SEKYEDUMASE RURAL BANK PLC

ANNUAL REPORT

2024

HEAD OFFICE- SEKYEDUMASE

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A Bank with vision

SEKYEDUMASE RURAL BANK LIMITED

BOARD OF DIRECTORS AND OFFICIALS

Board Members	Emmanuel Kofi Antwi	- Chairman
	Mathew Kojo Njourkone	- Vice Chairman
	Joseph Oduro Brenya	- Member
	Eric Marfo	- Member
	Martin Acheampong	- Member
Bank Secretary	Joseph Oduro Brenya	- Secretary
Management	Michael Kwabena Afriyie	- Chief Executive Officer
	Thomas Acheampong	- Acting Head of Banking Operations
	Daniel Fusieni	- Acting Head of Accounts
	Abubakari Seidu	- Acting Head of Internal Audit
	Edward Owusu Nkansah	- Head of Human Resource
	Desmond Boadu	- Acting Head of Risk and Compliance
	Michael Gyamfi	- Head of Information Technology
	Justice Abunyuwa Nti	- Head of Marketing & Business Development
	Christabel Asare Minta	- Head of Credit

Registered Office

Bank of Ghana Building
Palace Road Sekeyedumase, Ashanti
P. O. Box S 21
Sekyedumase - Ashanti

Auditors

Donaldy Associates
Chartered Accountants
P. O Box KS 6608
Adum-Kumasi

Solicitors

KAB Legal Consult (Adansiman Chambers)
Kumasi

Bankers

ARB Apex Bank Limited
Ecobank (GH) Limited
GCB Bank Limited
Universal Merchant Bank Limited
United Bank of Africa Limited

REPORT OF THE DIRECTORS TO THE MEMBERS OF
SEKYEDUMASE RURAL BANK PLC

The Board presents their annual report together with the audited financial statements of the bank for the year ended 31 December, 2024:

1. **Board's responsibility statement**

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and 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 misstatements, whether due to fraud or error. The directors are also responsible to assess whether the bank would continue as a going concern.

2. **Nature of business**

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

3. **Financial results**

The detail results of operations for the year ended 31 December, 2024 are set out in the financial statements, highlights of which are as follows:

	2024 GH¢	2023 GH¢
Total Operating Income	19,567,638	15,429,267
The Bank recorded a net profit before taxation of	6,813,113	4,237,461
From which is deducted income tax expense of	(2,668,824)	(1,819,299)
Giving a net profit after tax of	4,144,289	2,418,162
There was a transfer to statutory reserve fund of	(518,036)	(604,540)
Leaving a profit for the year after tax and transfer to statutory reserve of	3,626,253	1,813,622
When added to the opening balance on the income surplus account as of 1 January	(7,451,150)	(9,299,220)
From which is transferred to credit risk reserve of	552	(552)
Investment impairment recovered	105,000	35,000
Leaving a closing balance on the income surplus account of	**(3,719,344)**	**(7,451,150)**

4. **Stated capital**

The Bank's Stated Capital relating to Ordinary Shares increased from GH¢1,039,235 in 2023 to GH¢1,044,615 in 2024; recording an increase of GH¢5,380 and representing GH¢0.10 per share as at close of the year. The number of issued shares also increased from 10,392,352 to 10,446,152 showing an increase of 53,800. The Bank has complied with the minimum stated capital requirement of GH¢1million for rural banks as directed by the Bank of Ghana.

5. Dividend

The Board do not recommend the payment of dividend for the current year in line with Bank of Ghana directive (Notice No. BG/GOV/SEC/2020/03) instructing all rural and community banks not to declare and pay dividends.

6. Directors capacity

The directors attended training programs during the year to build their capacity in accordance with section 136 of the Companies Act, 2019 (Act 992).

7. Corporate social responsibility

The bank engaged in the following corporate social responsibilities during the year.

Activities	Amount GH¢
Heal Komfo Anokye Project	5,000
Support for Reroofing - Kumasi Wesley Girls School	5,000
Ejura Traditional Council (Yam festival)	500
Support for Building Sekyedumase Mental Health College	9,000
	19,500

8. Board meetings

The bank held seven (7) board meetings during the year and an Annual General Meeting (AGM) on 24th November, 2024 in accordance with the Bank of Ghana directives. Attendance at the meetings were as follows;

Member	Board Meeting	AGM
Emmanuel Kofi Antwi	7/7	1/1
Mathew Kojo Njourkone	7/7	1/1
Joseph Oduro Brenya	6/7	1/1
Eric Marfo	6/7	1/1
Martin Acheampong	6/7	1/1

9. Directors representation

The Board confirms that no matters have arisen since 31 December, 2024 which materially affect the financial statements as presented.

10. Auditors

The audit fees payable during the year is as stated in Note 12 of the financial statements. The Auditors, Donaldy Associates, Chartered Accountants, will continue in office in accordance with section 139 (5) of the Companies Act, 2019 (Act 992).

11. Directors interest

During the year ended 31 December 2024 no contract was entered into which the directors of the bank had an interest that affected the business of the bank.

12. Significant development

i. Government of Ghana Domestic Debt Exchange (GDDE)

The Government of Ghana (GoG) introduced Ghana Domestic Debt Exchange (GDDE) programme on 5th December, 2023 for the conversion of existing domestic bonds and E.S.L.A. loans for new ones.

Under the programme, bondholders were put into three categories. They are:

1. Category A: Natural persons less than 59 years old plus collective investment schemes;
2. Category B: Natural persons of 59 years old and above;
3. Category C: Holders who are not under Category A or B but include financial institutions.

The bank fell under Category C and was to receive:

a. New bonds for securities which were due in 2023;

b. Interest on the new bonds would be accrued and capitalized up to 10th February, 2025;

c. Government of Ghana will not make principal payments on the eligible bonds maturing before the settlement date.

ii. The financial impact on the bank

The bank tendered its old eligible bonds of GH¢4.0 million plus accrued interest for a set of twelve new bonds. Due to the issuer (GOG) of the bonds being financially challenged the new bonds were considered credit impaired. IFRS 9 requires that the new bonds be placed under stage three for impairment. The impairment assessment was done by discounting the cash flows under the new bond using the Institute of Chartered Accountants Ghana (ICAG) recommended discount factor and comparing the same with the carrying amount of the old bonds.

The disclosure of the impairment on the financial assets resulted in an impairment loss of GH¢1,207,291 as indicates in Note 17 (f).

13. Approval of the financial statements

The financial statements were approved by the Board on 16th April, 2025 and were signed on their behalf by the following:

....	....
Emmanuel Kofi Antwi	**Mathew Kojo Njourkone**
Chairman	Vice Chairman

Sekyedumase Rural Bank PLC operates in accordance with the principles and practices on corporate governance guided by the Corporate Governance Directive of May 2021 and the Fit and Proper Persons Directive 2019 issued by the Bank of Ghana, as well as the Code of Best Practices in Corporate Governance.

The objectives of the bank's corporate governance are:
i. To enable the bank undertake licensed business in a sustainable manner;
ii. To promote the interest of depositors and other stakeholders by enhancing performance and accountability;
iii. To promote and maintain public trust and confidence; and
iv. To maximise shareholders' value and interest

These objectives have been articulated in a number of corporate documents, including the bank's regulations, a board charter, rules of procedures for boards, a code of conduct for directors and rules of business ethics for staff.

