ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

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BASIC INFORMATION

CERTIFICATE OF INCORPORATION NUMBER	22,893
CERTIFICATE OF COMMENCEMENT NUMBER	22,893
BANK OF GHANA LICENCE NUMBER	78
DATE OF BANK OF GHANA LICENCE	7th April, 1984
DATE OF INCORPORATION	6th September, 1983
DATE OF COMMENCEMENT	27th November, 1995

DIRECTORS

CHAIRMAN:	PATRICK OWUSU
VICE CHAIRMAN:	AMOAH AFRIFA
DIRECTOR/SECRETARY:	EUDORA CHRISTINA OPPONG
MEMBER:	NANA KWABENA OSEI-KUFFUOR
MEMBER:	REV. MMANUEL JAMES OWUSU-BONSU
MEMBER:	KWASI POKU ASAMOAH-ADDO
MEMBER:	ANTHONY DARBOH
SUPERVISING MANAGER:	STEPHEN SARFO KANTANKA
AUDITORS:	ASAMOA BONSU & CO. CHARTERED ACCOUNTANTS P. O. BOX KS-7909, KUMASI
CLEARING BANKS:	ARB APEX BANK LTD KUMASI CAL BANK - KUMASI ECOBANK KUMASI
REGISTERED OFFICE:	THE BANK PREMISES PAKYI NO. 2 KUMASI-OBUASI ROAD
HEAD OFFICE:	THE BANK PREMISES PAKYI NO. 2 KUMASI-OBUASI ROAD
AGENCIES:	PAKYI NO. 2 AGENCY

SANTASI AGENCY
OLD TAFO AGENCY
NEW TAFO AGENCY
AYIGYA AGENCY
ATONSU AGENCY
ALABAR AGENCY

SHAREHOLDINGS	AUTHORISED	ISSUED	(GH ¢)
Preference	125,000	125,000	12.50
Ordinary	200,000,000	10,676,079	1,097,000.11

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

DIRECTORS' REPORT TO THE MEMBERS

DIRECTORS' RESPONSIBILITY STATEMENT

The Company's Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position as at 31st December, 2013, Statement of Comprehensive Income and Statement of Cash Flows for the year then ended and the Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Code, 1963 (Act 179) and the Banking Law (Act 673) as amended.

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

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

FINANCIAL STATEMENTS AND DIVIDEND

	2013	2012
The results are summarised as follows:	GH¢	GH¢
Profit for the year ended 31st December, after taxation is	3,529,755.64	1,791,389.61
To which is added the balance on Income Surplus Account brought forward of	3,045,760.22	1,815,817.20
Giving a total on Income Suirplus Account of	6,575,515.86	3,607,206.81
From which has been deducted transfers to the following accounts		
Stated Capital	(500,000.00)	-
Dividend Paid	(447,847.40)	(210,038.23)
Statutory Reserve	(441,219.45)	(235,298.70)
Credit Risk Reserve	(90,779.18)	(66,109.66)
Development Fund	(70,000.00)	(50,000.00)
	(1,549,846.03)	(561,446.59)
Leaving a Balance on Income Surplus Account carried forward of	**5,025,669.82**	**3,045,760.22**

In accordance with Section 134 of the Companies Code 1963, the Auditors, Messrs Asamoa Bonsu & Co. continue in office as Auditors of the Bank.
The Directors recommend the payment of a dividend of GH¢0.0827 (2012: GH¢ 0.0046) per share amounting to GH¢882,438.91 (2012:GH¢447,847.40) for the year under review. The Directors consider the state of affairs of the Company to be satisfactory.

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

There was no change in the activities of the Bank.

APPROVAL OF THE FINANCIAL STATEMENTS
The Financial Statements of the Company as indicated above were approved by the Board of Directors on the date stated below.

……………………………. …………………………….

DIRECTOR ***DIRECTOR***
PATRICK OWUSU AMOAH AFRIFA
P A K Y I

…………………………..*2014*

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013
AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the accompaying Financial Statements of Atwima Kwanwoma Rural Bank Ltd, which comprise the Statement of Financial Position as at 31st December, 2013, the Statement of Comprehensive Income, the Statement of Changes in Equity and Statement of Cash Flows Statement for the year then ended and Notes to the Financial Statements, which include a summary of significant accounting policies and other explanatory notes, as set out on pages 10-24.

Directors' Responsibilities for the Financial Statement
The Company's Directors are responsible for the preparation and fair presentation of the Financial Statements in

accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963, (Act 179) and the Banking Act 2004 (Act 673) as amended by Banking Act (2007), Act 738 and for such Internal Controls as the Directors determine are necessary to enable preparation of Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and we plan and perform our audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the Auditors' judgement, including the assessment of the risk of material misstatement of the Financial Statements, whether due to fraud or error. In making those assessments, the Auditor considers Internal Controls relevant to the entity's preparation and fair presentation of the Financial Statements in order to design Audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Controls. An Audit also includes evaluating the appropriateness of the accounting policies and the reasonableness of the accounting policies made by management, as well as evaluating

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Bank as at 31st December, 2013 and of its Profit and Cash Flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies' Code 1963 (Act 179) and the Banking Act 2004 (Act 673) as amended by Banking Act (2007), Act 738.

