MANYA KROBO RURAL BANK

2023

ANNUAL REPORT
& Financial Statements

MKRB, your Family Banking Centre...

2023

ANNUAL REPORT
& Financial Statements

BOARD MEMBERS

Mr. Patrick Amanor Buckor
(Chairman)

Mrs. Mercy Mamle Tetteh
(Retired in Dec. 2023)
Immediate Past Chairperson

Mr. Benjamin Tetteh Apo
(Retired in Dec. 2023)
Immediate Past Vice Chairman

Dr. Desmond Afutu Nartey
(Retired in Dec. 2023)
Immediate Past Credit & Fin. Chairman

Mr. Richard Azina Nartey
(Vice Chairman)

Mr. Emmanuel Osei Ofosu
(Member)

Mr. Edward Nartey Tetteh
(Member)

Dr. Pardikor Madjitey
(Member)
Joined in Dec. 2023

Ms. Barbara Dede Ama Okai-Tettey
(Member)
Joined in Dec. 2023

Mr. Augustus Lartey Djabatey
(Member)
Joined in Dec. 2023

MANAGEMENT TEAM

Godfred Asante Hanson
Chief Executive Officer

Mr. Ebenezer Akumatey
Deputy C.E.O / Head, Banking Operations

Mr. Emile Dawutey Dor
Head, Risk & Compliance and Anti-money Laundering

Mr. Solomon Godwin Koomson
Head, Finance & Admin.

Mrs. Monica Padi
Head, Human Resource

Mr. Ernest Kpogli
Head, Internal Audit

Philip Tetteh
Head of Credit

Mr. Raphael Kwame Tawiah
Head of Information Technology

Alvin Omaboe
Head, Bus. Dev & Marketing

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 43rd Annual General Meeting (AGM) of Shareholders of Manya Krobo Rural Bank Plc will be held on Saturday 28th September, 2024 at 10.00 am prompt. The venue is the Agormanya Roman Catholic Parish Hall, Agormanya in Odumase-Krobo near the Agormanya Market, to transact the following business:

1. To read the notice convening the meeting.
2. To receive the report of the chairman of the board of directors.
3. To receive and consider the reports of the directors for the year ended 31st December, 2023.
4. To receive and consider the auditor's report and the financial statements for the year ended 31st December, 2023.
5. To declare a dividend in respect of the 2023 financial year subject to the approval of the Bank of Ghana.
6. To authorize the directors to fix the fees of the auditors.
7. To fix the fees of directors.
8. To appoint Intellisys Chartered Accountants as the bank's new external auditors.
9. To transact any other business appropriate to be dealt with at an Annual General Meeting.

DATED THIS 20TH DAY OF AUGUST, 2024
BY ORDER OF THE BOARD

signed

IGNATIUS KUTU ACHEAMPONG & ASSOCIATES
PRUC COMPANY SECRETARY

NOTE: Notices will be dispatched to all Shareholders through their contact addresses.

Shareholders who may not receive their copies due to postal challenges may contact any of our branches at Abanse, Somanya, Kpong, Akuse, Ashiyie, Madina, Ashaiman or Ashaley-Botwe for copies upon presentation of proof of shareholding.

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. Patrick Amanor Buckor - *Chairman* Mr. Richard Azina Nartey - *Vice Chairman* Mr. Emmanuel Osei Ofosu - *Non-Executive Director* Mr. Edward Nartey Tetteh- *Non-Executive Director* Mr. Augustus Lartey Djabatey - *Non-Executive Director* (appointed in Dec. 2023) Dr. Pardikor Madjitey - *Non-Executive Director* (appointed in Dec. 2023) Ms. Barbara Dede Ama Okai-Tettey - *Non-Executive Director* (appointed in Dec. 2023) Mrs. Mercy Mamle Tetteh - *Non-Executive Director* (retired in Dec. 2023) Mr. Benjamin Tetteh Apo - *Non-Executive Director* (retired in Dec. 2023) Dr. Desmond Afutu Nartey - *Non-Executive Director* (retired in Dec. 2023)
CHIEF EXECUTIVE OFFICER:	Mr. Godfred Asante Hanson
SECRETARY:	Ignatius Kutu Acheampong & Associates
AUDITORS:	Morrison & Associates Chartered Accountants Trinity House, 2nd Floor Ring Road East P. O. Box CT2890 Cantonments – Accra ***GPS : GA-017-6763***
REGISTERED OFFICE:	Manya Krobo Rural Bank Plc. P. O. Box 176 Bank Premises Odumase-Krobo GPS : EL-0028-1828
BANKERS	ARB Apex Bank Plc Ecobank Ghana Plc Zenith Bank (Ghana) Plc Consolidated Bank Ghana Plc

BOARD CHAIRMANS REPORT

INTRODUCTION

On behalf of the members of our Board, I have the pleasure to welcome you to the 43rd Annual General Meeting of Manya Krobo Rural Bank Plc and to present to you, the Board Chairman's report for the financial year ended 31st December, 2023.

It has been almost a year since we last gathered here and to begin my speech, I would like to commend our shareholders for their unwavering loyalty and commitment to this bank. I would also like to thank my colleague directors for the trust reposed in me to lead the bank as Board Chairman. This event therefore marks my first opportunity to engage directly with you in that capacity.

I also take this opportunity to express my deep gratitude to the previous Board led by Mrs. Mercy Mamle Tetteh for the great work done so far. On behalf of the new team, I congratulate the former Board Chairperson, for her successful leadership, dedication and commitment to the bank. I must add that the past directors are a huge source of inspiration, considering the strong foundation laid and the enviable legacy they handed down to this new Board.

OPERATING ENVIRONMENT

Dear Shareholders, it is important to note that in 2023, Ghana went through challenges that affected the business environment. Foremost among these challenges were the effect of the Domestic Debt Exchange Programme (DDEP) and the elevated inflation rate. Internal fiscal imbalances and external shocks raised concerns about Ghana's debt sustainability. These came on the back of the country's restricted access to the international capital market.

To restore confidence in the economy, the government completed the DDEP in the early part of the year. It led to the swapping of GH¢82 billion of old bonds for 12 new ones with reduced coupon rates and extended maturity periods. The DDEP and other economic reforms culminated in the release of two tranches of $600 million each into the country under a 3-year Extended Credit Facility (ECF) arrangement with the International Monetary Fund (IMF). This 3-year fiscal adjustment and reform programme was envisaged to restore macroeconomic stability and by December 2023, there had been significant signs of recovery. The fiscal deficit of the country had reduced to 3% of GDP compared to a target of 5.5% of GDP. Additionally, the year 2023 was characterized by the following economic factors:

1. Inflation and monetary policy

The inflationary rate in the country was high. This fed into increases in benchmark interest rates, leading to high costs of credits and advances. The Central Bank's increase of the monetary policy rate from 27% in January, progressively to 28%, which later increased to

29.5% and then to 30% in December 2023 was in response to high levels of inflation. As a consequence, headline inflation which was 54.10% in December 2022 decelerated to 23.2% in December 2023. The disinflation process was supported by strong monetary policies, relative stability in exchange rates, favourable international crude oil prices and effective liquidity sterilization efforts.

2. Interest Rate

Generally, benchmark interest rates trended downward in 2023. The 91-day and 182-day Treasury bill rates declined to 29.36% and 31.14% respectively, in December 2023, from 35.66% and 35.95% respectively, in January 2023. The rate on the one-year note decreased to 32.49% from 35.89% over the same comparative period. The Ghana reference rate also decreased slightly from 32.72%% in January 2023 to 32.16% at the year-end.

3. Performance of the Ghanaian Cedi

Foreign exchange developments were nuanced, despite the tighter monetary policy stance and the inflows from the IMF Extended Credit Facility and the domestic gold purchase programme by the Central Bank. The Ghanaian cedi depreciated by 27.80% against the US Dollar, compared with a depreciation rate of 29.90% in 2022. Similarly, the performance of the cedi against the British Pound and the Euro showed depreciation rates of 31.90% (2022: 21.20%) and 30.30% (2022: 25.30%), respectively.

OPERATING RESULTS FOR 2023

I present to you, the performance of the bank for the financial year 2023 which showed positive movements in the key performance indicators:

	PERFORMANCE INDICATOR	**2023 (GH¢)**	**2022 (GH¢)**	**INCREASE**
A.	Net Operating Income	29,127,502	24,928,801	16.84%
B.	Operating Expenses	25,118,312	21,485,106	16.91%
C.	Pre-Tax Profit	4,009,190	3,443,695	16.42%
D.	Profit After Tax	2,814,274	2,328,470	20.86%
E.	Total Deposits	150,654,502	116,095,078	29.77%
F.	Gross Loans and Advances	42,407,967	33,027,172	28.40%
G.	Total Investment	109,468,168	86,114,487	27.12%
H.	Shareholders' Fund	15,094,897	13,283,325	13.64%
I.	Total assets	174,905,740	134,669,189	29.88%

Five-year financial performance summary

A five-year comparative performance summary of the Bank is presented below:

PERFORMANCE INDICATOR	2023 (GH¢)	2022 (GH¢)	2021 (GH¢)	2020 (GH¢)	2019 (GH¢)
Net Operating Income	29,127,502	24,928,801	21,429,543	16,354,714	14,829,105
Operating Expenses	25,118,312	21,485,106	17,568,350	15,732,218	14,486,030
Pre-Tax Profit	4,009,190	3,443,695	3,861,193	622,496	343,075
Profit After Tax	2,814,274	2,328,470	2,957,863	297,001	316,560
Total Deposit	150,654,502	116,095,078	107,818,794	92,599,415	73,042,901
Gross Loans and Advances	42,407,967	33,027,172	31,583,815	25,609,909	23,276,502
Investments	109,468,168	86,114,487	73,657,601	59,552,299	45,467,079
Stated Capital	5,036,314	4,972,862	4,785,290	4,475,918	4,466,086
Shareholders' Fund	15,094,897	13,283,325	11,602,082	9,015,823	8,340,217
Total Assets	174,905,740	134,669,189	122,442,636	104,541,308	83,367,147

Profitability

The bank demonstrated remarkable improvement in its financial performance in 2023, with total income soaring by 18.69% to GH¢36.08 million compared with GH¢30.4million in the previous year. It also incurred total expenses of GH¢32.08, which represented an increase of 18.98% over GH¢26.9 million spent in 2022. The expenditure in 2023 included a subsequent impairment of GH¢100,000 in addition to GH¢474,000 posted in 2022 in respect of the bank's bonds under the Domestic Debt Exchange Programme (DDEP).

The pre-tax profit notably increased from GH¢3.44 million in 2022 to GH¢4.01 million in 2023. The growth in the pre-tax profit was driven by a substantial increase in interest income from loans and overdrafts. The sustained performance trajectory, as demonstrated by the net profit of GH¢2.8 million in 2023 compared to GH¢2.3 million in 2022, reflects the sound policies put in place by the Board and Management.

Balance sheet growth

As of the end of 2023, the bank's balance sheet was robust, with a significant increase in total assets, fueled mainly by deposits. The balance sheet expanded by 29.88% to reach GH¢174.9 million at the end of 2023 (2022: GH¢134.7million), driven by a 29.72% increase in customer deposits, which closed the year at GH¢150.6 million (2022: GH¢116.1 million). With only a few years short of attaining 50 years as a bank, our customers have reposed their confidence in our ability to safeguard their deposits at all times.