The board of directors

The Board is responsible for setting the bank's strategic direction, leading and controlling the institution and monitoring activities of the executive management. As of 31 December 2024, the Board of Directors of Sekyedumase Rural Bank PLC consisted of five (5) Non-Executive Directors. This is in compliance with section 29 of the Corporate Governance Directive. The board members have wide experience and in-depth knowledge in management, industry, technology and financial markets which enables them to make informed decisions and valuable contributions to the company's progress. The Board met seven (7) times during the year excluding the AGM, which satisfies the minimum required meetings per section 39 of the Corporate Governance Directive.

Schedule of board meetings held in 2024

Attendance at the meetings are as follows:

Member	Board Meeting	Annual General Meeting (AGM)
Emmanuel Kofi Antwi	7/7	1/1
Mathew Kojo Njourkone	7/7	1/1
Joseph Oduro Brenya	6/7	1/1
Eric Marfo	6/7	1/1
Martin Acheampong	6/7	1/1

The board has overall responsibility for the bank, including approving and overseeing the implementation of the strategic objectives, risk strategy, corporate governance and corporate values. According to Part V of the Fit and Proper Directive; the Board is responsible for appointing and providing oversight of senior management and ensures a well-structured and rigorous selection process in line with the fit and proper directive is in place.

The board and its committees

The Board is accountable for the long-term success of the bank and it is responsible for ensuring leadership, approving strategy, and ensuring that the bank is suitably resourced to achieve its strategic aspirations. In doing so, the Board considers its responsibilities to, and the impact of its decisions on its stakeholders including shareholders, employees, customers, suppliers, the environment and the communities the company operates in.

The Board also delegates certain responsibilities to its committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the bank to the Chief Executive Officer and Management in respect of matters which are necessary for the day to day running of the bank.

The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its time on during the year as it provided guidance to Management in steering the bank.

Board roles and key responsibilities

Chairman

The Chairman is responsible for leading the Board and its overall effectiveness and governance, promoting a high standard of integrity and ensuring effective communication between the board, management, shareholders and other stakeholders.

Chief Executive Officer

The Chief Executive Officer is responsible for managing all aspects of the bank's businesses, developing strategies in conjunction with the chairman and the Board and leading its implementation.

Board of Directors

The board ensures the success of the bank by setting the strategic direction, establish the risk appetite and continuously monitor and improve the banks' performance so as to protect depositors' interest and enhance shareholders' value.

Board committees

The Board made a conscious decision to delegate a broader range of issues to the Board Committees, namely Finance, Audit, Risk and Compliance, Credit and Human Capital. The linkages between the Committees and the Board are critical for the smooth running of the bank. The Board duly received minutes and updates from each of the Committee's meetings throughout the reporting period. The bank has an effective mechanism in place to ensure that there are no gaps or unnecessary duplication between the remit of each committee.

Finance, audit and compliance committee

The Finance Committee is mandated to assist the Board in providing strategic direction for the bank and see to the implementation of the bank's strategy. It also reviews the financial, operational and business performance of the bank and makes recommendations to the board on ways to improve the performance of the bank.

The Committee reviews the bank's capital structure and annual capital plan, including its capital adequacy and capital planning process, stress-testing and related activities, capital raising, capital distributions and recommend to the Board for approval of the annual capital plan and capital management policy. Again, it reviews the annual budget and makes recommendations for the Boards' approval.

The Board Audit Committee is mandated to review and approve the bank's Risk Policies; set a risk appetite or tolerance and strategy including Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) within which management is required to develop business strategy or plans, objectives and targets for achievement. The Committee is to advise the Board on the recommended risk strategy or appetite within which its business is to be conducted. Again, the Committee oversees and advises the Board on the current risk exposures of the bank and future risk strategy.

Schedule of finance, audit and compliance committee's meetings held in 2024

Attendance at the meeting is as follows:

Member	Committee Meeting
Martin Acheampong	4/4
Eric Marfo	4/4
Joseph Oduro Brenya	4/4

Credit, risk and procurement committee

The Credit, Risk and Procurement Committee has oversight responsibilities on behalf of the Board for the approval of credit facilities for the bank. The role of this Committee includes but are not limited to the following: considering and approving specific loans above the Management Credit Committee's authority limit, as determined by the Board from time to time; reviewing Management Credit Committee's authority level as and when deemed necessary and recommending new levels to the Board for consideration; conducting quarterly review of credits granted by the bank to ensure compliance with the bank's internal control systems and credit approval procedures; reviewing the bank's internal control procedures in relation to credit risk assets and ensuring that they are sufficient to safeguard the quality of the bank's risk assets. The Credit Committee is made up of independent directors and all members are non-executive directors.

Schedule of credit, risk and procurement committee's meetings held in 2024

Attendance at the meeting is as follows:

Member	Committee Meeting
Mathew Kojo Njourkone	16/16
Eric Marfo	15/16
Martin Acheampong	13/16

Administration, human resource and disciplinary committee

Administration, Human Resource and Disciplinary Committee's main responsibilities includes proposing and making recommendations on human resource issues and matters relating to terms and appointment of senior management and staff of the bank. The Board and management evaluate annually the performance of the Board, its committees, and individual members.

Schedule of administration, human resource and disciplinary committee's meetings held in 2024

Attendance at the meetings are as follows:

Member	Committee Meeting
Eric Marfo	4/4
Mathew Kojo Njourkone	4/4
Joseph Oduro Brenya	4/4

Code of conduct

As part of the bank's corporate governance practice, management has communicated the principles of the bank's code of conduct to all employees. The code of conduct provides a basic framework and guidance for behaviours and business conduct. The code of conduct also serves as a reference point in all aspects of employee's working relationships with other employees, customers, suppliers, government officials, regulators, joint venture partners, competitors and the broader community.

Recruitment, induction and training of new directors

Individuals selected to be members of the Board have an appropriate diversity of skills and come from backgrounds necessary to provide the needed direction for the bank. All new directors to the board are provided with a letter of appointment stating clearly the terms which shall govern their appointment after all the necessary regulatory approvals have been received with respect to the changes.

The term of the directors is governed by the Bank of Ghana corporate governance directives, which limits the maximum period of service for the chairperson to six years and other members to nine years. New board members participate in a comprehensive induction program covering the bank's financial, strategic, operational and risk management overviews to enable them effectively discharge their duties and responsibilities.

Board qualifications and composition

In accordance with section 19 of the Directive, all Board members are qualified for the position and remain qualified through training, for their positions. They have a clear understanding of their role in corporate governance and are able to exercise sound and objective judgement about the affairs of the bank. They also possess, individually and collectively, appropriate experience, competencies and personal qualities, including professionalism and integrity.

Remuneration structure

Directors receive fixed fees for serving on the Board and its sub-committees in line with approval from shareholders at the annual general meeting. The Board members' remuneration is approved by the shareholders at the annual general meeting.

Board performance evaluation

The Board hereby certifies that it has complied with section 46 & 47 of the Directive on Board evaluation as well as AML/CFT Evaluation.

Business strategy

In the year under review the Board approved and monitored the overall business strategy of the bank, taking into account the long-term financial interest of the bank, its exposure to risk, and its ability to manage risk effectively. This was in line with section 13 of the Directive.

Risk management and internal controls

The Board has put an effective internal control system in accordance with the Directive and has a risk management in place. The key management personnel holding these roles have sufficient authority, stature, independence, resources and access to the board. Internal controls have been designed to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and work as intended. In accordance with section 50 of the Directive, the bank also has an Internal Auditor who has no involvement in the day-to-day activities and business line responsibilities of the bank. He has the professional competence to collect and analyse financial information as well as evaluate audit evidence and communicate with the stakeholders of the internal audit function. He possesses sufficient knowledge of auditing techniques and methodologies and reports directly to the Audit Committee and has direct access to the board. The Board recognizes the importance of external auditors as vital to the corporate governance process and continue to engage the services of Donaldy Associates, Chartered Accountants; an independent, competent and qualified external auditor, to undertake this function.