Report in Other Legal and Regulatory Requirements

The Comapanies' Code 1963,(Act 179) requires that in carrying out our audit we consider and report on the following Matters. The Banking Act 2004 (Act 673), section 78(2) also requires that we state certain matters in the Report.

We confirm that:

1 Proper Books of Account have been kept by the Bank as appears from the examination of those Books.

2 We have obtained all the information and explanations which to the best of our knowledge and belief we considered necessary for the performance of the Audit.

3 The Statement of Financial Position (Balance Sheet), Comprehensive Income Statement (Profit and Loss Account), Statement of Cash Flow and Statement of Changes in Equities (Profit and Loss Account) are in

4 The Bank's transactions were within its powers.

5 The Bank has generally complied with the provisions of the Banking Act 2004 (Act 673) as amended by Banking Act (2007), Act 738.

osei yaw asamoa(ICAG/P/1192)
partner
K U M A S I
...............................2014

asamoa bonsu & co. (ICAG/F/2014/155)
Chartered Accountants
P. O. Box KS-7909
Kumasi.

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

STATEMENT OF COMPREHENSIVE INCOME

	NOTES	2013 (GH ¢)	2012 (GH ¢)
Interest Earnings	**39**	11,443,241.33	7,545,279.71
Less Interest and Other Expenses	**40**	1,749,708.47	1,234,650.49
Net Interest Earnings		9,693,532.86	6,310,629.22
Commission and Fees	**41**	769,098.43	629,589.88
Other Earnings	**42**	8,560.21	53,349.68
NET REVENUE		10,471,191.50	6,993,568.78

Operating Expenses	**44**	(6,036,765.46)	(4,546,417.96)
Other Fund Account		(208,000.00)	(91,000.00)
Impairment Charges		(346,256.87)	(377,162.11)
		(6,591,022.33)	(5,014,580.07)
Profit Before Taxation		3,880,169.17	1,978,988.71
Taxation	**38**	(350,413.53)	(187,599.10)
NET PROFIT		**3,529,755.64**	**1,791,389.61**

INCOME SURPLUS ACCOUNT

Balance Brought Forward	3,045,760.22	1,815,817.20
Prior Year Adjustment	-	-
	3,045,760.22	1,815,817.20
Net Profit for the year	3,529,755.64	1,791,389.61
	6,575,515.86	3,607,206.81
Less Transfers		
Stated Capital	(500,000.00)	-
Dividend Declared	(447,847.40)	(210,038.23)
Credit Risk Reserve	(90,779.18)	(66,109.66)
Statutory Reserve	(441,219.45)	(235,298.70)
Development Fund	(70,000.00)	(50,000.00)
	(1,549,846.03)	(561,446.59)
Balance Carried Down	**5,025,669.82**	**3,045,760.22**

STATUTORY RESERVE

Balance Brought Forward		1,129,838.46	894,539.76
Add Transfers for the year		441,219.45	235,298.70
		1,571,057.92	**1,129,838.46**

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013
STATEMENT OF FINANCIAL POSITION

ASSETS	**NOTES**	**2013 (GH ¢)**	**2012 (GH ¢)**
Cash Balance		805,493.82	755,716.37
Investments in other Securities	**25**	38,241,946.52	30,246,996.12
Balance with other Banks		5,389,345.61	5,036,622.32
Loans and Advances	**26**	13,765,362.21	11,854,238.99
Investment - Others		26,590.00	26,590.00
Taxation		62,183.55	-
Other Assets Account	**32**	2,973,536.02	3,092,107.24
		61,264,457.73	51,012,271.04
Community SHS School Project		359,699.60	300,535.80
Properties, Plant & Equipment	**23**	897,013.65	885,816.05
TOTAL ASSETS		**62,521,170.98**	**52,198,622.89**
LIABILITIES & SHAREHOLDERS FUND			
Customers' Account	**33**	51,308,886.58	44,948,274.09
Sundry Creditors/Accruals	**34**	1,776,811.63	1,262,221.10
Medium Term Loan	**35**	-	9,920.39
Dividend	**36**	785,159.71	528,933.03
Taxation	**38**	-	3,072.84

		53,870,857.92	46,752,421.45
Fund Account		317,928.87	212,723.99
		317,928.87	212,723.99
TOTAL LIABILITIES		**54,188,786.79**	**46,965,145.44**
Stated Capital	**37**	1,097,012.61	580,014.11
Statutory Reserve		1,571,057.92	1,129,838.46
Income Surplus		5,025,669.82	3,045,760.22
Credit Risk Reserve		156,888.84	66,109.66
Development Fund		481,755.00	411,755.00
SHAREHOLDERS FUND		**8,332,384.19**	**5,233,477.45**
TOTAL LIABILITIES AND SHAREHOLDERS FUND		**62,521,170.98**	**52,198,622.89**