The growth in the loans and advances portfolio was 28.40%, from GH¢33.03 million in 2022 to GH¢ 42.41 million in 2023. Our investment securities portfolio experienced a 27.12% surge, from GH¢86.11 million to GH¢ 109.5 million. As of the year-end, GH¢16.47 million of our loan portfolio, constituting 38.84% (2022: 28.22%) of the total portfolio, had been dedicated to supporting salary workers, either as Personal loans or Controller and

Accountant General Department-facilitated loans. Credit Savings with Education (CSWE) loans were the second highest category, accounting for 27.36% of the credit portfolio and had increased from GH¢9.08 million in 2022 to GH¢11.6 million at the year-end of 2023.

Credit disbursements in the year stood at GH¢66.7 million compared to GH¢60 million in 2022. The gross non-performing loans ratio improved from 8.95% in 2022 to 4.02% in 2023. We would like to sound a warning to all our credit defaulters to make good their indebtedness since the bank is ready to take civil actions and recover the debts.

The year proved to be a remarkable one for the bank in terms of business growth and profitability. However, it is our resolve that the best is yet to come. To realize the full potential of the bank, we will continue to carry out balance sheet optimization, including efficient deposit pricing management, given the high-interest expense to total cost ratio of 21.69%. The next strategy is to expand business relationships with existing clients while extending the same to new ones.

- **Net worth**

The bank witnessed a notable 13.64% increase in shareholders' funds, reaching GH¢15.09 million at the end of the year, from GH¢13.3 in 2022. The capital adequacy ratio of 15.48% in December 2023 exceeded the minimum threshold of 10% required by the Bank of Ghana. This is indicative of a strong capital and liquidity position to undertake more rewarding business activities. The Board and management will regularly review the bank's competitive position in the context of its capital base, considering the prevailing systemic risks in the business environment.

- **Dividend**

Dear Shareholders, the Board, after reviewing the performance of the bank, is recommending a dividend of GH¢0.030 per share, subject to the approval of the Bank of Ghana. The bank's request, which is currently pending approval from the Bank of Ghana, is based on a 37.75% payout from the profit of GH¢2.8 million attributable to the ordinary shareholders for the 2023 financial year. The bank is committed to paying the maximum sustainable dividends and the Board reckons that a payout of GH¢1,062,279.60 is in line with the bank's short to medium-term strategy.

- **Corporate Social Responsibilities**

During the year under review, the bank spent a total amount of GH¢252,677 on Corporate Social Responsibility (CSR) activities compared to GH¢203,077 in the previous year. These donations underscore the bank's continuous dedication to supporting its various stakeholders in times of need, especially the communities in which it operates. The Bank's CSR endeavours focused on health, education, social infrastructure and community development. Notable among these CSR activities were scholarships to brilliant but needy students, donations to some traditional councils in the area in support of festival celebrations, donations to a major hospital in the community and donations in support of the National Farmers' Day celebration in the Manya and Yilo Krobo Municipalities.

- **Growth and expansion**

The 2023 financial year marked the first lap in the implementation of the bank's 3-year strategic plan ending in 2025. A major strategic imperative for the bank was to increase its visibility and create more awareness of its services. To this end, the Board considered the need to relocate the Madina branch and the Madina Market Deposit Mobilisation Centre to a new location near the Melcom Shopping Mall, around the main lorry park. The new location is within the business hub of Madina and it offers more immense growth opportunities to be harnessed.

Additionally, the Ashaley Botwe Mobilisation Centre has now been successfully upgraded to a branch with its full complement of staff and other resources, bringing the current branch network of the bank to eight (8). The growth strategy is to assist each branch of the bank to be able to convert opportunities in their catchment area into gains. As we celebrate these milestones, we are also mindful of the fact that a lot remains to be done. We are optimistic that the bank's ongoing strategic initiatives will translate into improved shareholder value in the years ahead.

CORPORATE GOVERNANCE AND EXECUTIVE LEADERSHIP

Our bank is committed to ensuring effective corporate governance and sound risk management practices required under the Bank of Ghana's Corporate Governance Directive 2018 as well as the Fit and Proper Persons Directive 2019. We consider the bank's compliance with these directives to be of prime importance to its sustenance as a financial institution.

As of 31 December 2023, the Board of Directors of Manya Krobo Rural Bank consisted of seven (7) members, all of whom are independent Non-Executive Directors. As was earlier stated at the last AGM, three directors retired and were replaced, following a similar replacement in 2022, when two directors retired. The current directors have gone through all the necessary orientations to equip them with all the tools required to discharge their duties. As directors, we have also availed ourselves of training and development opportunities to enhance our understanding of the key issues in the banking business.

OUTLOOK FOR 2024 AND BEYOND

The present economic conditions in the country present enormous challenges to the banking sector, especially because, according to the Bank of Ghana, the sector's Non-Performing Loans (NPL) as at the end of June 2024 stood at 24.1% compared to 18.7% at the end of June 2023. The Board and management will ensure that our bank's NPL rate of 8.02% as of 31st December 2023 will be reduced much further through more stringent and comprehensive reviews of the loans and advances portfolio to safeguard depositors' funds.

The outlook on inflationary trends and exchange rates remains uncertain amidst the fact that 2024 is an election year when government fiscal slippages are almost always imminent. Though the inflationary rate is on a downward trend, the current rising exchange rate pattern is likely to create a pass-through effect, which may affect general price levels. If that happens, the Ghana Statistical Services' projected inflation rate of 13-17% by the end of 2024 would be missed.

Much of the year-on-year growth of 18.68% in the bank's operating cost in 2023 was due to the inflationary effect. Inflationary headwinds and the effects of a depreciating local currency would call for prudent cost management to avoid a worsening cost-to-income ratio. The bank will maintain its focus on managing the controllable factors that impact cost. On the flip side of cost, our revenue outlook remains positive based on the growing earning assets which currently brings the earning assets-to-total assets ratio to 84.01% after accounting for a 7.37% cash-to-total assets ratio, as per the results of the half-year of 2024. The remaining 8.62% were represented by Property, Plant and Equipment and Other assets.

An emerging risk within the earning assets is the delays in the receipt of Controller and Accountant General-facilitated loans which, as of the half-year of 2024, stood at GH¢15.3 million, and accounted for 27.67% of the credit portfolio. Such repayment delays from the Controller and Accountant General's Department are likely to affect cash flow projections within the bank's operating budget for the year 2024. Based on that, the bank is keenly monitoring the developments and prospects with a certain level of cautious optimism and this may affect the disbursements to be made in the remaining period, considering a total disbursement of GH¢11.5 million in the first half of the year already.

The bank hopes to receive its locked-up funds from the government which were previously held with Gold Coast Fund Management (GH¢6.4 million) and CDH Savings and Loans Limited (GH¢1.8 million) which remained unpaid as of the year-end of 2023. A recent publication of an assurance from the President of Ghana indicates that the amount would be settled soon. The receipt of these funds would undoubtedly reduce the lingering effect of the 2022/2023 domestic debt exchange programme on the bank's net interest margins.

As we look to the future, we remain committed to growing the bank through the development of new avenues of value-creation, riding on the current successes of the bank. At the heart of subsequent achievements lie the need to strengthen our risk management culture, and sense of responsibility through an efficient performance management system, exceed customer expectations and ensure more financial discipline. With the help of the Information Technology Department, we are also investing in systems to improve operational efficiency and improved turn-around time, especially for our loans. We are committed to achieving all the objectives for the years ahead through continuous realignment of our strategies, seizing opportunities with strategic foresight and delivering value to our stakeholders.

CONCLUSION

On behalf of the Board of Directors, I would like to place on record our deep sense of gratitude to our shareholders and customers for their loyalty and patronage. To our regulators, the Bank of Ghana and the ARB Apex Bank, we are very grateful for your guidance.

I would like to offer my profound gratitude to our past directors for the solid foundation laid, upon which we are building a strong financial services brand. My colleague directors have been a strong support system for me and I would like to thank them immensely for their commitment to the bank. To the Management and staff of the bank, the Board is appreciative of your hard work and dedication. The Board is working hard to ensure that all your expectations are met within the constraints of what the bank's current resources can accommodate. Together we are building Manya Krobo Rural Bank Plc into a preferred bank for all.

We also acknowledge the great job done by our outgoing external auditors, Morrison and Associates, all these years. We hope that the relationship we have had so far will not end here but it would be the starting point of future engagements. To everyone else, I say, I am most grateful for your contribution to this bank.

With God's guidance, I am confident that this bank will continue to excel. Long live Manya Krobo Rural Bank Plc. Long Live Ghana. Thank you for your attention.

MR. PATRICK AMANOR BUCKOR
BOARD CHAIRMAN

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31st DECEMBER 2023

The Board of Directors has pleasure in submitting its annual report of the Bank for the year ended 31st December 2023 to the members as follows:

Statement of Directors' Responsibilities in Relation to the Financial Statements

The Companies Act, 2019 (Act 992) requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Bank and of its profit or loss for the year.

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

In preparing these financial statements, the Directors are required to:

Select accounting policies which comply with the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and in accordance with International Financial Reporting Standards and to apply them consistently. Make judgements and estimates that are reasonable and prudent. Ensure applicable accounting standards have been followed and any material departures disclosed. Ensure the Financial Statements are prepared on a going concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for the preparation of the financial statements in accordance with International Financial Reporting Standards and ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the financial position of the Bank and which enable them to ensure that the financial statements comply with the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and the Anti - Money Laundering Act 2020 (1044).

They are also responsible for safeguarding the assets of the Bank and hence taking steps for the prevention and detection of fraud and other irregularities, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatements. The above statement, which should be read in conjunction with the report of the auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the auditors in relation to these financial statements.

REPORT OF THE DIRECTORS CONT'D

Nature of Business

The principal activities carried out by the Bank during the year under review were within the limits permitted by its regulations. There were no changes in the authorised businesses of the Bank during the year.

Results of Operations

The results of operations for the year ended 31st December 2023 are set out in the statement of profit or loss and other comprehensive income, statement of financial position, statement of cash flows, statement of changes in equity and notes to the financial statements from page **27 to 64.** A summary of the results is as follows:

	2023 GH¢	2022 GH¢
Profit before tax	4,009,190	3,443,695
Growth & sustainability levy	(100,230)	-
Taxation	(1,094,686)	(1,115,225)
Profit after tax	**2,814,274**	**2,328,470**
Total assets	**174,905,740**	**134,669,189**

The Board of Directors considers the state of the Bank's affairs to be satisfactory. They have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future and have therefore used the going concern basis in preparing these financial statements.

Stated Capital

The Bank has complied with the minimum stated capital requirement for Rural Banks as directed by the Bank of Ghana.

Dividend

Dividends of GH¢488,230 were paid to shareholders during the year (2022: GH¢969,185). These payments in 2023 were in respect of the previous year.

Auditor's remuneration

The auditor's remuneration payable for 2023 was GH¢90,000 (exclusive of taxes).