Key management oversight

In accordance with section 49 of the Directive, the Board ensures that, the activities of Key Management Personnel are consistent with the business strategy and policies approved by the Board, including the risk tolerance/appetite. The Board has established a management structure that promotes accountability and transparency and oversees the implementation of appropriate systems for managing risks – both financial and non-financial to which the bank is exposed.

The bank has engaged skilled and competent staff and provides training and development opportunities to sustain the delivery of short and long-term business objectives and the risk management framework that protects the reputation of the bank.

Policy for succession management and the current talent pool for key management personnel

Section 15 and 16 of the Directive, directs the bank to continue to pursue a robust talent and succession management process, knowing that our success is hinged on our ability to attract and retain the best talent in the industry, whilst maintaining a bench strength that ensures seamless leadership continuity. The bank promotes a culture of regularly reviewing and refreshing the succession pipeline to align with the fluid nature of the current talent landscape. Business Unit Heads have been empowered to own the succession management process end-to-end in their respective businesses. Executive Management's sponsorship and oversight of the process has ensured accountability from Business Heads across the bank. Our succession planning process prioritizes all critical roles at all levels in the organization; to ensure business and leadership continuity.

Corporate culture and values

The bank has established a corporate culture and values that promote and reinforces norms for responsible and ethical behaviour in terms of the bank's risk awareness, risk-taking and risk management in accordance with section 14 of the Directive. This is achieved by the bank through its board members setting and adhering to corporate values for itself. Key management and employees also create expectations that business should be conducted in a legal and ethical manner at all times. The corporate values, professional standards it sets together with supporting policies and appropriate sanctions for unacceptable behaviour are communicated to all employees.

Related party transactions

The Board has in place policies and procedures to ensure that all related party transactions are carried out at arm's length in accordance with the Directive and in accordance with the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). This is intended to ensure that there is no favourable treatment given to a related party. Therefore, in any connected transactions the bank ensures all the necessary approvals are obtained prior to the execution of the transaction.

Separation of powers

There is clearly in place a division of responsibilities between the positions of the Board Chair and the Chief Executive Officer in accordance with section 17 of the Directive.

Conflict of interest

The bank's directors have a statutory duty not to place themselves in a position which gives rise to a real or substantial possibility of conflict of interest or duty in relation to any matter which is, or is likely to be brought, before the board. At no time during the year did any director hold a material interest in any contract of significance with the bank. The Board reviews actual or potential conflicts of interest annually.

Anti-money laundering

The bank has established an anti-money laundering system in compliance with the requirements of the Anti-Money Laundering Act 2020 (Act 1044). These include due diligence for opening new accounts, customer identification, monitoring of high-risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Compliance declaration

The board declares that the bank has complied with the Corporate Governance Directive for Rural and Community Banks.

DA
Donaldy Associates
Chartered Accountants
House of Excellence Annex
Adum, Kumasi

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF SEKYEDUMASE RURAL BANK PLC ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2024

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Sekyedumase Rural Bank PLC as at 31 December, 2024 and of its financial performance, changes in equity and its cash flows for the year ended in accordance with the International Financial Reporting Standards (IFRS) and with the International Accounting Standard (IAS) 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

What we have audited

We have audited the financial statements of Sekyedumase Rural Bank PLC for the year ended 31 December, 2024. The financial statements comprise:

- Statement of financial position as at 31 December, 2024;
- Statement of profit or loss and other comprehensive income for the year then ended;
- Statement of changes in equity for the year then ended;
- Statement of cash flows for the year then ended; and
- Notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

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 of Accountants (IESBA) and we have fulfilled our ethical responsibilities in accordance with the Code.

Key audit matters

Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the bank's financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key audit matters:

(a) Impairment of loans and advances	How our audit addressed the key audit matters
The Bank continues to adopt IFRS 9 - Financial Instruments during the period, which requires the measurement of expected credit loss allowance for financial assets measured at amortized cost and fair value through other comprehensive income. The Bank reviews its loans and advances for impairment at the end of each reporting period. There are significant judgements made in the following areas in applying IFRS 9 - Financial Instruments. These include: Determining the stage of the financial assets and establishing groups of similar financial assets; determining the criteria for significant increase in credit risk; determining the Probability of Default (PD) and Loss Given Default (LGD) and Expected Credit Loss (ECL) for each type of loan and applying Bank of Ghana Loan classification criteria. Due to the significant judgements that are applied by management in determining whether an impairment loss has occurred, we considered this to be key audit risk. The bank is also required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations. The bank is also required to make transfers from income surplus to regulatory credit risk reserve based on the excesses of BoG impairment over IFRS provision. The disclosures relating to impairment of loans and advances to customers are considered important to users of the financial statements given the level of judgement and estimation involved.	We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss. In evaluating the design of controls, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed. In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated during the year. We performed an evaluation of management's key assumptions over the expected credit loss model (ECL), including the probability of default (PD) and the loss given default (LGD). We challenged management's staging of its financial assets in the ECL module and tested facilities to ensure they have been included in the correct stage. We tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting documentations. We found that the assumption used by management were comparable with historical performance and have been assessed as reasonable. We further assessed as appropriate the classification of the Bank's loans and advances in accordance with Bank of Ghana prudential guidelines and the possible transfer of any excess provision over the IFRS computed provisions to the regulatory Credit Risk Reserve.
(b) Investments We draw attention to note 17a. of the financial statements which indicates that the bank has investments in fixed deposits of GH¢7,648,000 with certain fund management institutions. Repayments from these institutions have been a challenge; however, there is an assurance from the board of those institutions that it would be repaid. Management fully impaired these investments during the year.	We reviewed the status of the investments and the full impairment made by management during the year and found that the assumptions used were reasonable and in compliance with Bank of Ghana guidelines and policies of the bank.

(c) Investment in Government Bonds, Treasury Bills and Cocoa Bills We draw attention to note 17e and 18a of the financial statements which indicate that the bank has investments in Government of Ghana Bonds, Treasury Bills and Cocoa Bills of GH¢4,237,004, GH¢86,049,630 and GH¢1,756,788 respectively through ARB Apex Bank and GCB Bank. Management made an impairment assessment on these investments. This resulted in an impairment of GH¢1,207,291, GH¢285,294 and GH¢878,394 on the Bonds, Treasury Bills and Cocoa Bills respectively. This was done by discounting the cash flows of the principals and interests under the new bonds, treasury bills and cocoa bills and comparing the same with the carrying amounts of the instruments.	We reviewed the status of the investments and the impairment made by management during the year and found that the assumptions used were reasonable and in compliance with Bank of Ghana guidelines, other directives and policies of the bank.
(d) Capital Adequacy Ratio The Bank recorded a Capital Adequacy Ratio of 8.63%.	We reviewed the calculations submitted by management and noted that the Bank could not achieve the minimum 10% requirement.

Other information

The directors are responsible for the other information. The other information comprises the Directors' Report, Chairman's Report and Corporate Governance Report but it does not include the Bank's financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, 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 board either intends to liquidate the bank or to cease operations, or have no alternative but to do so.

Auditors Responsibility 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 misstatements, 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 it is not a guarantee that an audit conducted in accordance with the 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 the audit in accordance with the ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

• Identify and assess the risks of material-misstatements 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 controls.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

• Conclude on the appropriateness of the Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the bank to cease to continue as a going concern.

