	GH¢	GH¢	GH¢
BALANCE	BALANCE			BALANCE
01-Jan-21	DISPOSAL	ADDITIONS		31-Dec-21
Buildings	6,507,555	-	12,553	6,520,108
Capital Works in Progress	270,809	-	1,549,973	1,820,781
Office Furniture & Fittings	1,710,168	-	305,160	2,015,328
Computers	1,573,760	-	531,134	2,104,894
Generators	409,637	-	83,557	493,194
Bungalow Fittings and Furniture	14,393	-	-	14,393
Office Equipment	1,255,005	-	77,211	1,332,216
Motor Vehicles	2,199,329	-	264,770	2,464,099
	13,940,654	-	2,824,358	16,765,012

2021**28.1.2 DEPRECIATION**

	GH¢	GH¢	GH¢	GH¢
BALANCE	BALANCE	CHARGED		BALANCE
01-Jan-21	DISPOSAL	FOR YEAR		31-Dec-21
Buildings	1,575,647	-	293,120	1,868,767
Office Furn. & Fittings	1,045,172	-	200,987	1,246,159
Computers	1,420,745	-	181,470	1,602,215
Generators	338,569	-	24,589	363,158
Bungalow Fittings and Furniture	14,393	-	-	14,393
Office Equipment	1,139,176	-	62,363	1,201,539
Motor Vehicles	1,599,603	-	354,788	1,954,391
	7,133,305	-	1,117,317	8,250,622
	6,807,350			8,514,390

28.1.3 NET BOOK VALUE

2020**27.2 PROPERTY, PLANT & EQUIPMENT****28.2.1 COST**

Buildings
Capital Works in Progress
Office Furniture & Fittings
Computers
Generators
Bungalow Fittings and Furniture
Office Equipment
Motor Vehicles

GH¢	GH¢	GH¢	GH¢
BALANCE			BALANCE
01-Jan-20	DISPOSAL	ADDITIONS	31-Dec-20
GH¢	GH¢	GH¢	GH¢
6,507,555	-	-	6,507,555
258,809	-	12,000	270,809
1,337,224	-	372,944	1,710,168
1,430,083	-	143,677	1,573,760
385,688	-	23,949	409,637
14,393	-	-	14,393
1,130,667	-	124,338	1,255,005
1,934,306	-	265,023	2,199,329
12,998,723	-	941,931	13,940,654

2020**28.2.2 DEPRECIATION**

Buildings
Office Furn. & Fittings
Computers
Generators
Bungalow Fittings and Furniture
Office Equipment
Motor Vehicles

BALANCE	DISPOSAL	CHARGED	BALANCE
01-Jan-20		FOR YEAR	31-Dec-20
GH¢	GH¢	GH¢	GH¢
1,256,051	-	319,596	1,575,647
885,609	-	159,563	1,045,172
1,256,583	-	164,162	1,420,745
304,963	-	33,606	338,569
14,393	-	-	14,393
1,067,678	-	71,498	1,139,176
1,225,561	-	374,042	1,599,603
6,010,839	-	1,122,466	7,133,305
6,987,884			6,807,350

28.2.3 NET BOOK VALUE**28.4.4 Disposal of PPE**

Sale Value
Less Cost of PPE
Less Accumulated Depreciation of Disposed PPE
Net Book Value
Profit

2021	2020
Bank	Bank
GH¢	GH¢
-	183,407
-	(119,953)
-	91,674
-	(28,279)
-	155,128

28 IMPAIRMENT/CHARGES

Loan Impairment Charges

2,539,092	2,961,561
2,539,092	2,961,561

29 DIVIDEND

Balance 01 January
Approved Dividend

947,532	1,023,764
-	-
947,532	1,023,764

Dividend Paid	Transferred to Stated Capital
	Cash

-	-
(34,227)	(76,232)

Balance 31 December

913,305	947,532
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Dividend per Share

-	-
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30 GROUP ENTITIES

The only Subsidiary has been liquidated.

Country of incorporation	Ownership Interest	Ownership Interest
	2021	2020
Ghana	-	100%

30.1 Liquidation of Ahantaman Trading Company Ltd.

The Bank has completed the liquidation of the above-named subsidiary. Full provision has been made for taxation and any adjustment that might arise in respect of the provision for taxation will be made subsequently in 2022, upon the agreement of the tax after the tax audit had been completed by Ghana Revenue Authority.