Corporate Social Responsibility
The Bank spent an amount of GH¢252,677 in 2023 (2022: GH¢203,077) on corporate social responsibility for community support.

Capacity Building of Directors
The Directors of the Bank were trained on banking operations, corporate governance, anti-money laundering and risk management during the year.

Interests register
No entries were made in the interest register during the year.

External Auditors

The Auditors, Messrs.' Morrison and Associates' will not continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992).

By order of the Board

…………………………)
)
) Directors
…………………………)

Odumase-Krobo

30th April, 2024

CORPORATE GOVERNANCE REPORT

1.0 Introduction

Manya Krobo Rural Bank Plc. has a commitment to strong corporate governance practices that allocate rights and responsibilities among its shareholders, the board of directors, and the executive management to provide effective oversight and management of the bank in a manner that enhances shareholders' value and promotes investors' confidence. The Bank's corporate governance principles are contained in a number of corporate documents. The Board oversees the conduct of the bank's business and is primarily responsible for providing effective governance over its key affairs, including the appointment of the executive management, approval of business strategies, performance evaluation, and assessment of its major risks.

In discharging its obligations, the board exercises judgement in the best interest of the bank and relies on the executive management to implement approved business strategies, resolve day to day operational issues, keep the board informed, as well as maintain and promote high ethical standards. The board delegates authority related to management matters to the executive management, subject to clear instructions in relation to such delegation of authority and the circumstances in which executive management shall be required to obtain board approval prior to taking a decision on behalf of the Bank.

1.1 Board composition

The Board maintained its membership of seven (7) directors in 2023 in line with the Corporate Governance directive. The following three directors retired at the Annual General Meeting after completing their maximum number of years on the board:

1. Mrs. Mercy Mamley Tetteh (Esq)
2. Mr. Benjamin Apo Tetteh
3. Dr. Desmond Afutu Nartey

The following directors were approved by the shareholders after their clearance by the Bank of Ghana:

1. Mr. Augustus Lartey Djabatey, a Banker
2. Dr. Pardikor Madjitey, a University Registrar
3. Ms Barbara Dede Ama Okai-Tettey, a Lawyer and Banker

The Board is guided by its charter and is regulated by the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930), Corporate Governance Directives as well as other directives from the Bank of Ghana and the ARB Apex Bank Limited. All the directors have varied experiences and backgrounds and are well equipped to handle the responsibilities of the board.

1.2 Frequency of meetings

Meetings of the Board are usually held once every two months, but an emergency meeting may be convened at any time the need arises. Committees of the Board, other than the Credit and Finance Committee, meet once every quarter or as may be required to execute a task assigned by the Board.

1.3 Attendance at board meetings

The Bank of Ghana stipulates that Directors must attend meetings as scheduled. Currently it is a directive for all financial institutions to have regular meetings to discuss the financial, operational and strategic direction of the company. The Board recognizes that good corporate governance is fundamental to the long-term success of Bank.

The board convened ten (10) main meetings, including emergency ones and a full-board budget discussion during the year. Below is a list of directors and full-board meeting report:

Name of director	Attendance	Percentage (%)
1. Mrs. Mercy M. Tetteh (Chairperson)	10/10	100
2. Mr Benjamin T. Apo (Vice chairman)	10/10	100
3. Mr. Emmanuel Osei Ofosu	10/10	100
4. Mr. Edward N. Tetteh	10/10	100
5. Dr. Desmond A. Nartey	10/10	100
6. Mr. Patrick A. Buckor	10/10	100
7. Mr. Richard A. Nartey	10/10	100

The Board shall concentrate on the policy direction of the Bank whilst the day-to-day administration is vested in the Chief Executive Officer and his team. The Board acts as the general policy maker of the Bank. Below are its mandates, among others:

- Policy formulation and other guidelines necessary for the Bank to operate efficiently
- Policy formulation that encompasses all core functions e.g. finance, audit, procurement, and recruitment.
- Approval of loans, overdrafts, and investment decisions above Management limits.
- Approval and review of the remuneration and incentives for staff and their general welfare.
- Approval of budgets
- Handles disciplinary issues with recommendations from the Chief Executive Officer and the disciplinary committee.
- Approval for the acquisition and disposal of assets.
- Promotion of staff based on the recommendation of the Chief Executive Officer
- Oversight of the Chief Executive Officer and the management team

1.4 Shareholdings of current directors

No.	Name of Director	Number of shares	Percentage shareholding (%)	Amount (GHC)
1.	Mr. Benjamin T. Apo	3,180,032	8.97	273,238.80
2.	Dr. Desmond A. Nartey	2,209,162	6.23	170,264.16
3.	Mrs. Mercy Mamle-Tetteh (Esq)	1,155,828	3.26	95,887.22
4.	Mr. Richard Azina Nartey	455,748	1.28	107,190.74
5.	Mr. Emmanuel Osei Ofosu	102,775	0.29	20,187.15
6.	Mr. Patrick Amanor Buckor	52,915	0.15	13,228.75
7.	Mr. Edward Nartey Tetteh	49,714	0.14	8,999.95
	TOTAL	**6,985,673**	**20.32**	**688,996.77**

2.0 Board Committees

By resolution, the board has four (4) committees with specific mandates.
These committees are:

- Audit / Information Technology Committee
- Human Resource Committee
- Credit and Finance Committee
- Risk and Compliance Committee

The board has issued in writing, the terms of reference for each committee, which sets out the committee's mandate, scope, procedures and frequency of meetings. To avoid undue concentration of power and to promote fresh perspectives, membership and chairmanship of such committees are occasionally rotated.

2.1 Audit / IT Committee

The audit committee convened five (5) meetings during the year, including two (2) emergency meetings.

Member	Attendance	Percentage (%)
Mr. Patrick Amanor Buckor (Chairman)	5/5	100
Dr. Nartey Desmond	5/5	100
Mr. Emmanuel O. Ofosu	5/5	100

The Audit / IT Committee's terms of reference are as below:

The Committee meets every quarter to examine the internal auditor's report, review controls, address onsite regulatory examination concerns and recommend audited financial statements to the Board, among others.

The responsibilities of the Audit Committee of the Board of Manya Krobo Rural Bank Plc. are as outlined below:

1. Reviews the Bank's audit programmes and ensures that the Internal Audit Department is adequately resourced to effectively carry out its functions.
2. Reviews Management and the Internal Auditor's reports on the effectiveness of systems for internal financial control, financial reporting and risk management.
3. Oversees the process of selecting an External Auditor as well as its compensation and removal where necessary.
4. Ensuring compliance with lending policies.
5. Considers management's response to major external or internal audit recommendations.
6. Assessment on an annual basis, the appropriateness of the strategic plan of the regulated institution
7. Oversees the establishment of accounting policies.
8. Provides oversight of the internal and external audit function

2.2 Human Resource Committee

The Human resource committee convened five (5) meetings, including two (2) emergency ones during the year under review.

Member	Attendance	Percentage (%)
Mr. Benjamin T. Apo (Chairman)	5/5	100
Mr. Richard A. Nartey	5/5	100
Mr. Edward N. Tetteh	5/5	100

The mandate of the committee is to meet at least once every quarter or as may be required to discuss the human resource issues of the bank.

Functions of the Committee

1. Recruitment and selection of staff with required competencies and critical skills
2. Provide guidance for succession planning and leadership in the Bank.
3. Enforcement of discipline and corporate ethics.
4. Setting of appropriate salary structure that is in the best interests of the Bank.
5. Establishment of specific set of performance objectives for management and all other staff.
6. Review the Bank's health and safety program.
7. Negotiation with labor unions.
8. Review of the Human Resource strategy.

2.3 Credit and Finance Committee

The committee held eight (8) meetings, including an emergency one during the year.

Member	Attendance	Percentage (%)
Dr. Desmond A. Nartey (Chairman)	8/8	100
Mr. Patrick Buckor	8/8	100
Mr. Richard A. Nartey	8/8	100
Mr. Benjamin Tetteh Apo	7/8	88

Meetings were held prior to each main Board meeting to take an in-depth look at the financials presented by management. The committee is responsible for the following:

Functions of the Committee

1. Reviews the assets and liabilities management of the bank;
2. Ensures that the Bank complies with Regulatory requirements regarding the granting of credit facilities;
3. Ensures that the credit policy and procedures of the Bank are strictly adhered to.
4. Provides strategic guidance for the development and achievement of the Bank's credit and lending objectives.
5. Establishes portfolio constraints and limits on loans and investments.
6. Reviews the Bank's internal control procedures in relation to credit risk assets and ensure that they are sufficient to safeguard the quality of the Bank's risk assets.
7. The committee reviews periodic loan recoveries reports and ensures that systems are established on loan recoveries.
8. Handle any other issue referred to the Committee from time to time by the Board.

2.4 Risk & Compliance Committee

The committee held 3 meetings in the year. The membership as at the end of the year was as follows:

Member	Attendance	Percentage (%)
Mr. Benjamin T. Apo (Chairman)	3/3	100
Mr. Emmanuel O. Ofosu	3/3	100
Mr. Edward N. Nartey	3/3	100

Functions of the Committee

The responsibilities of the committee are as follows:

1. Review of the risk profile of the Bank against the risk appetites, approved limits and risk trends.
2. Review of management reports to identify risk exposures.
3. Review of key performance indicators on risk, controls and compliance
4. Review of current risk exposures and future risk strategies, considering the macroeconomic environment.

5. Provide oversight, advice necessary to maintain a supportive risk culture throughout the bank.
6. Provide oversight and critique of due diligence on risk issues relating to material transactions and strategic proposals of the bank.
7. Review of external risk information disclosures including annual reports and accounts.

Capacity building for directors

In the course of the year 2023, Directors attended the following trainings to enhance their capacity as in corporate governance:

- Legal aspects of credit administration;
- Data Protection Commission Act of Ghana, Act 843;
- Sensitization workshop on Development Bank Ghana;
- Effective strategic planning and budgeting process.

By order of the Board

Board Chairperson

Signature……………………………………………

Date……………………………………………… 30th April, 2024

REPORT OF THE INDEPENDENT AUDITORS

Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Manya Krobo Rural Bank Plc., which comprise the Statement of Financial Position as at 31st December 2023, the statement of profit or loss and other comprehensive income, the statement of cash flows, and the statement of changes in equity for the year ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory notes.

Opinion

In our opinion, the accompanying financial statements show a true and fair view of the financial position of the Bank as at 31st December 2023, and of its financial performance and cash flows for the year then ended in accordance with the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and the Anti-Money Laundering Act, 2020 (Act 1044).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These 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. There were no matters to be reported under this section of the report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in this document titled "Manya Krobo Rural Bank Plc -Financial Statements – 31st December 2023", other than the financial statements and our Auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit – taking Institutions Act, 2016 (Act 930) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditors' 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.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

- Conclude on the appropriateness of the Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern.

  If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 the auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

ii. In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books, and proper returns adequate for the purposes of the audit have been received from branches not visited by us.

iii. The statement of financial position, the statement of profit or loss and other comprehensive income, the statement of cash flows and the statement of changes in equity of the Bank are in agreement with the books of account.