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

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

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

• From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report.

Report on Other Legal and Regulatory Requirements

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

a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account have been kept by the Bank in so far as appears from our examination of those books and proper returns adequate for the purpose of our audit have been received.

c) The Bank's financial position and profit or loss and other comprehensive income are in agreement with the books of account;

d) In our opinion, the financial statements give the information required by the Act and give a true and fair view.

e) As auditors, we are independent of the bank.

The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) Section 85 (2) requires that we state certain matters in our report. We hereby state that :

a) In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and the results of its operations for the period under review;

b) We obtained all the information and explanations required for the efficient performance of our duties as auditors;

c) In our opinion, the Bank's transactions were within its powers;

d) In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments; and

e) The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) except for the Capital Adequacy Ratio (CAR) which it could not meet the minimum regulatory requirement of 10%.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Robert Donaldy (ICAG/P/1113).

16th April, 2025

Donaldy Associates (ICAG/F/2025/100)
Chartered Accountants
House of Excellence Annex
Adum, Kumasi

SEKYEDUMASE RURAL BANK PLC

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER, 2024

	(NOTES)	2024	2023
		GH¢	GH¢
Interest Income	(7)	21,954,417	16,041,871
Interest Expense	(7)	(3,500,355)	(1,627,253)
Net Interest Income		**18,454,062**	**14,414,618**
Fees & Commission Income	(8)	1,314,329	1,057,050
Fees & Commission Expense	(8)	(374,809)	(217,927)
Net Fees & Commission Income		**939,520**	**839,123**
Other Income	(9)	174,056	175,524
Net Other Income		**174,056**	**175,524**
Total Operating Income		**19,567,638**	**15,429,267**
Impairment Loss on Financial Assets	(23)	(1,980,720)	(2,801,594)
Personnel Expenses	(10)	(6,604,244)	(5,142,920)
Depreciation & Amortisation	(11)	(538,788)	(592,353)
Other Expenses	(12)	(3,630,773)	(2,654,936)
Total Operating Expenses		**(12,754,524)**	**(11,191,804)**
Profit Before Tax		**6,813,113**	**4,237,461**
Income Tax Expense	(13)	(2,668,824)	(1,819,299)
Profit For The Year		**4,144,289**	**2,418,162**
Other Comprehensive Income		-	-
Total Comprehensive Income For The Year		**4,144,289**	**2,418,162**
Basic and Diluted Earnings Per Share (Cedis)	(14)	0.397	0.233

The notes form an integral part of these financial statements

SEKYEDUMASE RURAL BANK PLC

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER, 2024

ASSETS	(NOTES)	2024 GH¢	2023 GH¢
Cash and Cash Equivalents	(16)	20,534,571	9,803,823
Non-Pledged Trading Assets	(17)	19,159,491	25,741,407
Pledged Trading Assets	(18)	85,764,336	37,931,571
Loans and Advances to Customers	(19)	5,620,126	7,503,904
Other Assets	(21)	6,277,489	4,089,460
Right of Use Assets	(22)	610,745	629,685
Deferred Tax Asset	(20)	662,275	689,489
Investment Securities	(24)	147,246	89,514
Property, Plant & Equipment	(25)	5,808,846	6,029,892
Total Assets		**144,585,125**	**92,508,746**
LIABILITIES			
Deposits from Customers	(26)	136,397,979	90,171,366
Provisions	(27)	594,865	307,144
Other Liabilities	(28)	2,815,761	2,047,694
Current Tax Liability	(13)	695,451	136,223
Institutional Borrowings	(29)	99,604	119,525
Total Liabilities		**140,603,660**	**92,781,951**
EQUITY			
Stated Capital	(30)	1,044,615	1,039,235
Income Surplus		(3,719,344)	(7,451,150)
Revaluation Reserve	(31)	4,794,021	4,794,021
Statutory Reserve	(32)	1,862,173	1,344,137
Credit Risk Reserve	(33)	-	552
Total Equity and Reserves		**3,981,465**	**(273,205)**
Total Liabilities and Equity		**144,585,125**	**92,508,746**

The financial statements were approved by the Board on 16th April, 2025 and were signed on their behalf by:

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Emmanuel Kofi Antwi — Chairman

Mathew Kojo Njourkone — Vice Chairman

The notes form an integral part of these financial statements.

SEKYEDUMASE RURAL BANK PLC
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER, 2024

2024	Stated Capital GH¢	Income Surplus GH¢	Revaluation Reserve GH¢	Statutory Reserve Fund GH¢	Credit Risk Reserve GH¢	Total Equity GH¢
Balance as at 1 January 2024	1,039,235	(7,451,150)	4,794,021	1,344,137	552	(273,205)
Impairment of investment recovered		105,000				105,000
Total Comprehensive Income						
Net profit for the year	-	4,144,289	-	-		4,144,289
Total Comprehensive Income	**1,039,235**	**(3,201,860)**	**4,794,021**	**1,344,137**	**552**	**3,976,085**
Transactions with Equity Holders						
Issue of shares	5,380	-	-	-	-	5,380
Total Transactions with Equity Holders	**5,380**	**-**	**-**	**-**	**-**	**5,380**
Regulatory Transfers						
Transfer to statutory reserve fund	-	(518,036)	-	518,036	-	-
Transfer from credit risk reserve	-	552	-	-	(552)	-
Total Regulatory Transfers	**-**	**(517,484)**	**-**	**518,036**	**(552)**	**-**
Balance as at 31 December 2024	**1,044,615**	**(3,719,344)**	**4,794,021**	**1,862,173**	**-**	**3,981,465**

The notes form an integral part of these financial statements.

SEKYEDUMASE RURAL BANK PLC
STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31 DECEMBER, 2024

2023	Stated Capital GH¢	Income Surplus GH¢	Revaluation Reserve GH¢	Statutory Reserve Fund GH¢	Credit Risk Reserve GH¢	Total Equity GH¢
Balance as at 1 January 2023	1,037,235	(9,299,220)	4,794,021	739,597	-	(2,728,367)
Impairment of investment recovered	-	35,000	-	-	-	35,000
Total Comprehensive Income						
Net profit for the year	-	2,418,162	-	-	-	2,418,162
Total Comprehensive Income	**1,037,235**	**(6,846,058)**	**4,794,021**	**739,597**	-	**(275,205)**
Transactions with Equity Holders						
Issue of shares	2,000	-	-	-	-	2,000
Total Transactions with Equity Holders	**2,000**	-	-	-	-	**2,000**
Regulatory Transfers						
Transfer to statutory reserve fund	-	(604,540)	-	604,540	-	-
Transfer from credit risk reserve	-	(552)	-	-	552	-
Total Regulatory Transfers	-	**(605,092)**	-	**604,540**	**552**	-
Balance as at 31 December 2023	**1,039,235**	**(7,451,150)**	**4,794,021**	**1,344,137**	**552**	**(273,205)**

The notes form an integral part of these financial statements.