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

………………………………… ………………………………

DIRECTOR ***DIRECTOR***

PATRICK OWUSU AMOAH AFRIFA

P A K Y I ***……………………………2014***

ATWIMA KWANWOMA RURAL BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED

31ST DECEMBER, 2013

STATEMENT OF CHANGES IN EQUITY

###	Share Capital	Stat. Reserve	Inc. Surplus	Credit Risk Reserve	Dev't Funds	TOTAL
Balance B/F	580,014.11	1,129,838.46	3,045,760.22	66,109.66	411,755.00	5,233,477.45
Profit for the Year	-	-	3,529,755.64	-	-	3,529,755.64
	580,014.11	**1,129,838.46**	**6,575,515.86**	**66,109.66**	**411,755.00**	**8,763,233.09**
Tfer to Stat. Reserve	-	441,219.45	(441,219.45)	-	-	-
Tfer to Credit Risk. Reserve	-	-	(90,779.18)	90,779.18	-	-
Dividends	-	-	(447,847.40)	-	-	(447,847.40)
Proceeds from Shares	16,998.50	-	-	-	-	16,998.50
Transfer to/(from)	500,000.00	-	(500,000.00)	-	-	-
Transfer to Dev't. Fund	-	-	(70,000.00)	-	70,000.00	-
						-
	1,097,012.61	**1,571,057.92**	**5,025,669.82**	**156,888.84**	**481,755.00**	**8,332,384.19**

###	Share Capital	Stat. Reserve	Income Surplus	Credit Risk Reserve	Dev't. Funds	Shareholders Fund
Balance B/F	549,933.11	894,539.76	1,815,817.20	-	361,755.00	3,622,045.07
Profit for the Year	-	-	1,791,389.61	-	-	1,791,389.61
	549,933.11	**894,539.76**	**3,607,206.81**	**-**	**361,755.00**	**5,413,434.68**
Transfer to Stat. Reserve	-	235,298.70	(235,298.70)	-	-	-
Tfer to Credit Risk. Reserve	-		(66,109.66)	66,109.66	-	-
Dividend	-	-	(210,038.23)	-	-	(210,038.23)
Transfer to Dev't. Fund	-	-	(50,000.00)	-	50,000.00	-
Proceeds from Shares	30,081.00	-	-		-	30,081.00

580,014.11	1,129,838.46	3,045,760.22	66,109.66	411,755.00	5,233,477.45

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

CASH FLOW STATEMENT

	2013 (GH ¢)	2012 (GH ¢)
Net Profit before Tax	3,880,169.17	1,978,988.71
Loss on Disposal of Assets	-	(3,412.32)
Add back: Depreciation	238,832.51	209,285.17
Net Operating Activities before Changes in Working Capital	4,119,001.68	2,184,861.56
(Increase)/Decrease in Investment	(7,994,950.40)	(6,346,996.12)
(Increase)/Decrease in Loan & Advances	(1,911,123.22)	(2,649,285.01)
(Increase)/Decrease in Other Assets	118,571.22	(1,471,161.73)
(Increase)/Decrease in Customers Accounts	6,360,612.49	8,101,108.94
Increase/(Decrease) in SHS School Project	(59,163.80)	(45,280.95)
Increase/(Decrease) in Creditors & Accruals	514,590.53	480,763.55
Net Changes in Working Capital	(2,971,463.18)	(1,930,851.32)
	1,147,538.50	254,010.24
Tax Paid	(415,669.92)	(205,604.26)
	731,868.58	48,405.98

Other Fund Payment	105,204.88	83,197.72
Dividend Paid	(191,620.72)	(84,537.98)
	(86,415.84)	(1,340.26)
Investing Activities		
Purchases of Fixed Assets	(250,030.12)	(299,428.11)
Proceeds - Disposal of Assets	-	44,441.47
	(250,030.12)	(254,986.64)
Financing Activities		
Loans	(9,920.39)	(148,669.30)
Issues of Ordinary Shares	16,998.50	30,081.00
	7,078.11	(118,588.30)
Net Increase in Cash and Cash Equivalent	402,500.74	(326,509.33)
Cash and Cash equivalent at beginning of year	5,792,338.69	6,118,848.02
	6,194,839.43	**5,792,338.69**
Closing Cash Balances		
Cash and Cash Equivalent at end of year	**6,194,839.43**	**5,792,338.69**

ATWIMA KWANWOMA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

NOTES TO THE FINANCIAL STATEMENTS

1. **CORPORATE INFORMATION**

The Bank was incorporated as a Public Limited Liability Company on September 6, 1983 as No. C/25436 under the Companies' Code 1963 (Act 179) in Ghana. The Bank was issued with a licence on 7th February, 1984 by Bank of Ghana to operate a business of banking.

1.1 The Bank is licensed to carry on the business of banking and to provide some limited ancillary services.

2 BASIS OF PREPARATION

a. Compliance with International Financial Reporting Standards, (IFRS)

The Financial Statements have been prepared in accordance with International financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB).

b. Compliance with International Financial Reporting Standards, (IFRS)

The Bank has complied with the International Financial Reporting Standards (IFRS) since 2012 Financial year. The Bank therefore come out with the necessary disclosures as required by the Standard

These referenced Statements are attached to these Financial Statements.

The comparative figures are for one whole year and to the nearest Ghana Cedi (Gh¢), which is the currency used. There have been restatements and reclassifications of some items and amounts in the Comparative figures as a result of the Adoption of IFRS.