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

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

i. The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year ended on that date.

ii. We obtained all the information and explanation required for the efficient performance of our audit.

iii. The transactions of the Bank were within its powers; and

iv. The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930); the Anti-Money Laundering Act, 2020 (Act 1044), and the Anti-Terrorism Act, 2008, (Act 762).

The engagement partner on the audit resulting in this independent auditor's report is **Dr. Adom Adu-Amoah** (Practising Certificate Number: **ICAG/P/1294**)

Particulars of the Auditor

Signature: Morrison & Associates ……………………………………………………

Name: **Morrison & Associates**
(Chartered Accountants)

Licence Number: ICAG/F/2024/097

Address: 2nd Floor Trinity House, Ring Road East
P.O. Box CT 2890 Cantonments - Accra, Ghana

30th April, 2024
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Accra, Ghana

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2023

	Note	2023 GH¢	2022 GH¢
Interest income	7	32,971,519	27,818,090
Interest expense	8	(6,956,712)	(5,473,084)
Net interest income		**26,014,807**	**22,345,007**
Fees and commission income	9	2,744,308	2,308,090
Other operating income	10	368,387	275,705
Operating income		**29,127,502**	**24,928,801**
Net impairment loss on financial assets	13	(265,640)	(557,126)
Personnel expenses	11	(13,040,005)	(11,604,998)
Depreciation	24	(874,781)	(889,996)
Other operating	12	(10,937,887)	(8,432,987)
Profit before income tax		**4,009,190**	**3,443,695**
Growth and sustainability levy	14 (c)	(100,230)	-
Income tax expense	14 (a+b)	(1,094,686)	(1,115,225)
Profit for the period		**2,814,274**	**2,328,470**
Other comprehensive income		-	-
Total comprehensive income for the year		**2,814,274**	**2,328,470**

STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2023

	Note	2023 GH¢	2022 GH¢
Assets			
Cash and cash equivalents	15	14,125,138	11,106,329
Equity investments	16	179,245	121,705
Loans and advances to customers	17	40,785,964	29,253,603
Investment securities	18	109,468,167	86,114,486
Property, plant and equipment	24	6,522,372	5,712,745
Other assets	19	3,824,854	2,360,321
Total Assets		**174,905,740**	**134,669,189**
Liabilities			
Deposits from customers	20	150,654,502	116,095,078
Borrowings	22	100,039	140,833
Deferred tax	14b	539,284	543,053
Current tax	14a	294,187	141,830
Growth and sustainability levy	14c	100,230	-
Dividend payable	23	793,265	351,679
Other liabilities	21	7,329,337	4,113,390
Total Liabilities		**159,810,843**	**121,385,864**
Equity			
Stated capital	25	5,036,314	4,972,862
Income surplus		4,495,063	3,405,456
Capital surplus		570,611	570,611
Statutory reserve		4,719,557	4,015,988
Regulatory credit risk reserve		161,675	315,659
Deposit for shares		111,677	2,749
Total Equity		**15,094,897**	**13,283,325**
Total Liabilities & Equity		**174,905,740**	**134,669,189**

By order of the board

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)
) **Directors**
)
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Accra

30th April ...., **2024**

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

		2023 GH¢	2022 GH¢
Cash flows from operating activities			
Profit before tax		4,009,190	3,443,695
Adjustments for:			
Depreciation		874,781	889,996
Impairment on financial assets		265,640	557,126
Profit from sale of fixed assets		-	(86,429)
Tax adjustment		4,763	-
Prior year adjustment	32	(245,266)	(378,716)
Bad debt write off		(955,973)	-
Net cash inflow before changes in operating assets and liabilities		**3,953,135**	**4,425,672**
Change in investment securities		(24,111,328)	5,704,099
Change in loans and advances		(10,502,728)	(1,443,357)
Change in other assets		(1,464,533)	(236,655)
Change in deposit from customers		34,559,424	8,276,284
Change in other liabilities		3,215,947	2,074,241
Income tax paid		(950,862)	(822,073)
		745,919	**13,552,540**
Net cash used in operating activities		**4,699,054**	**17,978,212**
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,684,409)	(829,050)
Purchase of government bonds		418,348	(18,349,998)
Change in equty investment		(57,540)	-
Proceeds from sale of fixed assets		-	104,215
Net cash used in investing activities		**(1,323,601)**	**(19,074,833)**
Cash flows from financing activities			
Proceeds from issue of shares		63,452	187,572
Change in borrowings		(40,795)	(237,305)
Change in share deposit		108,928	-
Dividend paid		(488,230)	(969,185)
Net cash flows from financing activities		**(356,645)**	**(1,018,918)**
Net increase in cash and cash equivalents		**3,018,808**	**(2,115,539)**
Cash and cash equivalents at 1st January		11,106,329	13,221,868
Cash and cash equivalents at 31st December		**14,125,138**	**11,106,329**
Composition of cash and cash equivalents			
Cash on hand		3,689,346	3,249,473
Bank balances		10,435,793	7,856,856
		14,125,138	**11,106,329**

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER, 2023

2023	Note	STATED CAPITAL GH¢	INCOME SURPLUS GH¢	STATUTORY RESERVE GH¢	CAPITAL SURPLUS GH¢	CREDIT RISK RESERVE GH¢	OTHER RESERVES GH¢	TOTAL EQUITY GH¢
Balance at 1st January		**4,972,862**	**3,405,456**	**4,015,988**	**570,611**	**315,659**	**2,749**	**13,283,325**
Prior Year adjustment	32	-	(245,266)	-	-	-	-	(245,266)
Restated balance		**4,972,862**	**3,160,189**	**4,015,988**	**570,611**	**315,659**	**2,749**	**13,038,059**
Comprehensive income								
Profit for the year		-	2,814,274	-	-	-	-	**2,814,274**
Total comprehensive income		-	**2,814,274**	-	-	-	-	**2,814,274**
Transactions with owners								
Additional share issue		63,452	-	-	-	-	-	**63,452**
Dividend declared		-	(929,816)	-	-	-	-	**(929,816)**
Deposits for shares		-	-	-	-	-	108,928	**108,928**
Regulatory credit risk reserve			153,984	-	-	(153,984)	-	-
Transfer to statutory reserve		-	(703,569)	703,569	-	-	-	-
Total transactions with owners		**63,452**	**(1,479,401)**	**703,569**	-	**(153,984)**	**108,928**	**(757,436)**
Balance at 31st December		**5,036,314**	**4,495,063**	**4,719,557**	**570,611**	**161,675**	**111,677**	**15,094,897**

2022		STATED CAPITAL GH¢	INCOME SURPLUS GH¢	STATUTORY RESERVE GH¢	CAPITAL SURPLUS GH¢	CREDIT RISK RESERVE GH¢	OTHER RESERVES GH¢	TOTAL EQUITY GH¢
Balance at 1st January		**4,785,290**	**2,788,871**	**3,064,137**	**570,611**	**378,716**	**14,458**	**11,602,084**
Prior Year adjustment	32(a)	-	(369,733)	369,733	-	-	-	-
Prior Year adjustment	32(b)	-	378,716	-	-	-	-	378,716
Restated balance		**4,785,290**	**2,797,854**	**3,433,870**	**570,611**	**378,716**	**14,458**	**11,980,800**
Comprehensive income								
Profit for the year		-	2,328,470	-	-	-	-	**2,328,470**
Total comprehensive income		-	2,328,470	-	-	-	-	**2,328,470**
Transactions with owners								
Additional share issue		187,572	-	-	-	-	-	**187,572**
Dividend declared		-	(1,201,807)	-	-	-	-	**(1,201,807)**
Deposit for shares		-	-	-	-	-	(11,709)	**(11,709)**
Regulatory credit risk reserve		-	63,057	-	-	(63,057)	-	-
Transfer to statutory reserve		-	(582,117)	582,117	-	-	-	-
Total transactions with owners		**187,572**	**(1,720,868)**	**582,117**	-	**(63,057)**	**(11,709)**	**(1,025,944)**
Balance at 31st December		**4,972,862**	**3,405,456**	**4,015,988**	**570,611**	**315,659**	**2,749**	**13,283,325**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023

1. REPORTING ENTITY

Manya Krobo Rural Bank Plc. is a company limited by shares and incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The address of the Bank's registered office is P.O. Box 176, Odumase-Krobo.

The Bank operates with a banking license that allows it to undertake the business of rural banking in its catchment area.

2. BASIS OF PREPARATION

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB) and, adopted by the Institute of Chartered Accountants, Ghana (ICAG) and Guide for Financial Publications for Banks & Licensed Financial Institutions. These financial statements were approved by the Board of Directors on 30th April, 2024 .

2.2 Basis of Measurement

The financial statements have been prepared in accordance with the relevant International Financial Reporting Standards (IFRS) issued by International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992).

2.3 Functional and Presentation Currency

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

2.4 Use of Estimates and Judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Bank which have been applied consistently in preparing these financial statements are stated below:

3.1 Foreign Currency Transactions

Transactions in foreign currencies are translated at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated at the exchange rate at that date (closing rate). The foreign currency gain or loss on monetary items is the difference between amortised cost at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments which are recognised in Other Comprehensive Income (OCI).

3.2 Interest

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

The calculation of the Effective Interest Rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the Effective Interest Rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Interest income and expense presented in the statement of profit or loss include:

- Interest on financial assets and financial liabilities at amortised cost on an effective interest rate basis.
- Interest on securities is computed on effective interest rate basis.

3.3 Fees and commission

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

Other fees and commission income, including account processing fees and commitment fees are recognised as the related services are performed. When a loan commitment is not expected to result in the drawdown of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period/year.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

3.4 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss/other comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

3.5 IFRS 9- Financial Instruments

3.5.1 Financial Assets and Liabilities

3.5.1.1 Recognition

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

3.5.1.2 De-recognition

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

3.5.1.3 Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when, and only when, the Bank currently 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 a group of similar transactions.

3.5.1.4 Classification and Measurement

The Bank classifies its financial assets based on the business model within which they are managed and their contractual cash flow characteristics. These factors determine whether the financial assets are measured at amortised cost (AC), fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). Financial Assets whose contractual terms give rise on specified dates to collect cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding are initially measured at fair value and subsequently measured at amortised cost.

A significant portion of the Bank's financial assets (loans and advances) and financial liabilities (Deposits from customers and borrowings) fall into this classification.

Note 6 sets 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.

3.5.1.5 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.

3.5.1.6 Fair Value Measurement

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

The fair value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the statement of financial position.

3.5.1.7 Designation at Fair Value Through Profit or Loss

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

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.

3.5.1.8 Identification and Measurement of Impairment

At each reporting date, the Bank determines whether there is significant increase in credit risk since initial recognition of the financial asset or no significant increase in credit risk since initial recognition. In assessing whether a significant increase in credit risk has occurred, the Bank applies a multifactor approach using quantitative measures (e.g. changes in probability of default or credit score since origination), and qualitative factors such as macro-economic developments and changes in specific business environments. There is a rebuttable presumption that all financial assets that are 30 days past due are considered to have experienced a significant increase in credit risk.

Where there is significant increase in credit risk since initial recognition the Bank measures the loss allowance for a financial instrument at an amount equal to lifetime Expected Credit Losses. In the case of no significant increase in credit risk, the Bank measures the loss allowance for a financial instrument at an amount equal to 12-month Expected Credit Losses.