SEKYEDUMASE RURAL BANK PLC

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER, 2024

	(NOTES)	2024 GH¢	2023 GH¢
Cash flows from operating activities			
Profit before tax		6,813,113	4,237,461
Adjustments for:			
Depreciation of property, plant & equipment		399,848	462,524
Impairment of financial assets		1,980,720	2,801,594
Change in loans and advances to customers		841,111	(1,787,840)
Change in pledged trading assets		(47,990,579)	(12,272,481)
Change in non-pledged trading assets		5,906,676	(9,005,742)
Change in other assets		(2,188,029)	(2,202,779)
Change in right of use assets		18,940	82,329
Change in deposits from customers		46,226,613	19,724,624
Change in provision		287,722	220,888
Change in other liabilities		768,067	609,789
		13,064,203	**2,870,368**
Income tax paid		(2,082,384)	(1,769,379)
Net cash generated from operating activities		**10,981,820**	**1,100,989**
Cash flows from investing activities			
Purchase of property, plant & equipment		(178,800)	(86,313)
Net cash used in investing activities		**(178,800)**	**(86,313)**
Cash flows from financing activities			
Investment in ARB Apex		(57,732)	(48,110)
Repayment of borrowings		(19,921)	(19,921)
Issue of ordinary shares		5,380	2,000
Net cash used in financing activities		**(72,273)**	**(66,031)**
Net increase in cash and cash equivalents		10,730,749	948,645
Cash and cash equivalents at 1 January		9,803,823	8,855,178
Cash and cash equivalents at 31 December	**(16)**	**20,534,571**	**9,803,823**

The notes form an integral part of these financial statements.

1. Reporting entity

Sekyedumase Rural Bank PLC is a limited liability company incorporated in Ghana under the Companies Act, 2019 (Act 992). The address of the registered office of the bank is Bank of Ghana Building, Palace Road Sekyedumase, P.O. Box S 21, Sekyedumase-Ashanti. The bank is authorised and licensed to provide rural banking services.

2. Basis of preparation

a) Statement of compliance

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

b) Basis of measurement

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

c) Functional and presentational currency

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

d) Use of estimates and judgements

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

3. Significant accounting policies

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

a) Interest

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the entity 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 the income statement on straight-line basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

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

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

b) Fees and commissions

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

Other fees and commission income, including account servicing fees and special statement request are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

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

c) Other income

Other income including recoverable stationery and cheque clearing fees are recognised as and when they are earned.

d) Right of use

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

e) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the P&L/ OCI except to the extent that it relates to items recognized 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 substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years. Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit to the extent that they probably will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences 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.

f) Financial assets and liabilities

i) 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 liabilities (including 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.

ii) De-recognition

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

The Bank enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.

iv) Amortised cost measurement

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

v) Fair value measurement

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

vi) Identification and measurement of impairment

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

The Bank considers evidence of impairment at both an individual and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. 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.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the group.

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

Impairment losses on assets carried at 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.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost net of any principal repayment and amortisation and current fair value, less any impairment loss previously recognised in profit or loss out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognised through OCI.

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

vii) Designation at fair value through profit or loss

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

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

The notes 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.

g) Cash and cash equivalents

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

Cash and cash equivalents are carried at 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.

h) Trading assets and liabilities

Trading assets and liabilities are those assets and liabilities that the Bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short-term profit or position taking. Trading assets and liabilities are initially recognised and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

i) Loans and advances

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

j) Investment securities

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

(i) Hold -to-collect

Hold -to- collect investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to collect, and which are not designated at hold to sell or hold to collect and sell.

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

(ii) Hold -to- sell

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

(iii) Hold -to- collect and sell

Hold to collect and sell investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at amortised cost. All other hold -to- collect and sell investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the bank becomes entitled to the dividend.

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

k) Property, plant and equipment

(i) Recognition and measurement

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

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is 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 and equipment are recognised in profit or loss as incurred.

(iii) Revaluation model

After recognition of an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Revaluation model is used for only property and surpluses on such revaluations are restricted to tier two capital with respect to capital adequacy ratio computation.

(iv) Depreciation

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

The estimated useful lives are as follows:

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

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

l) Right of use – leased offices

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as right of use. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

m) Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is 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 allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

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

n) 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 onerous contracts is recognised when the expected benefits to be derived by the rank 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.

o) Employee benefits

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

i) Social security and national insurance trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Bank contributes 13% of employee's basic salary in addition to 5.5% deduction from employees basic salary to SSNIT and Vanguard Life Pension Scheme for employee pensions. The bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and Vanguard Life Pension Scheme.

ii) Provident fund

The Bank has a provident fund scheme for all employees. Employees contribute 4.5% of their basic salary to the fund whilst the Bank contributes 7%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates.

(iii) Termination benefits

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

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for an amount expected to be paid under short-term cash if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

p) Share capital and reserves

(i) Ordinary shares

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

(ii) Share issue costs

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

q) Earnings per share

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

r) Dividends

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

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

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

t) Borrowings

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

u) Application of new and revised International Financial Reporting Standards (IFRS)

i) The standard and interpretation that are issued, but not yet effective, or to the date of issuance of the Bank's financial statements is disclosed below. The Bank intends to adopt this standard if applicable, when it become effective.

IFRS 17 "Insurance Contract" (effective for annual period beginning on or after 1 January, 2024).

The Bank has elected not to adopt this new standard in advance of their effective date. The Bank anticipates that the adoption of this standard and amendment to existing standards will have no material impact on the financial statements of the Bank in the period of initial application.

ii) IFRS 9 financial Instruments

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

a) Classification and measurement

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

b) Impairment

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

Impairment loss schedule - 2024:

Impairment Loss classification	Stage 1 12-months ECL GH¢	Stage 2 Lifetime ECL ɔt credit impaired GH¢	Stage 3 Lifetime ECL Credit impaired GH¢	Total GH¢
Loans loss allowance - IFRS	201,318	140,282	4,717,870	5,059,471
	201,318	140,282	4,717,870	5,059,471
Impairment Loss Classification per BOG Guidelines				4,307,297
Increase				752,174

The IFRS impairment loss is higher than the Bank of Ghana impairment loss so the opening balance on the Credit Risk Reserve of GH¢552 is transferred to the Income Surplus.

Impairment loss schedule - 2023:

Impairment Loss classification - IFRS	Stage 1 12-months ECL GH¢	Stage 2 Lifetime ECL not credit impaired GH¢	Stage 3 Lifetime ECL Credit impaired GH¢	Total GH¢
Loans loss allowance	872,656	50,618	3,093,529	4,016,804
	872,656	50,618	3,093,529	4,016,804
Impairment Loss Classification per BOG Guidelines				4,017,356
Credit Risk Reserve				(552)

v) Government of Ghana Bonds

i) Modification assessment

The IFRS 9 indicates that the modification of a contractual cash flow of a financial asset can lead to its derecognition although there is no explicit guidance on when modification of a financial asset leads to a derecognition.

The bank used the IFRS 9 principles to assess for modification where the financial instrument terms change, an assessments performed to ascertain if the new terms are significantly different from the old terms. The bank assessed its bonds under the Ghana Domestic Debt Exchanges (GDDE) programme for the exchange of old bonds for new ones and the result was a substantial modification due to the following:

• A holder of a single bond or portfolio of bonds will receive in exchange four bond with different maturities and cash flows.

• The new bonds involve a significant extension of maturity dates and coupon rates.

The bank will subsequently derecognise the old and a new asset recognised for the new bonds.

ii) Impairment

Per IFRS 9, an asset qualifies for impairment if an event occurs that has a detrimental impact on the estimated cash flows of the asset including:

• The significant financial difficulty of the issuer or borrower.
• A breach of contract including default in repayment.
• The absence of an active market for the financial asset.

The bank's assessment of its bonds with the government concluded that the bonds should be credit impaired. The impairment assessment was done by discounting the future cash flows under the new bonds using the Institute of Chartered Accountants Ghana (ICAG) recommended discount factor and comparing the same with the carrying amount of the old bonds.

iii) Fair valuation

The price of bonds is measured using either the market approach and/or the income approach. With the market approach, the prevailing quoted prices on the bond market are applied whilst with the income approach future cash flows are discounted using an appropriate discount rate to their present values.