3 ACCOUNTING POLICIES

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

3.1 Basis of Accounting

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

3.2 Revenue Recognition

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

3.3 Interest Income and Expense

Interest income and expense are recognised in the Income Statement for all interest bearing financial instruments including loans and advances as interest accrues using the effective interest rate method.

3.4 Non-Interest Income

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

4 Income Tax

Income Tax comprises Current Tax and Deferred Tax.

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

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

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

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

5 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

5.1 Categorisation

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

5.2 Date of Recognition

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

5.3 Initial Recognition of Financial Instruments

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

5.4 Subsequent Measurement of Financial Instruments

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

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

Held for Trading

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

Designated at Fair Value through Profit or Loss

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

All equity instruments are measured at fair value.

(b) Financial Assets Measured at Amortised Cost

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

The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.

The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

(d) Financial Liabilities

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

(e) Determination of Fair Value of Financial Instruments

(i) Availability of Active Market

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

(ii) Non-Availability of Active Market

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

(iii) Short-Term Receivables

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

(iv) Offsetting of Financial Instruments

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

(v) Derecognition of Financial Assets and liabilities

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

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

6 Impairment of Financial Assets

(a) Basis for measuring impairment of Financial Assets

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

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

(b) Loans and Advances and amounts due from banks & other financial institutions

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

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

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

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

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

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

(c) Other Financial Assets

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

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

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

(d) Derecognition of Financial Assets and Liabilities

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

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

7 Regulatory Credit Risk Reserve

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

8 Property, Plant and Equipment

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

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

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

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

Land & Building	2%
Safe and Strong Room	20%
Office Equipment	20%
Computer and Accessories	20%
Furniture & Fittings	20%
Motor Vehicles	25%
Counters and Pavement	20%
Plant and Machinery	5%

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

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

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

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

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

9 Intangible Assets - Computer Software

Cost incurred to acquire and bring to use specific computer software licenses are capitalised and amortised on the basis of the expected useful lives using the straight-line method. Maximum useful live is 5 years.

10 Provisions

The Bank recognises provisions when it has a present obligation (legal or constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement.

If the effect of the Time Value of money is material, 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as Borrowing Cost.

11 Foreign Currency

Transactions denominated in foreign currency are translated into cedis at the rates of exchange ruling on the dates of the transactions.

Assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the Statement of Financial Position date.

Any gains or losses resulting from foreign currency translation or exchange are dealt with through the Statement of

Comprehensive Income for the year.

12 Cash & Cash Equivalents

For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents include cash, balances with Bank of Ghana, amounts due from other banks and Financial Institutions and Short-Term Government Securities.

13 Borrowings

Borrowings are recongnised initially at Fair Value, net of transaction costs incurred. Borrowings are subsequently stated at Amortised Cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the Profit or Loss over the period of the borrowings using the Effective Interest Rate method.

14 Impairment of Non-Financial Assets

The carrying amount of the Bank's Non-Financial Assets, other than Deferred Tax Assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An Impairment Loss is recongnised if the Carrying Amount of an asset exceeds its Recoverable Amount. The recoverable amount of an asset is the greater of its value in use and its Fair Value less costs to sell. Impairment Losses are recognised in the Profit or Loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication 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 assets 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.

15 Employee Benefits

15.1 Short-Term Benefits

Short-Term Employee Benefits are amounts payable to employees that fall due wholly within twelve months after the end of the period in which the employee renders the related service.

The cost of Short-Term Employee Benefits is recognised as an expense in the period when the economic benefit is given, as an Employment Cost. Unpaid Short-Term Employee Benefits as at the end of the accounting period 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 a reduction in future cash payment.

Wages and Salaries payable to employees are recognised as an expense in the Profit or Loss at gross amount. The Bank's contribution to Social Security Fund is also charged as an expense.

15.2 Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Bank contributes 13% of employees' basic salary to 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.

15.3 Events after the Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate directly to the Financial Statements and the effect is material.

16 IAS 24 Related Party Disclosures (revised)

The revision to IAS 24 includes a clarification of the definition of a related party and the provision of a partial exemption for related party disclosures for government - related entities and between government related entities.

In terms of definition, the revision clarifies that joint ventures or associates of the same third party are related parties of each other. To this end, an associate includes its subsidiaries and a joint venture includes its subsidiaries.

The partial exemption applies to related party transactions and outstanding balances with a government which controls, jointly controls or significantly influences the reporting entity as well as to transactions or outstanding balances with another entity which is controlled, jointly controlled or significantly influenced by the same government. In such circumstance, the entity is exempt from the disclosure requirements of paragraph 18 of IAS 24 and is required only to disclose:

The name of the Government and nature of the relationship;

Information about the nature and amount of each individually significant transaction and a quantitative or qualitative indication of the extent of collectively significant transactions, in sufficient detail to enable users of the entity's financial statements to understand the effect.

It is unlikely that the amendments will have any material impact on the Bank's Financial Statements.

17 Significant Accounting Estimates, Assumptions & Judgments

In preparation of the Financial Statements, the Bank makes estimations and applies judgment that could affect the reported amount of assets and liabilities. Key areas in which judgment is applied include:

17.1 Staff Training

In order to build staff capacity, Management organized In-house training programme and participated in other training programes organized by ARB Apex Bank , AFRACA, GHAMFIN, Banking College and the Osei Tutu Centre for Executive Education and Research (OTCEER).