The Bank considers evidence of impairment at both an individual and collective level. All individually 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 together financial assets (carried at amortised cost) with similar risk characteristics.

In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset 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.

The Bank's Expected Credit Loss model

The Bank follows a three-stage approach to impairment for its financial assets.

Stage 1: when a significant increase in credit risk since initial recognition has not occurred, a 12-month ECL is recognized for all Stage 1 financial assets. Stage 1 financial assets are considered performing.

Stage 2: when a significant increase in credit risk since initial recognition has occurred, a lifetime ECL is recognised. Stage 2 financial assets are Under-Performing but not yet defaulted.

Stage 3: There is significant increase in credit risk reflecting 90 days past due and considered credit impaired at the reporting date.

The Bank's ECL model uses three key input parameters for the calculation of the expected credit losses, being:

- probability of default (PD),
- exposure at default (EAD) and
- loss given default (LGD).

PD is the estimate of the likelihood of default over a given time horizon. Key drivers include customer characteristics which are adjusted with forward-looking macroeconomic scenarios which are likely to impact the risk of default.

EAD represents the expected balance at default after taking into account any projected repayment of principal and interest together with any expected drawdowns of committed facilities until the default event occurs. The EAD will be discounted back to the reporting date using the effective interest rate (EIR) determined at initial recognition. Discounting is calculated over a 12-month period for Stage 1 loans or over either the behavioural life or the remaining term life, whichever is shorter, for Stage 2 loans.

LGD represents the expected losses on the EAD after taking into account cash recoveries, including the value of collateral, discounted over the time it is expected to be realized. Expected cash recoveries are discounted at the original EIR of the loan, back to the default date.

3.6 Cash and cash equivalents

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

Cash and cash equivalents are carried at 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.

3.7 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. 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.

3.8 Investments

These are initially measured at fair value plus incremental direct transaction costs. They are subsequently accounted for depending on their classification as either fair value through profit or loss or fair value through other comprehensive income.

3.8.1 Fair Value through Other Comprehensive Income

The Bank carries its investments (other than securities) at fair value through other comprehensive income, with fair value changes recognised immediately in other comprehensive income.

3.8.2 Fair Value through Profit or Loss

The Bank carries its investment securities (treasury bills) at fair value, with fair value changes recognised immediately in profit or loss.

3.9 Adoption of Leases – IFRS 16

The Bank has adopted IFRS 16, with effect from 1st January 2019. The final version of this standard was issued in January 2016, by the International Accounting Standards Board (IASB) to replace IAS 17, the previous accounting standard for leases.

The key difference between IAS 17 and IFRS 16 is that IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases under IAS 17. That is, a single model of accounting for every lease for the lessee has been introduced by IFRS 16. Lessees are required to apply a single model for all recognised leases, but will have the option not to recognise ‘short-term’ leases of ‘low-value’ assets.

Generally, the profit or loss recognition pattern for recognised leases is similar to the finance lease accounting method under IAS 17, with interest and depreciation expense recognised separately in the statement of profit or loss. Lessees must adopt IFRS 16 using either a full retrospective or a modified retrospective approach.

IFRS 16.1, Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors are required to continue to classify leases as either operating or finance leases using similar principles as in IAS 17.

3.9.1 Recognition and Measurement

Leases are capitalised by recognising the present value of the lease payments and showing them either as leased assets (right-of-use assets) or together with property, plant and equipment. If lease payments are made over time, a financial liability is recognised representing the Bank's obligation to make future lease payments.

Impact of IFRS 16 on the Financial Statements

The adoption of IFRS 16 did not have significant impact on the Bank's financial statements. Most of the Bank's assets were either leased for a short-term, the lease payments were immaterial, or payments were made in advance in acquisition of right-of-use over the lease period. All the lease payments made in advance during the year were treated as rent prepayments (current assets). Relevant portions of previous advance payments were amortised through the statement of profit or loss as expenses.

3.10 Property, Plant & Equipment

3.10.1 Recognition and Measurement

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

3.10.2 Subsequent Costs

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

3.10.3 Revaluation Model

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

3.10.4 Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each item of property, plant & equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. Annual depreciation rates of items of Property, plant and equipment have been assessed as follows:

- Buildings 2%
- Motor vehicles 25%
- Office furniture and fittings 20%
- Office equipment 20%
- Leased assets over the duration of the lease

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

3.11 Intangible Assets

An intangible asset is generally considered as an identifiable non-monetary asset without physical substance. It is recognised when future economic benefits will flow to the Bank and it can be reliably measured.

The useful life may be finite or indefinite depending on the nature and legal framework underpinning the transaction. Impairment assessment is made of all indefinite intangible assets at each reporting date and the appropriate adjustments made.

3.11.1 Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of the Bank's software is four years.

3.12 Impairment of Non-Financial Assets

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

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

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.13 Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. A provision for restructuring is recognised when the Bank has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating costs are not provided for. A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract.

Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

3.14 Employee Benefits

3.14.1 Short-term Benefits

Short-term employee benefits are amounts payable to employees that fall due wholly within 12 months after the end of the year in which the employee renders the related service.

The cost of short-term employee benefits is recognised as an expense in the year when the economic benefit is given, as an employment cost. Unpaid short-term employee benefits as at the end of the accounting year are recognised as an accrued expense and any short-term benefit paid in advance are recognised as prepayment to the extent that it will lead to a future cash refund or a reduction in future cash payment.

Wages and salaries payable to employees are recognised as an expense in profit or loss at gross amount. The Bank's contribution to Tier 1, 2, and 3 of the National Pensions Scheme are also charged as expenses.

3.14.2 Social Security and National Insurance Trust (SSNIT)

Under a National Defined Benefit Pension Scheme, the Bank contributes 13% of employees' basic salary to Social Security and National Insurance Trust (SSNIT) for employee pensions. The Bank's obligation is limited to the relevant contributions, which are settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

3.14.3 Provident Fund

The Bank has a Provident Fund Scheme for all permanent employees. Employees contribute 10% of their basic salary to the Fund with the Bank also contributing amounts equivalent to 7.5% of the employee's basic salary. The Bank's obligation under the Fund is limited to the relevant contribution which is invested at interest rates agreed by the Trustees of the Scheme and the Bank.

3.15 Share Capital and Reserves

3.15.1 Share Issue Costs

Expenses attributable to issue of equity instruments are expensed

3.15.2 Dividends

Dividends are recognised as a liability in the year in which they are proposed or declared.

3.16 *Borrowings (Liabilities to Banks and Customers)*

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method. Any differences between proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss over the period of the borrowings. Borrowings and other forms of financial liabilities are de-recognised from the books only when they are extinguished, i.e., when the obligation specified in the contract is discharged, cancelled or expires.

4 RISK MANAGEMENT

4.0.1 *Introduction and Overview*

Risk management is fundamental to the long-term profitability and survival of the Bank. The Bank manages risk through a continuous process of identifying, measuring and controlling risks inherent in its operations.

4.0.2 Categories of Risk

Risk is inherent in every material business activity of the Bank. The nature of the Bank's operations expose it to the following risks:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk;

4.1 Credit Risk

Credit risk refers to the risk that a borrower defaults in repaying a credit facility either in full or in part or that counterparty fails to meet its contractual obligation on a financial instrument thereby resulting in financial loss to the Bank. The principal sources of credit risk inherent in the Bank's operations arise from loans and advances to customers and investment securities (placements).

The Bank pursues a prudent policy for granting credit facilities to customers. The Bank also applies the Know Your Customer (KYC) principle when granting credit facilities to customers. In other words, credit facilities are granted to businesses whose management, integrity and expertise are known and considered to be acceptable by the Bank. In addition, the Bank adequately assesses the financial performance of the businesses of borrowers before granting credit facilities to such businesses.

Credit facilities granted to customers, both corporate and retail, are closely monitored on a regular basis to uncover early warning signals of non-performance for the necessary remedial measures to be taken.

The Bank requires appropriate collateral to secure credit facilities granted to borrowers. Collateral is security in the form of an asset or third-party obligation that serves to mitigate the inherent risk of credit loss in an exposure, by either substituting the borrower default risk or improving recoveries in the event of a default.

The Bank has adopted the following internal credit grading system in classifying its credit portfolio:

Grade	Description	Days Overdue
1	Current	Less than 30 days
2	OLEM	30 to 90 days
3	Substandard	91 to180 days
4	Doubtful	181 to 365 days
5	Loss	More than 365 days

Collaterals held as security against credit risk consist mainly of mortgages over landed property as well as cash and Government securities.

4.1.1 EXPOSURE TO CREDIT RISK

The maximum amount of credit risk by class of financial asset as at 31st December, 2023 was as follows:

12/31/2023	FV through profit or loss GH¢	FV through OCI GH¢	Amortised Cost GH¢	Total Amount GH¢
Cash and balances with banks	14,125,138	-	-	14,125,138
Investment Securities (excluding bonds)	17,528,753	-	-	17,528,753
Government bonds	-	-	44,316,849	44,316,849
Loans and Advances to Customers	-	-	42,407,967	42,407,967
Equity investments	-	179,245	-	179,245
	31,653,892	**179,245**	**86,724,816**	**118,557,953**

12/31/2022	FV through profit or loss GH¢	FV through OCI GH¢	Amortised Cost GH¢	Total Amount GH¢
Cash and balances with banks	11,106,329	-	-	11,106,329
Investment securities (excluding bonds)	15,283,301	-	-	15,283,301
Government bonds	-	-	44,016,294	44,016,294
Loans and advances to customers	-	-	33,027,172	33,027,172
Equity investments	-	121,705	-	121,705
	26,389,630	**121,705**	**77,043,466**	**103,554,801**

***NB:** FV = Fair Value
OCI = Other Comprehensive Income

4.2 Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from either its inability to meet its maturing obligations as they fall due or to fund increases in assets without incurring unacceptable costs.

Liquidity risk could occur if customers suddenly withdraw more funds than expected which cannot be met from the Bank's available cash resources, from selling or pledging assets, or by borrowing funds from third parties. Liquidity risk could also occur if the Bank is unable to meet committed loan disbursements.

4.2.1 Management of Liquidity Risk

Management of liquidity risk enables the Bank to minimise the mismatch in the timing of cash flows relating to its assets and liabilities and also ensures that it meets its cash reserve requirement.

The Bank determines and monitors the daily liquidity position by preparing daily liquidity reports which summarise the daily cash inflows and outflows and reserve requirements. Any required borrowings or placements are actioned by management within the framework of the treasury guidelines. Daily reports are subsequently submitted to management for approval. The Bank also monitors compliance with regulatory limits on a daily basis.

A branch's daily cash holding depends on projected cash withdrawals and deposits based on past experience. In locations where there is more than one branch of the Bank, the other branch/branches serve as a source of cash replenishment for a cash deficit branch.

It is the Bank's policy to have adequate and up to date contingency funding plans to enable the Bank to respond effectively to liquidity stress events at various levels of severity. These policies are based on stress scenarios and include potential funding strategies and sources.

Management meets regularly to review the liquidity position of the Bank in line with the treasury and investment policy of the Bank. The Bank maintained a healthy liquidity position throughout 2021.