An active market for the new bonds is yet to develop, hence the discounted cash flow method under the income approach is used as the valuation method to determine the fair value of the new bonds.

4. Financial risk management

a) Introduction and overview

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

- credit risk
- liquidity risk
- market risk
- operational risk
- compliance risk
- capital risk
- legal risk
- reputational risk

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

Risk management framework

The Board has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Finance, Audit and Compliance, Credit, Risk and Procurement Committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees have non-executive members and report the Board on their activities.

The risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations. The Bank's Finance, Audit and Compliance Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Bank Finance, Audit and Compliance Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Finance, Audit and Compliance Committee.

b) Credit risk

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

Management of credit risk

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

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- Establishing the authorisation and structure for the approval and renewal of credit facilities. Authorisation limits are allocated to branch managers. Larger facilities require approval by the head of credit, the Chief Executive Officer and the Board of Directors as appropriate.
- Reviewing and assessing credit risk. The Bank credit committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

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

- Developing and maintaining the Bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of various grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive committee as appropriate.

Risk grades are subject to regular reviews by the Bank risk function.

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

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

Each branch is required to implement Bank credit policies and procedures, with credit approval authorities delegated from the bank Credit Committee. Each branch has a credit risk officer who reports on all credit related matters to local management and the bank credit committee. Each branch is responsible for the quality and performance of its credit portfolio and for monitoring risks in its portfolios, including those subject to central approval. Regular audits of business units and Bank credit processes are undertaken by Internal Audit.

Impaired loans and securities

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

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does not change until there is evidence of performance over a reasonable period of time. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the Bank shall recalculate the gross asset, the Bank shall recalculate the gross financial asset, carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss. The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees that are incurred will adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Allowances for impairment

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

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

Credit risk rating	Days past	Minimum
Current	Less than 30	1%
Olem	31 - 90	10%
Sub-standard	91 -180	25%
Doubtful	181 - 360	50%
Loss	Over 360	100%

Impairment losses

The ageing and impairment of Loans and Advances at the reporting date was:

		2024		2023	
		Gross	Impairment	Gross Amount	Impairment
		GH¢	GH¢	GH¢	GH¢
Current	0-30 days	5,401,926	41,632	7,083,899	60,425
Olem	31 - 90 days	559,801	55,980	209,056	20,906
Sub-Standard	91-180 days	532,645	133,161	42,779	10,120
Doubtful	181-360 days	217,402	108,701	420,538	188,769
Loss	> 360 days	3,967,823	3,967,823	3,764,436	3,737,137
		10,679,597	4,307,297	11,520,708	4,017,356

Write-off policy

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

Collateral of impaired exposures

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral is not normally held for loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held at 31 December 2024 An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below.

It must however be noted that collateral values for impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans and advances to customers 2024 GH¢	Loans and advances to customers 2023 GH¢
Cash and near cash instruments	2,318,605	2,018,473
	2,318,605	**2,018,473**

Repossessed assets

The Bank did not repossessed any customer's asset during the period. If the Bank would have repossessed, the type and carrying amount of collateral would have been the lower of its carrying amount and fair value less costs to sell:

All assets repossessed if any are to be sold within one year of possession and approval would be sought from Bank of Ghana for those for which efforts towards sale have not been successful within one year. The bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	2024	2023
	GH¢	GH¢
Agriculture	460,159	467,484
Transport	718,144	746,228
Commerce	3,062,715	3,274,043
Susu and other credit lines	5,796,895	5,849,552
Mining and quarry	4,165	9,271
Manufacturing	516,273	822,283
Construction	107,851	308,308
Electricity, gas and water	13,395	43,539
	10,679,597	11,520,708
Credit impairment loss	(5,059,471)	(4,016,804)
	5,620,126	**7,503,905**

c) Liquidity risk

Liquidity risk is the risk that the bank will encounter difficulty in meeting obligations to its financial liabilities as they fall due. The risk arises from mismatches in cash flows.

Management of liquidity risk

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

The Head office receives information from branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Head office then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through funds from Head Office to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements. When an operating branch is subject to a liquidity limit, it manages its liquidity within the regulatory limit in co-ordination with Head Office. Head Office monitors compliance of all operating branches with local regulatory limits on a daily basis. The daily liquidity position is monitored and regular conducted liquidity stress testing is under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the finance and operations committee. Daily reports cover the liquidity position of the Bank. A summary report including any exceptions and remedial action taken, is submitted regularly to the finance and operations committee.

Exposure to liquidity risk

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

	2024	2023
	%	%
At 31 December	89.76	81.49
Average for the period	85.71	86.70
Maximum for the period	90.52	90.43
Minimum for the period	80.89	82.96

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

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

(e) Operational risk
Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities. The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:
- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

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

(f) Capital risk
Capital risk management
The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirement by Bank of Ghana and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholders' value. In order to maintain the desired level of capital, the Bank may vary its dividend policy or issue new shares. The Bank did not comply with all externally imposed capital requirement throughout the period.

Regulatory capital management

The Bank of Ghana sets and monitors capital requirement for the bank. In implementing current capital requirement, Bank of Ghana requires the bank to maintain a prescribed ratio of total capital to total risk-weighted assets. The Bank is also required to maintain a credible capital plan to ensure that capital level of the bank is maintained in consonance with the bank's risk appetite. The banks regulatory capital is analysed in two tiers;

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

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

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

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The bank could not comply with all externally imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period. The Bank's regulatory capital position at 31 December was as follows:

(g)Compliance and regulatory risk

In order to strengthen the Bank's compliance with regulatory requirements, the Bank organises series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimise risk emanating therefrom.

(h) Legal risk

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

(i) Reputational risk

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

Capital adequacy computation

		2024	2023
Adjusted capital base			
Tier 1 capital		GH¢	GH¢
Paid up capital (1)		1,044,615	1,039,235
Disclosed Reserves (2)		(1,857,171)	(6,106,461)
Tier 1 Capital (3) = (1 + 2)		**(812,556)**	**(5,067,226)**
Less:			
Investments in the capital of other financial institutions (4)		147,246	89,514
Intangible assets (5)		-	-
Net Tier 1 Capital (6) = (3-4-5)		**(959,802)**	**(5,156,740)**
Add:			
Revaluation Reserve (7)		4,794,021	4,794,021
Adjusted capital base (8) = (6 +7)		**3,834,219**	**(362,719)**
Adjusted asset base	**(NOTES)**		
Total assets (9)		**144,585,125**	**92,508,746**
Less contra items:			
Cash on hand (10)		**3,115,915**	**1,902,307**
Claims on ARB Apex bank (11) : (i) + (ii)		**7,103,150**	**4,577,282**
(i) Clearing account balance		445,757	162,165
(ii) 5% ARB Apex balance		6,657,393	4,415,117
Claims on government (12) : (i) + (ii)		**96,294,048**	**41,763,130**
Treasury bills and bonds		88,794,048	40,863,130
ACOD		7,500,000	900,000
Investments in the capital of other financial institutions (13)		**147,246**	**89,514**
80% of claims on other banks (14)	**(16)**	**2,252,405**	**1,939,387**
50% claims on other financial institutions (15)	**(17)**	**8,064,889**	**11,404,924**
Adjusted total assets		27,607,471	30,832,201
100% of 3 years average annual gross income		16,836,993	11,025,424
Total Adjusted Asset Base		**44,444,464**	**41,857,625**
Capital adequacy ratio (adjusted capital base/adjusted asset base *100)		**8.63%**	**-0.87%**