17.2 Staff Bonus

25% Annual basic salary was paid as bonus to staff based on achievement of the profit target set for the year.

17.3 Annual General Meeting

This is set to provide for the cost of holding Annual General meeting for the Shareholders of the Bank. This is necessary to bring together all the Shareholders of the Bank in order for the Board to account for their stewardship during the year under review.

18 Fair Value of Unquoted Equity Investments

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

19 Deferred Tax Assets

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

20 Impairment of Financial Assets

The Bank makes an allowance for unrecoverable Financial Assets when there is objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets.

20.1 Impairment of Non-Financial Assets (Including Property Plant & Equipment (PPE)

The Bank assesses at least at each financial year end whether there is any evidence that non Financial Assets (including PPE) may be impaired. Where indicators of impairment exist, an impairment test is performed. This requires and estimation of the 'value in use' of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value of those cash flows.

Provision for Other Profit or Loss Items

The Bank has in line with IAS 37, Provisions, Contingent Liabilities and Contingent Assets the following estimates:

	GH¢
Annual General Meeting	35,000.00
Staff Bonus	773,948.53
Staff Training	68,665.86

21 RISK MANAGEMENT

Risk in a banking organization is possibility that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings / capital or may result in imposition of constraints on bank's ability to meet its business objectives. Such constraints pose a risk as these could hinder a bank's ability to conduct its ongoing business or to take benefit of opportunities to enhance its business.

Risk is inherent in the every Bank's activities but is managed through a process of constant identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to AKRB's continuing profitability and each staff/board member within the Bank is answerable for the risk exposures relating to his or her responsibilities. The key risks the Bank is exposed to are credit risk, liquidity risk, market risk and operating risks.

21.1 Risk Management Structure

The Board of Directors has overall responsibility for oversight of the bank's risk management framework. The Board's Audit Committee gives direction for overall risk monitoring and control and is assisted in its functions by the Internal Control Department of the Bank. The Credit Committee, Assets and Liabilities Management Committee (ALCO) are directly responsible for developing and monitoring risks in their specific areas of operation. All these structures work together to ensure effective implementation of the risk management policies and procedures of the bank.

21.2 Risk Measurement and Reporting System

Risk taking is an integral part of banking business. In undertaking its business, ARKB Limited has to strike an appropriate balance between the level of risk it is willing to take and the level of returns it desires to achieve. In order to ensure that its risks are well managed within the Bank's risk appetite an effective risk management system that is commensurate with the size and nature of ARKB 's operations needs to be in place at all times.

As a means of enhancing corporate governance in the Bank, the risk management framework of the bank seeks to enhance its ability to identify and manage risks that it faces in the discharge of its functions by identifying, assessing, managing and monitoring key risks across all areas of its operations as well as gathering information on the Bank's risk exposure for management decision-making.

Atwima Kwanwoma Rural Bank Limited has the following types of Risks exposures:

Operational Risk	Liquidity Risk	Reputational Risk
Market Risk	Credit Risk	Write-off Policy

These inherent risks are managed through a process of continuous identification, measurement, monitoring and controls. The bank continues to intensify measures to minimize the effects of these risks on its financial performance.

21.3 Operational Risk

Operational risk is unavoidable as long as the bank remains in business. Operational risk is the risk of loss arising from inadequate or failed internal processes, people and systems or from external events. It therefore involves breakdown in internal controls and corporate governance leading to errors, fraud, performance failure, compromise on the interest of the bank resulting in financial loss.

Operational risk is the potential for loss from failed systems and processes, staff incompetence and misconduct and uncontrolled external events. These risks are monitored and controlled in the Bank through well designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

Although the management of operational risk generally involves all staff, most operational risks are best managed within the business lines, departments, branches and units in which they arise.

Operational risk in the bank is managed through the employment of various tools which includes the following qualitative and quantitative measures:

a. Segregation of duties
b. Independent authorization by superior officers.
c. Reconciliation and monitoring of transactions.
d. Documentation of controls and procedures to address the risks identified.
e. Compliance with regulatory and other legal requirements.
f. Dissemination and internalisation of corporate values.
g. Excellent hardware and software applications,
h. Data back-up arrangements.
i. Disaster recovery plans and sites.
j. Risk mitigation including insurance.
k. Development of contingency plans
l. Training and professional development

Operational risk continues to be the main concern for the bank in general. The bank would continue to review its risk appetite to reflect the tolerance level for operational risk.

21.4 Market Risk

Market risk is the risk of loss arising from adverse changes in market prices (interest rates and foreign exchange rates). The bank faces interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, whilst optimizing returns.

Interest rate risk is managed directly by Assets and Liabilities Committee by using market information to determine the pricing/re-pricing of the bank's assets and liabilities.

21.5 Write-off Policy

The bank writes off a loan when the credit committee determines that the loan is non-recoverable. Upon the recommendation of the credit committee, write-offs are referred to the Board and then to the Bank of Ghana for ratification.