4.4.2 EXPOSURE TO LIQUIDITY RISK

The bank's exposure to liquidity risk as measured by liquidity gap analysis is summarised in the below:

2023	Less than 1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and bank balances	14,125,138	-	-	-	**14,125,138**
Short term investments	26,521,971	19,102,880	17,158,977	-	**62,783,828**
Long term investments	-	-	-	46,684,339	**46,684,339**
Loans and advances	5,000,306	6,089,852	15,382,079	15,935,730	**42,407,967**
Other assets	71,991	762,562	143,981	2,846,320	**3,824,854**
Property, plant and equipment	218,697	218,697	437,394	5,647,584	**6,522,372**
Total Assets	**45,938,104**	**26,173,990**	**33,122,431**	**71,113,973**	**176,348,498**
LIABILITIES					
Deposits from customers	37,256,959	41,234,113	72,163,429	-	**150,654,502**
Other liabilities	2,943,246	2,934,846	1,451,245	-	**7,329,337**
Borrowings	4,358	4,358	8,715	82,608	**100,039**
Total liabilities	**40,204,563**	**44,173,317**	**73,623,390**	**82,608**	**158,083,877**
Net Liquidity Gap	**5,733,541**	**(17,999,326)**	**(40,500,959)**	**71,031,365**	**18,264,621**

* There were no contingencies during the year

2022	Less than 1 to 3 months	3 to 6 months	6 to 12 months	More than 1 year	Total
ASSETS	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and bank balances	11,106,329	-	-	-	**11,106,329**
Investments	7,261,973	15,311,139	13,723,757	49,939,323	**86,236,191**
Loans and advances	9,289,111	7,938,275	5,034,198	10,765,587	33,027,172
Other assets	-	-	2,360,321	-	**2,360,321**
Property, plant and equipment	222,777	222,777	445,554	4,821,637	**5,712,745**
Total Assets	27,880,190	23,472,191	21,563,830	65,526,547	138,442,758
LIABILITIES					
Deposits from customers	26,364,715	26,498,831	44,039,452	19,192,080	**116,095,078**
Other liabilities	-	-	4,113,390	-	**4,113,390**
Borrowings	32,500	32,500	65,000	10,833	**140,833**
Total liabilities	**26,397,215**	**26,531,331**	**48,217,842**	**19,202,913**	**120,349,302**
Net Liquidity Gap	**1,482,974**	**(3,059,140)**	**(26,654,012)**	46,323,634	18,093,456

* There were no contingencies during the year

4.3 Market Risk

Market risk is the potential for losses arising from movements in interest rates, exchange rates, equity prices and commodity prices. The Bank is currently exposed to interest rate risk.

4.3.1 Management of Market Risk

4.3.1.1 Exposure to Interest Rate Risk

Interest rate risk arises when there is a mismatch between positions which are subject to interest rate adjustment within a specified period. The Bank's lending, investment and funding activities give rise to interest rate risk because it carries a mix of both fixed and floating rate assets and liabilities on its books. The Bank monitors its interest-bearing assets and liabilities closely and takes remedial action to address potential risks.

4.4 Operational Risks

Operational risk is the potential for loss arising from inadequate or failed processes, people and systems, staff misconduct or from uncontrolled external events. Operational risk may arise from:

a. Failure to manage systems, operations, transactions and assets;
b. Human errors or loss of customer data;
c. Fraud, theft, cyber attacks and hacking activities; and
d. Natural as well as man-made disasters.

These risks are identified, monitored and controlled through well designed operating procedures and controls, insurance policies, business continuity planning, internal audit and timely and reliable management reporting systems. Operational risk in the Bank is driven by volume of cash flows and transactions as well as other operational risks such as cash shortages, legal expenses, system failures etc.

The Bank's management is primarily responsible for managing operational risk inherent in its banking business. The Bank manages its operational risk by regularly raising awareness of its employees to potential operational losses, improving early warning information systems and allocating risk ownership and responsibilities to branch managers and heads of departments.

Furthermore, the Bank has put in place physical controls to ensure that unauthorised persons do not have access to sensitive areas of the Bank.

The effective management of the Bank's operational risk therefore protects the Bank against unnecessary business disruptions and associated costs.

4.5 Capital Management

The primary objective of capital management in the Bank is to ensure that:

- The Bank complies with the minimum stated capital requirement of Bank of Ghana;
- The Bank complies with the regulatory capital requirement that always enables it to meet the minimum Capital Adequacy Ratio requirement of Bank of Ghana;
- The Bank maintains a strong capital base to maintain investor, creditor and market confidence and to sustain future development of its business.

4.6 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 retained earnings, 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 subordinated liabilities and revaluation surplus. Total Tier 2 capital is limited to 2% of risk weighted assets.

The Bank's regulatory capital position as at 31st December 2023 is summarised below: With the implementation of Basel II/III Pillar (Capital requirement), the Bank of Ghana has issued the capital requirement directive (CRD), based on which a new Capital Adequacy Ratio computation has been adopted by Banks in Ghana effective January 2019.

	2023	2022
Tier 1 Capital	**GH¢**	**GH¢**
Ordinary share capital	5,036,314	4,972,862
Retained earnings-audited	3,405,456	2,788,871
Profit or loss to date-audited	1,089,607	616,585
Statutory reserve	4,719,557	4,015,988
Intangible assets	(1,335,005)	103,169
Total	**12,915,929**	**12,497,475**
Tier 2 Capital		
Revaluation reserve	285,306	285,306
Qualifying subordinated liabilities	111,677	2,749
Total Tier 2 Capital	**396,983**	**288,055**
Tier 2 for CAR (Limited to 2% of RWA)	**396,983**	**288,055**
Total regulatory capital	**13,312,911**	**12,785,530**
Risk weighted assets		
Credit risk		
On balance sheet	60,851,429	50,463,924
Off balance sheet	-	-
Operational risk	25,161,949	25,803,160
Market risk	-	-
Total risk weighted assets	**86,013,378**	**76,267,084**
Capital Ratios:		
Total tier 1 capital/Total risk weighted assets	15.02	16.39
Total tier 2 capital/Total risk weighted assets	0.46	0.38
Total regulatory capital/Total risk weighted assets	15.48	16.77

The Company's regulatory capital meets the required minimum for both the current year and the previous year.

5. USE OF ESTIMATES AND JUDGEMENTS

Management selects and makes disclosures of the Bank's accounting policies and estimates, and the application of these policies and estimates from time to time.

5.1 Key sources of estimation uncertainty

5.1.1 Allowances for credit losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in the accounting policy.

The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral.

5.1.2 Determining Fair Values

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

5.2 NEW STANDARDS AND INTERPRETATION

5.2.1 The following new or amended standards are not expected to have a significant impact on the Bank's financial statements.

- Defined Benefit Plan: Employee contributions (Amendments to IAS 11).
- IFRS 14 regulatory deferral accounts.
- Accounting for acquisitions of interest in joint operations (Amendments to IFRS 11).
- Clarification of acceptable methods of depreciation and amortisation (Amendments to IAS 16 and IAS 38).

5.2.2 IFRIC 23 – Uncertainty over Income Tax Treatments

Uncertainty over income tax treatments (IFRIC 23) was issued by the IFRS Interpretation Committee in June 2017 to clarify the accounting for uncertainties in income taxes.

The interpretation is to be applied to the determination of taxable profit (tax loss), tax base, unused tax losses, unused tax credits and tax rates when there is uncertainty over income tax treatments under IAS 12.

An entity has to consider whether it is probable that the relevant tax authority will accept each tax treatment or group of tax treatments that is used or plans to use in its income tax filing.

IFRIC 23 was effective for annual reporting periods beginning on or after 1st January, 2019 with early adoption permitted. The interpretation provides specific guidance in several areas where previously IAS 12 was silent. The Bank adopted IFRIC 23 in 2019.

Impact on the financial statements

The impact of IFRIC 23 on tax accounting was not material to the Bank.

5.2.3 IFRS 16 – Leases

The IASB in January 2016 issued IFRS 16 Leases as the new standard for accounting for leases. This replaces IAS 17 leases effective from annual periods beginning on or after 1st January, 2019.

Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases of 'low-value' assets.

The Bank has adopted this Standard effective 1st January 2019.

The new standard does not significantly change the accounting for leases for lessors. However, it required lessees to recognise most leases on their statement of financial position as lease liabilities, with the corresponding right of use assets.

Generally, the profit or loss recognition pattern for recognised leases will continue to be similar to the current finance lease accounting methods, with interest and depreciation expense recognised separately in the statement of profit or loss. Lessees must adopt IFRS 16 using either a full retrospective or a modified retrospective approach.

Impact on the financial statements

The impact on the Bank's financial reporting, asset financing, IT systems, processes and controls was immaterial.

6 FINANCIAL ASSETS AND LIABILITIES

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their carrying values.

12/31/2023	FV through profit or loss GH¢	FV through OCI GH¢	Amortised Cost GH¢	Total Amount GH¢	Carrying Value GH¢
Cash and balances with banks	14,125,138	-	-	**14,125,138**	14,125,138
Investment securities (placements)		-	17,528,753	**17,528,753**	17,528,753
Treasury bills	45,255,075	-	-	**45,255,075**	45,255,075
Government bonds	-	-	44,316,849	**44,316,849**	44,316,849
Loans and advances to customers	-	-	42,407,967	**42,407,967**	42,407,967
Equity investments	-	179,245	-	**179,245**	179,245
	59,380,213	**179,245**	**104,253,569**	**163,813,028**	**163,813,028**
Deposit from customers	-	-	150,654,502	**150,654,502**	150,654,502
Borrowings	-	-	100,039	**100,039**	100,039
Payables and accruals	-	-	-	**-**	-
	-	**-**	**150,754,541**	**150,754,541**	**150,754,541**

12/31/2022	FV through profit or loss GH¢	FV through OCI GH¢	Amortised Cost GH¢	Total Amount GH¢	Carrying Value GH¢
Cash and balances with banks	11,106,329	-	-	**11,106,329**	11,106,329
Investment securities (placements)	-	-	15,283,301	**15,283,301**	15,283,301
Treasury bills	22,600,146	-	-	**22,600,146**	22,600,146
Government bonds	-	-	44,016,294	**44,016,294**	44,016,294
Loans and advances to customers	-	-	33,027,172	**33,027,172**	33,027,172
Equity investments	-	121,705	-	**121,705**	121,705
	33,706,475	**121,705**	**92,326,767**	**126,154,947**	**126,154,947**
Deposit from customers	-	-	115,097,812	**115,097,812**	115,097,812
Borrowings	-	-	140,833	**140,833**	140,833
Payables and accruals	-	-	4,024,411	**4,024,411**	4,024,411
	-	**-**	**119,263,057**	**119,263,057**	**119,263,057**