31 RELATED PARTIES

a. Transactions with Key Management Personnel

31.1 Key Management Personnel and their immediate relatives have transacted with the Bank during the year as follows:

	2021 Max. Balance	2021 Closing Balance	2020 Max. Balance	2020 Closing Balance
	GHC	GHC	GHC	GHC
Mortgage Lending and Other Secured Loans	73,750	58,750	490,485	73,750
Other Loans	399,492	280,695	-	299,492
	473,242	339,445	490,485	373,242

31.2 Key management personnel compensation for the year comprised

	2021 GHC	2020 GHC
	830,502	506,994

Short-Term Employee Benefits

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

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

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

31.3 Loans and Advances to Employees

	2021 GHC	2020 GHC
Balance at 1 January	1,533,991	1,553,770
Loans Advanced during the Year	1,248,120	844,610
Loans Repayments Received	(1,019,840)	(864,389)
Balance at 31 December	1,762,271	1,533,991

31.4 Loan and Advances to Directors and their Associates

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

	2021 GHC	2020 GHC
Gross Amount at 1 January	18,299	18,299
Interest Charged	-	-
Loans Disbursed	-	-
Cash Received	(18,299)	-
Net Movement in Overdraft Balances	-	-
Net Amount at 31 December	-	18,299

Included in Loans and Advances is Nil (2020: GHC18,299) advanced to companies in which some of the Board of Directors have interest.

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

31.5 List of Related Parties	Designation	Period	
		From	To
Mr. Vincent Blaychie Essien	Director	01-Jan-21	31-Dec-21
Mr. Eric Daning	Director	01-Jan-21	31-Dec-21
Hon. Ebenezer Kojo Kum	Director	01-Jan-21	31-Dec-21
Dr. Dolf Kofi Badu Sutherland	Director	01-Jan-21	31-Dec-21
Ms. Elizabeth Obeng	Director	01-Jan-21	31-Dec-21
Hon. Samuel Johnfiah	Director	01-Jan-21	31-Dec-21
Mr. Anthony Peter Amissah	Director	01-Jan-21	31-Dec-21
Mr. John Papa Ekow Mensah-Woode	Director	01-Jan-21	31-Dec-21
Rt. Rev. Daniel De-Graft Brace	Director	01-Jan-21	31-Dec-21
Ahantaman Trading Company Limited	100% Subsidiary		
Rt. Rev. Daniel De-Graft Brace	Director of Subsidiary	01-Jan-21	06-Jun-21
Mr. Ebenezer Coleman	Director of Subsidiary	01-Jan-21	06-Jun-21
Mr. Anthony Peter Amissah	Director of Subsidiary	01-Jan-21	06-Jun-21

31.6 Key Management Personnel	Name	Designation	Period	
			From	To
	Benjamin Afful-Eshun	Chief Executive Officer	01-Jan-21	31-Dec-21
	Samuel Nyanzu Ackah	Ag. Head of Operations/Finance	01-Oct-21	31-Dec-21
	Joseph Ato Haizel	Head of ICT	01-Jan-21	31-Dec-21
	George Owusu Buabin	Head of Credit	01-Jan-21	31-Dec-21
	Isaac Kofi Asamoah	Head of Branch Network Control	01-Jan-21	31-Dec-21
	Asafo Adjei Berfie	Head of Compliance	01-Jan-21	31-Dec-21
	Jerome H. Annan	Ag. Head of Human Resource	01-Jan-21	31-Dec-21
	Doris Nusenu	Ag. Head of Internal Audit	01-Oct-21	31-Dec-21
	Samuel Nyanzu Ackah	Head of Internal Audit	01-Jan-21	30-Sep-21
	Christopher K. Dentu	Head of Finance And Operations	01-Jan-21	30-Sep-21

31.7 a. Number of Shareholders

2021	2020
3,889	3,869

b. Twenty Largest Shareholders Name	No. of Shares	%age Total	to	No. of Shares	%age Total	to
	2021			2020		
	Bank			Bank		
1 Apori Samuel Obeng	744,933	2.23		744,933	2.24	
2 Quartey David	584,588	1.75		584,588	1.76	
3 Tawiah Joseph Wilfred Kwame	549,994	1.65		549,994	1.65	
4 Ansah Joseph	534,276	1.60		534,276	1.60	
5 Essien Vincent Blaychie	510,000	1.53		510,000	1.53	
6 Arthur Moses Ameyaw	501,701	1.50		501,701	1.51	
7 Cromwell Alfred	406,278	1.22		406,278	1.22	
8 Amissah Anthony Peter	377,529	1.13		366,049	1.10	
9 Mensah-Woode Ekow	366,049	1.10		358,422	1.08	
10 De-Graft Brace Daniel	331,578	0.99		331,578	1.00	
11 Dadzie Samuel	312,753	0.94		312,753	0.94	
12 Amemo Stephen V.K.	300,698	0.90		300,698	0.90	
13 Annan-Nunoo Regina	268,920	0.80		268,920	0.81	
14 Afful-Eshun Benjamin	240,000	0.72		232,053	0.70	
15 Acquaye Reginald	232,053	0.69		229,945	0.69	
16 Asante Kwame Awuah	229,945	0.69		224,335	0.67	
17 Awusi Isaac Sebastian	224,335	0.67		219,222	0.66	
18 Yalley Kojo Asua-Benya	219,222	0.66		204,606	0.61	
19 Kwabiah Alexander	204,606	0.61		200,000	0.60	
20 Thompson William David Kwesi	196,413	0.59		196,413	0.59	
	7,335,871	21.96		7,276,764	21.85	

31.8 Number of Employees

327	330
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