21.6 Reputational Risk

Reputation, though an intangible asset, is considered as one of the prized assets of the Bank. The Bank's definition of reputational risk is the risk of loss or underperformance caused by deterioration in public perception of (any part) the Bank, arising from adverse publicity or rumour. This can affect the Bank's ability to establish new relationships or retain existing relationships. Reputational risk can expose the Bank to financial loss, decline in customer base, litigation and loss of business generally. By the nature of its operations, reputational risk management plays a very significant role within the bank. The bank ensures compliance with all Legal, Statutory & Regulatory Requirements.

The Business Development and Marketing Department continues to monitor and manage reputational risk to the Bank by undertaking customer surveys and reporting to the appropriate business unit.

Reputational risk is difficult to quantify yet the damage from such reputational risk events can be devastating. The bank, therefore, ensures to minimize the negative impact of reputational risk exposures on its image, earnings and capital by instituting the following measures:

Strong Financial Stability
Excellent Customer Services
Timely and periodic review of service agreements
Good Corporate Governance and Control Practices
Balancing the Interest of all Significant Stakeholders
Professionalism of Employees
Adherence to Corporate Social and Environmental Responsibility
Adequate annual budgetary allocation for donation and sponsorship.

21.7 Credit Risk

Credit Risk arises from the credit exposure to a borrower or a counter-party in that either the borrower or the counter-party is unable to redeem an obligation or the the liability to perform such obligation is impaired resulting in Economic Loss to the Bank

The Credit Risk in the Bank's operations arise from largely Loans and Advances to Customers.

The Credit Risk is managed through the systems and controls established by Credit Department that ensure that there is review of the status of the credit at every stage from application to completion of the repayment of the advance by the customer. There is the Credit Committee that reviews reports of the performance of the Loans and Overdrafts which takes appropriate action for recovery. Credit facilities are also closely monitored to uncover early warning signal or non-performance. The maximum amount of Credit Risk emanating from these sources is as follows:

	2013	2012
	GH¢	**GH¢**
Loans and Advances to customers	15,918,631.53	13,661,251.44
	15,918,631.53	**13,661,251.44**

Collateral held as security against these risks consists mainly of cash.
The Loans and Advances portfolio is further analysed in terms of quality as follows:

		GH¢	**GH¢**
(a)	Neither past due nor impaired	13,627,223.15	11,778,332.55
(b)	Past due but not impaired	100,084.78	37,851.94
(c)	Impaired	2,191,323.60	1,845,066.73
	Gross loans and advances	**15,918,631.53**	**13,661,251.22**
	The Fair Value of Collateral Security held on (b) and (c)	**2,469,098.63**	**1,951,308.00**

Financial Assets Past Due But Not Impaired
These are analysed by age as follows:

	2013			2012		
		Measured at			Measured at	
	Amort. Cost	Fair Value	Total	Amort. Cost	Fair Value	Total
No. Of Days Overdue						

(0-90)	31,753.16	19,139.47	50,892.63	23,469.36	-	23,469.36
(91-180)	9,242.73	20,460.65	29,703.38	14,382.58	-	14,382.58
181-360	19,488.77	-	19,488.77	-	-	-
Over 360	-	-	-	-	-	-
Total	**60,484.66**	**39,600.12**	**100,084.78**	**37,851.94**	**-**	**37,851.94**

ANALYSIS BY CLASS OF FINANCIAL ASSETS INDIVIDUALLY DETERMINED TO BE IMPAIRED (GROSS VALUE).

	2013			2012		
		Measure at			Measure at	
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
No. Of Days Overdue	**Amort. Cost**	**Fair Value**	**Total**	**Amort. Cost**	**Fair Value**	**Total**
More Than 90	138,319.79	15,959.15	154,278.94	16,875.19	5,460.23	22,335.42
More Than 180	122,724.82	5,499.02	128,223.84	53,113.68	3,356.87	56,470.55
More Than 360	1,868,867.63	39,953.19	1,908,820.82	1,733,250.08	33,010.68	1,766,260.76
Total	**2,129,912.24**	**61,411.36**	**2,191,323.60**	**1,803,238.95**	**41,827.78**	**1,845,066.73**

21.7 Liquidity Risk

Liquidity risk is the risk that the bank will encounter difficulty in meeting obligations from its financial liabilities.

The Bank's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due, under normal or stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

The Assets and Liabilities Committee (ALCO) manages a portfolio of short term liquid assets and other interbank facilities and ensures that liquidity is maintained within the bank. The work of the ALCO is supported by the Treasury Unit which ensures that the bank has adequate liquidity at all times for its operations and to satisfy both statutory and prudential requirements.

ALCO further maintains a prudent investment mix to ensure that there is adequate maturing funds available to meet any unexpected withdrawals from the Bank. Daily liquidity report is also submitted to Management for decision making.

22 CAPITAL

22.1 The Objectives of Capital Management

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

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

22.2 Capital Description

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

22.3 The Level of Capital Adequacy

	2013	**2012**
	GH¢	**GH¢**
Paid Capital	1,097,012.61	580,014.11
Disclosed Reserves	7,904,465.49	6,125,952.71
Sub-Total	9,001,478.10	6,705,966.82
Investments in Unconsolidated Subsidiaries	26,590.00	26,590.00
Tier 1 Capital	8,974,888.10	6,679,376.82
Tier 2 Capital	-	-
Regulatory Capital	8,974,888.10	6,679,376.82
Required Regulatory Capital	3,266,283.63	2,858,633.82
Surplus Capital	**5,708,604.47**	**3,820,743.00**

The Bank's regulatory capital was above the required minimum throughout the period.