***NB:** FV = Fair Value
OCI = Other Comprehensive Income

		2023	2022
7	**INTEREST INCOME**	**GH¢**	**GH¢**
	Interest on loans and overdrafts	17,238,869	14,293,680
	Interest on investment	15,357,876	13,204,225
	Amortisation of deferred commissions/fees	374,775	320,185
		32,971,519	**27,818,090**
8	**INTEREST EXPENSE**		
	Interest on borrowings	29,718	39,534
	Interest on savings	3,128,215	2,452,090
	Interest on time deposits	3,798,779	2,981,460
		6,956,712	**5,473,084**
9	**FEES AND COMMISSION INCOME**		
	SMS Charges	190,184	189,497
	Commission from bancassurance	23,897	51,886
	Commitment fees	675,640	643,426
	Commission on turnover	752,725	760,798
	Interest on clearing accounts	26,236	19,866
	Other fees	1,534,625	989,396
		3,203,307	**2,654,869**
	Deferred commissions/fees	(458,999)	(346,779)
		2,744,308	**2,308,090**
10	**OTHER OPERATING INCOME**		
	Sale of Scraps	1,770	86,429
	Income from sale of stationery stock	184,047	52,603
	Bad debt recovered	182,570	136,673
		368,387	**275,705**
11	**PERSONNEL EXPENSES**		
	Salaries	9,868,908	8,768,100
	Directors' remuneration	995,764	566,175
	Medical expenses	262,168	163,565
	Training	342,435	403,229
	Other staff cost	1,570,730	1,703,928
		13,040,005	**11,604,998**

		2023	2022
12	**OTHER OPERATING EXPENSES**	**GH¢**	**GH¢**
	General administrative expenses (appendix)	10,125,737	7,822,146
	Advertising	78,376	52,311
	Auditor's remuneration	109,710	91,425
	Rent and rates	371,387	264,028
	Community support	252,677	203,077
		10,937,887	**8,432,987**
13	**IMPAIRMENT LOSS ON FINANCIAL ASSETS**		
a	**Loans & advances**		
	Balance b/f on loans and advances	2,967,394	3,368,524
	Prior year adjustment (note 32)	-	(378,716)
	Opening balance restated	**2,967,394**	**2,989,808**
	Charge for the year (loans and advances)	(73,659)	(22,414)
	Bad debt write-off	(955,973)	-
	Provisioning for the year	1,937,761	2,967,394
b	**Investment Securities**		
	Balance b/f on investment securities	694,699	115,159
	Charge for the year-investment securities	339,299	579,540
	Provisioning for the year (note 18)	1,033,998	694,699
	Total impairment charge for the year	**265,640**	**557,126**
13.1	**ANALYSIS OF LOAN IMPAIRMENT ALLOWANCE**		
	Individually assessed	**1,937,761**	**2,967,394**
	Provisions per Bank of Ghana	2,099,436	3,283,053
	Provisions per IFRS	(1,937,761)	**(2,967,394)**
	Regulatory credit risk reserve	**161,675**	**315,659**

14 INCOME TAX

		Year of Assessment	Balance 1/1/2023 GH¢	Charge for the year GH¢	Payment made during the year GH¢	Balance at 31/12/2023 GH¢
(a)	*Current tax*	Up to 2022	141,830	-	-	141,830
		Prior Year	4,763	-	-	4,763
		2023	-	1,098,456	(950,862)	147,593
			146,594	**1,098,456**	**(950,862)**	**294,187**
(b)	***Deferred tax***		**543,053**	**(3,769)**	**-**	**539,284**
(c)	***Growth & Sustainability levy***		**-**	**100,230**	**-**	**100,230**

(c) Reconciliation of tax expense to product of accounting profit and applicable rate

	2023 GH¢	2022 GH¢
Profit before tax	4,009,190	3,443,695
Tax at applicable rate (25%)	1,002,298	860,924
Add (Deduct):		
Tax effect of non-deductible expenses	448,257	485,596
Tax effect of capital allowances	(289,333)	(218,717)
Origination (reversal) of taxable temporary differences	(62,767)	(70,216)
Tax effect of non-taxable income	-	-
Deferred tax	(3,769)	57,639
Tax expense	**1,094,686**	**1,115,225**
Effective tax rate	**27%**	**32%**

The amount provided for Income tax is subject to agreement with the Ghana Revenue Authority.

15 CASH AND BALANCES WITH BANKS

	2023	2022
Cash on hand	3,689,346	3,249,473
Balances with other banks	1,308,791	1,014,050
5% Deposit-ARB Apex Bank Ltd	7,358,366	5,749,408
Clearing account-ARB Apex Bank	1,732,610	828,579
E-Money float	36,025	-
E-susu collection	-	264,819
	14,125,138	**11,106,329**

16 EQUITY INVESTMENTS

	2023	2022
Anglogold Ashanti Limited	3,177	3,177
ARB Apex Bank Limited	126,868	69,328
Manya Klo Cold Store Limited	49,200	49,200
	179,245	**121,705**

17 LOANS AND ADVANCES

a Analysis by type

	2023	2022
Term Loans	39,357,865	30,114,421
Overdrafts	3,050,102	2,912,751
Gross loans and advances	**42,407,967**	**33,027,172**
Interest and commission accrued	1,206,158	-
Deferred commision/fees	(890,400)	(806,175)
Less: Impairment allowance	(1,937,761)	(2,967,394)
Net loans and advances	**40,785,964**	**29,253,603**

		2023	2022
		GH¢	GH¢
b	**Analysis by segment**	**Loans and advances**	**Loans and advances**
	Agriculture	1,611,740	5,632
	Transport	1,700,593	1,438,187
	Trading	20,213,195	17,211,092
	Staff	2,373,861	1,971,743
	Others	16,508,579	12,400,518
		42,407,967	33,027,172
	Interest and commission accrued	1,206,158	-
	Deferred commision/fees	**(890,400)**	**(806,175)**
	Allowance for impairment	(1,937,761)	(2,967,394)
		40,785,964	**29,253,603**
c	**Analysis by customer type**		
		Loans & Advances	**Loans & Advances**
	Individuals	24,192,932	16,612,132
	Public and private enterprises/ institutions	8,954,367	4,091,434
	Staff	2,373,861	1,971,743
	Others	6,886,807	10,351,863
		42,407,967	**33,027,172**
	Interest and commission accrued	1,206,158	-
	Deferred commision/fees	(890,400)	(806,175)
	Less: Impairment allowance	(1,937,761)	(2,967,394)
	Net loans and advances	**40,785,964**	**29,253,603**
18	**INVESTMENTS SECURITIES**		
a	**Investmant Securities (other than bonds)**		
	Treasury bills	45,255,075	22,600,146
	Short term placements	17,528,753	15,283,301
		62,783,828	**37,883,447**
	Add: Accrued interest	3,401,489	4,190,541
	Less: Impairment	(424,998)	(220,699)
		65,760,319	**41,853,290**
b	**Bonds**		
	Government of Ghana Bonds	44,316,849	44,016,294
	Add: Accrued interest	-	718,903
	Less: Impairment	(609,000)	(474,000)
		43,707,849	**44,261,197**

		2023 GH¢	2022 GH¢
19	**OTHER ASSETS**		
	Prepayments	1,874,289	439,884
	Stationery stock	200,112	158,174
	Asset held for sale (repossessed asset)	690,571	690,571
	Office account	363,707	77,164
	Interest in arrears	469,481	784,697
	Head office interagency	53,640	50,452
	ATM (Gh link, Remote & Card stock)	62,631	80,227
	E-zwich & GhanaPay operations	110,424	79,152
		3,824,854	**2,360,321**
20	**DEPOSITS FROM CUSTOMERS**		
	Demand deposits	22,804,285	15,559,529
	Time deposits	32,686,561	24,123,742
	Savings deposits	78,524,134	63,099,932
	Others-susu	15,424,974	12,314,609
		149,439,954	**115,097,812**
	Accrued interest	1,214,548	997,266
		150,654,502	**116,095,078**
21	**OTHER LIABILITIES**		
	Unearned discount on treasury bills	5,350,901	1,925,697
	Office accounts	905,998	279,197
	Payment order/ bills payable	46,490	17,856
	Tax consultancy	-	9,752
	Auditor's remuneration	132,365	91,425
	Premium bond amortisation	-	688,102
	Managed funds (Covid-19 loan)	36,605	193,305
	Others	856,979	908,056
		7,329,337	**4,113,390**
22	**BORROWINGS**		
	NIA Verification Device Loan	100,039	-
	Vehicle loan	-	140,833
		100,039	**140,833**
23	**DIVIDEND PAYABLE**		
	Balance at 1st January	351,679	119,056
	Declared during the year	929,816	1,201,807
	Payment during the year :		
	Cash movement	(488,230)	(969,185)
	Non-cash movement	-	-
	Balance at 31 December	**793,265**	**351,679**

24 PROPERTY, PLANT AND EQUIPMENT

2023 COST	BUILDING	MOTOR VEHICLE & CYCLES	OFFICE FURNITURE & FITTINGS	OFFICE EQUIPMENT	COMPUTER & ACCESSORIES	LEASEHOLD IMPROVEMENT	BUNGALOW FURNITURE & FITTINGS	LAND	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Opening balance	3,453,647	2,714,644	428,522	2,096,714	605,748	973,209	13,160	525,820	10,811,464
Additions	36,000	522,028	34,110	368,418	206,359	517,494	-	-	1,684,409
Disposals	-	-	-	-	-	-	-	-	-
Closing balance	**3,489,647**	**3,236,672**	**462,632**	**2,465,132**	**812,107**	**1,490,703**	**13,160**	**525,820**	**12,495,873**
ACCUMULATED DEPRECIATION									
Opening balance	499,204	2,023,617	276,229	1,440,200	457,791	388,518	13,160	-	5,098,719
Disposal	-	-	-	-	-	-	-	-	-
Charge for year	69,673	319,019	49,373	326,223	64,540	45,956	-	-	874,782
Closing balance	**568,877**	**2,342,636**	**325,601**	**1,766,423**	**522,330**	**434,474**	**13,160**	**-**	**5,973,501**
31/12/2023	**2,920,770**	**894,036**	**137,030**	**698,709**	**289,777**	**1,056,229**	**-**	**525,820**	**6,522,372**
31/12/2022	2,954,443	691,027	152,293	656,514	147,957	584,691	-	525,820	5,712,745

2022 COST	BUILDING	MOTOR VEHICLE & CYCLES	OFFICE FURNITURE & FITTINGS	OFFICE EQUIPMENT	COMPUTER & ACCESSORIES	LEASEHOLD IMPROVEMENT	BUNGALOW FURNITURE & FITTINGS	LAND	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Opening balance	3,405,860	2,579,843	333,362	1,952,063	540,766	948,359	13,160	525,820	10,299,233
Additions	47,787	421,223	96,020	174,188	64,982	24,850	-	-	829,050
Disposals	-	(286,422)	(860)	(29,537)	-	-	-	-	(316,819)
Closing balance	**3,453,647**	**2,714,644**	**428,522**	**2,096,714**	**605,748**	**973,209**	**13,160**	**525,820**	**10,811,464**
ACCUMULATED DEPRECIATION									
Opening balance	430,928	1,960,303	230,546	1,167,487	365,809	344,549	11,209	-	4,510,831
Prior Year	-	-	-	-	-	-	-	-	-
Disposal	-	(271,710)	(860)	(29,537)	-	-	-	-	(302,107)
Charge for year	68,276	335,024	46,543	302,250	91,982	43,969	1,951	-	889,995
Closing balance	**499,204**	**2,023,617**	**276,229**	**1,440,200**	**457,791**	**388,518**	**13,160**	**-**	**5,098,719**
NET BOOK VALUE									
31 /12/ 2022	**2,954,443**	**691,027**	**152,293**	**656,514**	**147,957**	**584,691**	**-**	**525,820**	**5,712,745**
31/12/2021	2,974,932	619,540	102,816	784,576	174,957	603,810	1,951	525,820	5,788,402

25 STATED CAPITAL

Authorised

	2023	2022
Ordinary shares	100,000,000	100,000,000
Preference shares	50,000	50,000

Issued Shares

Ordinary shares:	**Number of shares**	**Proceeds GH¢**	**Number of shares**	**Proceeds GH¢**
Issue for cash	18,906,204	2,186,031	18,584,374	2,122,579
Transfer from capital surplus	-	1,220,877	-	1,220,877
Transfer from income surplus	16,503,116	1,629,401	16,503,116	1,629,401
Preference shares	50,000	5	50,000	5
	35,459,320	**5,036,314**	**35,137,490**	**4,972,862**

There are no shares in treasury and no unpaid liabilities on the shares issued.