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the finance and operation and is subject to review by the bank as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the bank to particular operations or activities, it is not the sole basis used for decision making. Consideration also is made of synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the bank's longer term strategic objectives. The bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5. Use of estimates and judgements

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

Key sources of estimation uncertainty

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. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the credit risk function.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified. A component of collectively assessed allowances is for country risks. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

Determining fair values

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

Critical accounting judgements in applying the bank's accounting policies

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

Financial asset and liability classification

The bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

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

6. Financial assets and liabilities

Accounting classifications and fair values

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

	Carrying amount		Fair value	
	Dec. 31 2024 GH¢	Dec. 31 2023 GH¢	Dec. 31 2024 GH¢	Dec. 31 2023 GH¢
Financial assets				
Cash and cash equivalents	20,534,571	9,803,823	20,534,571	9,803,823
Non-pledged assets	7,648,000	7,753,000	19,159,491	25,741,407
Pledged assets	85,764,336	37,931,571	85,764,336	37,931,571
Loans & advances to customers	10,679,597	11,520,708	5,620,126	7,503,904
Other assets	6,277,489	4,089,460	6,277,489	4,089,460
Investment securities	147,246	89,514	147,246	89,514
	131,051,238	71,188,077	137,503,259	85,159,680
Financial Liabilities				
Deposits from customers	136,397,979	90,171,366	136,397,979	90,171,366
Other liabilities	2,815,761	2,047,694	2,815,761	2,047,694
Institutional borrowings	99,604	119,525	99,604	119,525
	139,313,344	92,338,585	139,313,344	92,338,585

	2024	2023
7. Net interest income	GH¢	GH¢
Interest income		
Loans and advances	2,503,239	2,863,502
Investments (trading)	19,451,178	13,178,369
Total interest income	**21,954,417**	**16,041,871**
Interest expense		
Savings	1,856,984	658,448
Fixed deposits	1,630,083	953,305
Borrowings	13,288	15,501
Total interest expense	**3,500,355**	**1,627,253**
8. Net fees and commission income		
Fees and commission income		
Maintenance and loan commitment fees	586,860	640,353
SMS charges	727,469	416,696
Total fees and commission income	**1,314,329**	**1,057,050**
Fees and commission expense		
Bank charges/ clearing expenses	374,809	217,927
Total fees and commission expense	**374,809**	**217,927**
Net fees and commission income	**939,520**	**839,122**
9. Other operating income		
Sundry income	174,056	175,524
Total other income	**174,056**	**175,524**
10. Personnel expenses		
Salaries and wages	4,523,947	3,461,444
Contributions to defined benefit plan - SSF	429,057	366,315
Contributions to defined contribution plan - PF	217,367	191,106
Other staff costs	541,327	365,406
Medical expenses	202,043	240,420
Staff training	136,279	65,007
Staff clothing	161,322	157,376
Annual bonus	392,902	295,847
	6,604,244	**5,142,920**
11. Depreciation & amortisation		
Amortisation of right-of-use assets	138,940	129,829
Depreciation of property, plant & equipment	399,848	462,524
	538,788	**592,353**
12. Other expenses		
Board and committee meeting expenses	363,944	359,264
Computerisation expenses	808,588	540,845
Audit fees	60,000	45,000
Donations	2,800	6,610
Rates	18,075	26,087
Electricity & water	231,660	224,874
Corporate social responsibility	19,500	7,740
Insurance expenses	361,384	286,798
Other administrative expenses	1,764,822	1,157,718
	3,630,773	**2,654,936**

	2024	2023
	GH¢	GH¢
13. Income tax expense		
Current income tax (a)	2,189,343	1,814,629
Growth and sustainability levy (b)	452,269	211,873
Deferred income tax (c)	27,212	(207,203)
	2,668,824	**1,819,299**

(a) Current income tax

Year of assessment	Balance at 1/1 GH¢	Payments the year GH¢	Charged to P&L GH¢	Balance at 31/12 GH¢
2021	(228,122)	-	-	(228,122)
2023	404,498	(413,651)	(62,307)	(71,460)
2024	-	(1,390,543)	2,251,650	861,107
	176,376	**(1,804,194)**	**2,189,343**	**561,525**

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

(b) Growth and sustainability levy

Year of assessment	Balance at 1/1 GH¢	Payments the year GH¢	Charged to P&L GH¢	Balance at 31/12 GH¢
2023	(40,153)	-	111,613	71,460
2024	-	(278,190)	340,656	62,466
	(40,153)	**(278,190)**	**452,269**	**133,926**

The Growth and Sustainability Levy Act, 2024 (Act 1095) became effective from 3rd April, 2023. Under the Act, a levy of 5% is charged on profit before tax and it is payable on quarterly basis.

Total	**136,223**	**(2,082,384)**	**2,641,612**	**695,451**

(c) Deferred income tax

2024	Assets GH¢	Liabilities GH¢	Net GH¢
Property, plant and equipment	(25,822)	-	(25,822)
Loans and advances	(65,167)	-	(65,167)
Trading investments	(571,287)	-	(571,287)
Net tax (assets)/liabilities	**(662,275)**	**-**	**(662,275)**

2023	Assets GH¢	Liabilities GH¢	Net GH¢
Property, plant and equipment	(13,520)	-	(13,520)
Loans and advances	(101,847)	-	(101,847)
Trading investments	(574,120)	-	(574,120)
Net tax (assets)/liabilities	**(689,487)**	**-**	**(689,487)**

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

2024	Balance at 1/1 GH¢	**Recognised in** P&L GH¢	Balance at 31/12 GH¢
Property, plant and equipment	(13,520)	(12,302)	(25,822)
Loans and advances	(101,847)	36,680	(65,167)
Trading investments	(574,120)	2,834	(571,286)
Total	**(689,487)**	**27,212**	**(662,275)**

	Balance at 1/1 GH¢	Recognised in P&L GH¢	Balance at 31/12 GH¢
2023			
Property, plant and equipment	101,861	(115,381)	(13,520)
Loans and advances	(584,145)	482,298	(101,847)
Trading investments	-	(574,120)	(574,120)
Total	**(482,284)**	**(207,203)**	**(689,487)**

(d) Reconciliation of effective tax rate	2024 GH¢	2023 GH¢
Profit before income tax	6,813,113	4,237,461
Income tax using the enacted corporate tax rate	1,703,278	1,059,365
Non-deductible expenses	628,445	832,195
Tax incentive not recognised in the income statement	(80,074)	(76,932)
Growth and sustainability levy	340,656	211,873
Tax audit	49,306	-
Deferred tax	27,212	(207,203)
Total income tax expense in income statement	**2,668,824**	**1,819,298**
Effective tax rate	**39.17%**	**42.93%**

14. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31 December, 2024 was based on the profit attributable to the ordinary shareholders of GH¢4,142,039 (2023: GH¢2,418,162) and number of ordinary shares of 10,446,152 (2023:10,392,352) as at 31st December:

Profit attributable to ordinary shareholders	2024 GH¢	2023 GH¢
Net Profit for the period attributable to equity holders of the Bank	4,144,289	2,418,162
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	10,392,352	10,372,352
Effect of share issued as at 31 December	53,800	20,000
Number of ordinary shares at 30 September	**10,446,152**	**10,392,352**

Diluted earnings per share

The calculation of diluted earnings per share at 31st December 2024 was based on the profit attributable to ordinary shareholders of GH¢4,142,039 (2023: GH¢2,418,162).