I) **Dividend**

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

		BALANCE		BALANCE
23	**PROPERTIES, PLANT & EQUIPMENT**	01.01.2013	ADDITIONS	31/12/2013
23.1	**COST**	(GH ¢)	(GH ¢)	(GH ¢)
	Office Building	371,259.11	-	371,259.11
	Strong Room	499.00	-	499.00
	Office Equipment	273,219.84	43,409.50	316,629.34
	Computer Accessories	281,641.82	93,679.32	375,321.14
	Furniture & Fittings	83,540.19	16,394.00	99,934.19
	Motor Vehicles	275,515.91	65,231.00	340,746.91
	Counter & Pavement	11,178.10	31,316.30	42,494.40
	Plant & Machinery	154,200.03	-	154,200.03
	Building (WIP)	-		-
		1,451,054.00	**250,030.12**	**1,701,084.12**

		BALANCE	CHARGED	BALANCE
23.2	**DEPRECIATION**	01.01.2013	FOR YEAR	31/12/2013
	Office Building	101,527.28	7,425.24	108,952.52
	Strong Room	498.00	-	498.00
	Office Equipment	105,740.74	59,103.94	164,844.68
	Computer Accessories	131,189.26	62,520.75	193,710.01
	Furniture & Fittings	50,103.01	18,173.87	68,276.88
	Motor Vehicles	120,210.97	79,714.84	199,925.81
	Counter & Pavement	1,675.96	4,183.88	5,859.84
	Plant & Machinery	54,292.73	7,710.00	62,002.73
		565,237.95	**238,832.52**	**804,070.47**
	NET BOOK VALUE	**885,816.05**		**897,013.65**

24	INTANGIBLE	BALANCE		BALANCE
24.1	COST	01.01.2013	ADDITIONS	31/12/2013
		(GH ¢)	(GH ¢)	(GH ¢)
	Intangible			-

24.2	AMORTISATION	BALANCE 01.01.2013	CHARGED FOR YEAR	BALANCE 31/12/2013
	Amortisation	-	-	-
	NET BOOK VALUE		**-**	**-**

25 INVESTMENT

25.1 TREASURY BILLS

These are stated at net realisable value calculated as gross realisable value at the maturity dates less the proportion of discounts relating to unexpired period of each investment certificate.

25.2	INVESTMENT IN OTHER SECURITIES	2013 (GH ¢)	2012 (GH ¢)
	Apex Certificate of Deposit	1,000,000.00	1,000,000.00
	B O G Treasury Bill	2,000,000.00	2,000,000.00
	Security Discount Company	3,100,000.00	2,500,000.00
	UniBank	7,900,000.00	6,900,000.00
	Cal Bank Limited	6,200,000.00	3,000,000.00
	Fidelity Bank	11,574,724.01	9,900,000.00
	Other Financial	6,500,000.00	5,000,000.00
		38,274,724.01	**30,300,000.00**
	Interest Receivable on Investment	32,777.49	53,003.88
		38,241,946.52	**30,246,996.12**

26 LOANS AND ADVANCES

Loans	14,548,946.43	12,043,561.62
Overdrafts	1,369,685.10	1,617,689.82
	15,918,631.53	13,661,251.44
Less Impairment charges	**2,153,269.32**	**1,807,012.45**
	13,765,362.21	**11,854,238.99**

27 IMPAIRMENTS

Opening Balance	1,807,012.45	1,429,850.34
Charge for the year	346,256.87	377,162.11
	2,153,269.32	**1,807,012.45**

28 DEVELOPMENT FUND	**2013 (GH ¢)**	**2012 (GH ¢)**
Opening Balance	411,755.00	361,755.00
Transfer from Income Surplus	70,000.00	50,000.00
	481,755.00	**411,755.00**

28.1 Fund Utilised

Balance Brought Forward	300,535.80	255,254.85
Addition for Year	59,163.80	45,280.95
	359,699.60	**300,535.80**
Balance at 31st December	**122,055.40**	**111,219.20**

29 INVESTMENT - OTHERS

ARB Apex Bank	**26,590.00**	**26,590.00**

30 FUND ACCOUNT

Balance 1st January		506,019.00	415,019.00
Transfer From Income Surplus/for the Year?		208,000.00	91,000.00
		714,019.00	**506,019.00**
30.1 Fund Utilised			
Balance Brought Forward		293,295.01	210,097.29
Addition for Year		102,795.12	83,197.72
		396,090.13	**293,295.01**
		317,928.87	**212,723.99**

31 BALANCE WITH OTHER BANKS

Cal Bank Limited		608,132.12	1,214,270.43
Fidelity Bank		-	694,333.21
Ecobank		36,713.52	149,761.01
ARB Apex Clearing		2,328,919.16	881,659.02
ARB Apex (5%) Placement		2,415,580.81	2,096,598.65
		5,389,345.61	**5,036,622.32**

32 OTHER ASSETS

Prepayments	**43**	2,888,191.99	2,891,093.11
Stationery Stocks		81,426.91	93,333.67
Agencies Remittance in Transit		3,917.12	107,680.46
		2,973,536.02	**3,092,107.24**