26 STATEMENT OF CHANGES IN EQUITY

(a) Stated capital

	2023	**2022**
In thousands of shares		
On issue at 1 January	35,137,490	34,387,202
Issued during the year	321,830	750,288
On issue at 31 December	**35,459,320**	**35,137,490**

(b) Statutory reserves

Statutory reserve represents the cumulative amount set aside from annual net profit after tax as required by the Banks and Special Deposit-taking Institutions Act, 2016 (Act 930).

(c) Capital surplus

The capital surplus was brought forward from previous year. It resulted from revaluation of properties.

(d) Credit risk reserve

To cater for any shortfall 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 retained earnings in respect of the difference required to adjust the cumulative provision to the level required under the Bank of Ghana regulations and IFRS 9 Financial Instruments: Recognition and measurement.

	2023 GH¢	**2022 GH¢**
IFRS impairment	1,937,761	2,967,394
Bank of Ghana provision	2,099,436	3,283,053
Transfer to credit risk reserve	**161,675**	**315,659**

An amount of GH¢161,675 was posted to credit risk reserve for the year (2022: GH¢315,659). Credit risk reserve is not available for distribution as dividend and inclusion in the adjusted capital base for purposes of Capital Adequacy Ratio (CAR) computation.

(e) Deposit for shares

This represents amounts contributed by existing shareholders towards equity.

27 CONTINGENCIES

Based on our review of events of the bank, there were no contingent liabilities as at the statements of financial position date. (2022: Nil)

28 CAPITAL EXPENDITURE COMMITMENTS

There were no capital expenditure commitments as at the statement of financial position date. (2022: Nil)

29 RELATED PARTIES

(a) Key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Manya Krobo Rural Bank Limited (directly or indirectly) and comprise the directors and senior management.

For the year under review, key management personnel include:

(i) Board of Directors - refer to list on page 1 for names of the members of the board

(ii) Other key management personnel

Name	Designation
Godfred Asante Hanson	Chief Executive Officer
Ebenezer Akumatey	Deputy Chief Executive Officer (Operations)
Solomon Godwin Koomson	Head, Finance & Administration
Ernest Tetteh Kpogli	Head, Internal Audit
Monica Angmorkuor Padi	Head, Human resources
Emile Dautey Dor	Head, Risk and Anti-money laundering
Raphael Tawiah	Head, Information Technology
Philip Tetteh	Head, Credit
Alvin Omaboe	Head, Marketing and Business Development

(b) Transactions with Key management personnel

(i) The Banks transactions with key management personnel during the year are as follows:

	2023	2022
	GH¢	GH¢
Mortgage and other secured loans	431,961	305,000
Other loans	5,000	-

(ii) Key management personnel compensation for the year comprised:

	2023	2022
	GH¢	GH¢
Directors' remuneration	995,764	566,175
Key management staff	930,134	738,041

The directors' remuneration includes GH¢ 274,749 as an exit package for three directors, who retired in the year.

(iii) Loan and advances to employees

	2023	2022
Balance at 1st January	1,760,913	1,005,571
Loans advanced during the year	1,400,600	1,877,480
Loan repayment received	(1,436,509)	(1,122,138)
Balance at 31st December	**1,725,004**	**1,760,913**

30 ADDITIONAL DISCLOSURES

	2023	2022
Capital Adequacy ratio	15.48%	16.77%
Gross non-performing loans ratio	4.02%	8.95%
50 Largest exposures	19.28%	23.93%
Loan written off ratio	2.20%	Nil
Liquidity ratio	51.02%	83.75%

31 COVID-19 LOANS

The bank received an amount of Gh¢ 310,000 from the Government of Ghana through the Apex Bank as a relief package to SME's in the rural communities whose businesses were adversely affected by the COVID-19 pandemic. The bank disbursed Gh¢ 197,500 to 112 beneficiaries at an interest and the balance of Gh¢ 112,500 was returned to the Apex Bank.

32 PRIOR YEAR ADJUSTMENT

This represents the reversal of the loan to Manya Klo Cold Store which was wrongfully treated.

33 BONUS SHARE ISSUE

The board of directors passed a resolution to issue a 7 for 1 bonus shares to existing shareholders as at 30th September, 2022. This is in the process of being registered. After registration, this will increase the total number of shares outstanding by 5,012,499 shares.

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2023

34	2023 GH¢	2022 GH¢
Interest earned and other operating Income	36,084,214	30,401,885
Direct cost	(17,894,599)	(13,906,071)
Value Added by Banking Services	18,189,615	16,495,815
Non - banking income	-	-
Impairment	(265,640)	(557,126)
Value Added	17,923,976	15,938,688
Distributed as follows:		
To Employees:		
Non-executive directors	(995,764)	(566,175)
Management staff & other employees	(12,044,241)	(11,038,823)
To Government:		
Income tax	(1,094,686)	(1,115,225)
Growth and sustainability levy	(100,230)	-
To Expansion and Growth		
Depreciation	(874,781)	(889,996)
To Retained Earnings	2,814,274	2,328,471

APPENDIX

GENERAL ADMINISTRATIVE EXPENSES

	2023	2022
	GH¢	GH¢
Postage & telephone	140,561	152,805
Travelling expenses	468,025	339,176
Printing & stationery	433,368	319,066
Motor vehicle running cost	1,435,923	1,125,936
CSWE motor bike running cost	239,264	187,492
Board meeting expenses	57,179	19,409
Business promotion	178,023	133,228
Repairs & maintenance	364,351	195,704
Light & water	868,029	585,185
Entertainment	276,648	284,023
Computer running expenses	1,009,783	731,559
Annual general expenses	270,905	248,558
Security expenses	465,600	466,000
Insurance	601,496	650,010
Specie movement	337,654	147,130
Office expenses	387,472	326,268
Subscription periodicals	96,769	108,193
Cleaning & sanitation	220,189	169,417
Generating plant	248,367	221,927
Susu/mobiization expenses	899,618	614,308
Recovery expenses	14,073	30,696
Bank charges	145,490	76,571
Legal expenses	102,647	147,802
End of year packages	302,502	319,593
Bungalow expenses	34,601	46,436
Shortage in till	-	35
Commissions' expenses	452,296	105,891
Consultancy Fees	34,800	48,752
Audit Expenses	28,495	5,477
Defalcation	11,610	15,500
	10,125,737	**7,822,146**

FORM OF PROXY

If you wish to vote at the 43rd AGM of Manya Krobo Rural Bank Plc, but are unable to attend in person, you may appoint a proxy to act on your behalf by completing this form.

I/We appoint ....
as my/our proxy to attend and vote on my/our behalf at the A.G.M. of Manya Krobo Rural Bank Plc at the Agormanya Roman Catholic Parish Hall, Agormanya, Odumase-Krobo near the Agormanya Market on the Saturday 28th of September, 2024 at 10.00 am and at any adjournment thereof.

ANNUAL GENERAL MEETING

	For	Against
Resolution 1: To declare a dividend		
Resolution 2: Approve the new auditors of the bank		
Resolution 3: To authorize directors to fix the fees of the new auditors		
Resolution 4: To fix the fees of the directors		

Please indicate with "X" in the appropriate column how you wish your vote to be cast on the resolutions referred to above. Unless otherwise the instructed proxy will vote or abstain from voting at his/her discretion.

Shareholder's signature .... Date .... 2024.

THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE CHIEF EXECUTIVE OFFICER IF THE MEMBER WILL BE ATTENDING THE MEETING.
A COMPLETED PROXY FORM MUST BE SENT VIA
EMAIL TO: info@manyakroboruralbank.com
OR DEPOSITED AT ANY OF THE BANK'S BRANCHES,
NOT LESS THAN 48HOURS BEFORE THE MEETING.

DEPOSIT PRODUCTS

- SCHOOL CHILD ACCOUNT
- STUDENT SAVINGS ACCOUNT
- CORPORATE SAVINGS ACCOUNT
- CORPORATE BUSINESS ACCOUNT
- SUSU SAVINGS ACCOUNT
- SIKATSO ACCOUNT

MANYA KROBO RURAL BANK

MKRB HOTLINE:

050 8222743

LOAN PRODUCTS

- PERSONAL LOAN
- SCHEME LOAN (PRIVATE EMPLOYEES)
- QUICK PAYROLL LOAN (GOV'T EMPLOYEES)
- SALARY LOAN
- INSURANCE PREMIUM FINANCING LOAN
- AUTO QUICK CLEAR LOAN
- BUSINESS OVERDRAFT
- BUSINESS LOAN
- SUSU LOAN
- AGRIC LOAN
- CREDIT SAVING WITH EDUCATION (MICRO)
- EASTER & X'MAS LOANS

MANYA KROBO RURAL BANK

MKRB HOTLINE:

050 8222743

BANCASSURANCE PRODUCTS

LOAN PROTECTOR

MOTOR INSURANCE

INDIVIDUAL PERSONAL ACCIDENT INSURANCE

PROPERTY INSURANCE

MANYA KROBO RURAL BANK

FIRE INSURANCE

GROUP PERSONAL ACCIDENT INSURANCE

MKRB HOTLINE:

050 8222743

HEAD OFFICE:

P. O. Box 176, Odumase - Krobo
TEL: 020 996 9302 **EMAIL:** info@manyakroboruralbank.com **WEBSITE:** www.manyakroboruralbank.com
OFFICE LOCATION & GPS ADDRESS: ABANSE, OTERKPALU - KPONG ROAD EL-0028 - 1828

BRANCHES

ABANSE: P. O. Box 176, Odumase - Krobo TEL: 054 3880511
SOMANYA: Near Somanya Traffic Light TEL: 020 5178133
AKUSE: Near VRA Club House TEL: 054 3484254
KPONG: Opposite Kpong Lorry Station TEL: 020 4912071
MADINA: Near Atomic Junction TEL: 054 504 8398
ASHIYIE: Near Superior Oil Filling Station TEL: 0501 391901

ASHAIMAN: Kaketoo Junction TEL: 0245 820281
ASHALEY - BOTWE : TEL: 0549 783361
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