33 CUSTOMERS' ACCOUNT

Savings		28,047,161.30	25,967,629.50
Current		8,445,189.99	6,899,884.34

Time Deposit	7,251,479.00	5,346,608.00
Golden Deposit	-	1,004,766.08
Susu	7,565,056.29	5,729,386.17
	51,308,886.58	**44,948,274.09**

34 SUNDRY CREDITORS/ACCRUALS

	2013 (GH ¢)	**2012 (GH ¢)**
Other Creditors	424,975.60	444,649.35
Audit Fees	10,810.00	9,200.00
Accruals	1,177,308.89	643,550.64
Bills Payable	163,717.14	164,821.11
	1,776,811.63	**1,262,221.10**

35 MEDIUM TERM LOAN

Borrowings	**-**	**9,920.39**

36 DIVIDEND

At the forthcoming Annual General Meeting a dividend in respect of 2013 of GH¢0.0827 per share (2012: GH¢0.0046 per share) is to be proposed. This amounts to a total of GH¢882,438.91 (2012: GH¢447,847.40.)

Balance Brought Forward	528,933.03	403,432.78
Dividend Declared	447,847.40	210,038.23
	976,780.43	613,471.01
Payment	191,620.72	84,537.98
	785,159.71	**528,933.03**

37 STATED CAPITAL

The company is registered with 2,000,000,000 Ordinary Shares of no par value and 125,000 Preference Shares which have been issued and fully paid for as provided below. At the AGM held in October 2013, the issued Ordinary Shares were decimated based on a shareholders resolution. The Authorised Ordinary Shares are now 200,000,000 based on the shareholders resolution at the said AGM. All shares issued after this AGM were in lots of 10 with those issued before and up to the date of the AGM being reduced to a tenth of the number held by each shareholder.

DETAILS		**NO. OF SHARES COMPRESSED**	**Value**	**NO. OF SHARES EXISTING**	**Value**
		2013		**2012**	
NO. OF SHARES	**CONSIDERATION**	**Number**	**(GH ¢)**	**Number**	**(GH ¢)**
Ordinary	Cash	9,334,993	426,457.61	93,349,927	396,376.61
Additions	Cash	33,997	16,998.50	-	30,081.00
		9,368,990	**443,456.11**	**93,349,927**	**426,457.61**
Ordinary	Income Surplus	307,089	153,544.00	3,070,889	153,544.00
Additions	Income Surplus	1,000,000	500,000.00	-	-
		1,307,089	**653,544.00**	**3,070,889**	**153,544.00**
		10,676,079	**1,097,000.11**	**96,420,816**	**580,001.61**
Preference Shares		**125,000**	**12.50**	**125,000**	**12.50**
			1,097,012.61		**580,014.11**

38 **TAXATION**	**BALANCE 01.01.2013 (GH ¢)**	**CHARGED FOR YEAR (GH ¢)**	**PAYMENT (GH ¢)**	**BALANCE 31/12/2013 (GH ¢)**
2009	-	-	-	-
2010	-	-	-	-
2011	(12,526.26)	-	-	(12,526.26)
2012	15,599.10	-	-	15,599.10
2013	-	350,413.53	(415,669.92)	(65,256.39)
	3,072.84	**350,413.53**	**(415,669.92)**	**(62,183.55)**

39 **INTEREST EARNINGS**	**2013**	**2012**
	(GH ¢)	**(GH ¢)**

Interest on Loans & Overdrafts	3,501,650.39	2,729,541.32
Interest on Investment	7,941,590.94	4,815,738.39
	11,443,241.33	**7,545,279.71**

40 INTEREST & OTHER EXPENSES

Interest on Deposit Liabilities	1,749,708.47	1,207,395.01
Interest on Borrowings	-	27,255.48
	1,749,708.47	**1,234,650.49**

41 COMMISSIONS & FEES

Commitment Fees	598,879.50	494,100.92
Commission	105,661.40	78,201.61
Funds Transfer Commission	64,557.53	57,287.35
	769,098.43	**629,589.88**

42 OTHER REVENUE EARNINGS

Bad Debt Recovered	-	1,121.00
Sundry Income	8,560.21	52,228.68
	8,560.21	**53,349.68**

43 PREPAYMENTS

	2013 (GH ¢)	**2012 (GH ¢)**
Rent	252,822.25	259,762.25
Insurance	8,101.61	7,713.12
Preliminary Exp-Banking/Share Software	-	11,180.24
Atonsu Renovation/Ahodwo Project	33,781.32	45,881.32
Interest Receivable on Investment	1,921,427.38	2,060,741.05
Interest Receivable on Loan	329,617.18	343,986.30
Office Account (DR)	342,442.25	161,828.83

	2,888,191.99	**2,891,093.11**

44 OPERATIONAL EXPENSES

Salaries & Wages	2,226,617.75	1,717,689.29
Directors' Remuneration	34,000.00	26,600.00
Depreciation	238,832.51	209,285.17
Audit Fees	10,810.00	9,200.00
Donations	21,928.00	13,791.20
Others Expenses	3,504,577.20	2,569,852.30
	6,036,765.46	**4,546,417.96**