Profit attributable to ordinary shareholders (diluted)		
Profit for the period attributable to ordinary shareholders	4,144,289	2,418,162
Weighted average number of ordinary shares (diluted)		
Number of ordinary shares (basic)	10,392,352	10,372,352
Effect of share purchase after 31 December	53,800	20,000
Number of ordinary shares (diluted) at 31 December	**10,446,152**	**10,392,352**

15. Dividend per share

At the Annual General Meeting to be held in 2024, the Board do not recommend the payment of dividend for the year ended 31 December, 2024 (2023 – Nil) based on Bank of Ghana directive (Notice No. BG/GOV/SEC/2020/03) dated 20th April, 2020. There is no tax consequence since no dividend is recommended.

	NOTES	2024 GH¢	2023 GH¢
16. Cash and cash equivalents			
Cash on hand		3,115,915	1,902,307
Balances with other banks		2,815,506	2,424,234
Unrestricted balance with ARB Apex bank		445,757	162,165
Restricted balance with ARB Apex bank- 5% placement		6,657,393	4,415,117
ARB Apex Bank ACOD		7,500,000	900,000
		20,534,571	**9,803,823**

17. Non-pledged trading assets

	NOTES	2024 GH¢	2023 GH¢
a) Investment with distressed fund managers			
Gold Coast Fund Management (Taken over by GCB Capital Limited)		400,000	400,000
NTHC		4,838,000	4,943,000
New Generation Investment Services		1,910,000	1,910,000
Vanguard Assurance		500,000	500,000
		7,648,000	7,753,000
Impairment of financial assets-principal	**(17b)**	(7,648,000)	(7,753,000)
		-	-

b) Impairment of financial assets on non-pledged trading assets (principal) (17a)
Individual and collective allowances for impairment

	NOTES	2024 GH¢	2023 GH¢
Balance at 1 January		7,753,000	7,288,000
Recoveries		(105,000)	(35,000)
		7,648,000	7,253,000
Charge for the year		-	500,000
Balance at 31 December	**(17a)**	**7,648,000**	**7,753,000**

	NOTES	2024 GH¢	2023 GH¢
c) Investment with non-distressed fund managers			
GCB Capital Limited (AM Fund)		4,182,251	4,182,251
Ecobank Ghana Limited (Treasury Bill)		2,980,213	2,980,005
Universal Merchant Bank Limited (Fixed Deposit)		1,000,000	1,000,000
United Bank of Africa Limited (Fixed Deposit)		-	5,000,000
GCB Bank Limited (Cocoa Bill)		1,404,881	1,404,881
GCB Bank Limited (Treasury Bill)		3,688,928	587,020
ARB Apex Bank Limited (Cocoa Bill)		351,907	351,907
Universal Merchant Bank Limited (Treasury Bill)		3,399,992	3,799,998
Bank of Ghana Bill		-	3,503,787
		17,008,172	22,809,849
Impairment of financial assets		(878,394)	-
		16,129,778	**22,809,849**

Treasury bills and Cocoa bills held with ARB Apex Bank Limited, Universal Merchant Bank, GCB Bank Limited and Bank of Ghana were not impaired as the board assessed the fair value of the investments and there was no impairment because of zero probability of default.

d) Impairment of financial assets on non-pledged trading assets
Individual and collective allowances for impairment

	NOTES	2024 GH¢	2023 GH¢
Charge for the year		878,394	-
Balance at 31 December	**(17c)**	**878,394**	-

	NOTES	2024 GH¢	2023 GH¢
e) Government of Ghana Bonds			
ARB Apex Bank Limited (3 Years Bonds)		2,551,640	2,551,640
GCB Bank Limited (3 Years Bonds)		1,685,364	1,685,364
		4,237,004	4,237,004
Impairment of financial assets	(17f)	(1,207,291)	(1,305,446)
		3,029,713	**2,931,558**

Due to the Government of Ghana Domestic Debt Exchange programme resulting in the determination of the fair value of the asset (bonds acquired through ARB Apex Bank and GCB Bank Limited, a modification assessment, fair valuation and impairment of this financial asset were conducted during the year.

Reconciliation of Government of Ghana Bonds

The following is a reconciliation of the bonds eligible under the government exchange programme and the new bonds issued:

		2024	2023
Carrying amount as at 31 December 2024		4,237,004	4,237,004
Impairment of financial assets		(1,207,291)	(1,305,446)
Fair value of the bonds as at 31 December 2024		3,029,713	2,931,558

f) Impairment of financial assets on non-pledged trading assets (principal) (17c)

Individual and collective allowances for impairment

		2024	2023
Balance at 1 January		1,305,446	666,842.00
(Recoveries)/ Charge for the year		(98,155)	638,604
Balance at 31 December	(17e)	**1,207,291**	**1,305,446**
Total non-pledged trading assets (a+c+e)		**19,159,491**	**25,741,407**

18 Pledged trading assets

		2024	2023
Bank of Ghana Treasury Bills held by:			
ARB Apex Bank Limited		86,049,630	38,059,051
		86,049,630	38,059,051
Impairment of financial assets		(285,294)	(127,480)
		85,764,336	**37,931,571**

Treasury bills held with ARB Apex Bank Limited were impaired as the board assessed the fair value of the investments and impaired an amount of GH¢127,480.

The trading assets have been used as security for a loan facility with ARB Apex Bank Limited with a balance of GH¢119,525.

a) Impairment of financial assets on pledged trading assets (18a)

Individual and collective allowances for impairment

		2024	2023
Balance at 1 January		127,480	94,039
Charge for the year		157,814	33,440
Balance at 31 December	(18a)	**285,294**	**127,480**

b) Trading liabilities

There was no trading liabilities during the year.

19. Loans and advances to customers

		2024	2023
Loans and advances to customers at fair value through profit or loss **(19i)**		10,679,597	11,520,708
		10,679,597	11,520,708
Allowances for impairment	(19iii)	(5,059,471)	(4,016,804)
		5,620,126	**7,503,904**

	NOTES	2024 GH¢	2023 GH¢
19i Loans and advances to customers at amortised cost-			
Loans analysis by business segment:			
Agriculture		460,159	467,484
Transport		718,144	746,228
Commerce		3,062,715	3,274,043
Services and other credit lines		5,796,895	5,849,552
Mining and quarry		4,165	9,271
Manufacturing		516,273	822,283
Construction		107,851	308,308
Electricity, gas and water		13,395	43,539
		10,679,597	11,520,708
Impairment charges	**(19iii)**	(5,059,471)	(4,016,804)
		5,620,126	**7,503,905**

19ii Loans analysis by type of customer			
Individuals		8,982,954	9,699,894
Private enterprise		1,217,346	1,330,671
Public enterprises and institutions		479,297	490,144
		10,679,597	11,520,708
Impairment charges	**(19iii)**	(5,059,471)	(4,016,804)
		5,620,126	**7,503,905**

19iii Allowances for impairment - loans and advances			
Individual and collective allowances for impairment			
Balance at 1 January		4,016,804	2,387,253
Charge for the year	**(23)**	1,042,667	1,629,550
Balance at 31 December		**5,059,471**	**4,016,804**

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

At 31 December 2024 the maximum exposure of credit risk on loans and advances at fair value through profit or loss was GH¢10.68 million (2023: GH¢11.52 million). The bank has mitigated the credit risk exposure to these loans and advances through the establishment of credit risk reserve.

Loan statistics	2024	2023
i) Twenty (20) largest exposures to total exposures	34.57%	34.97%
ii) Loan loss provision ratio	47.38%	34.87%
iii) Non - performing loans ratio	49.42%	36.33%

20. Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

2024	Assets GH¢	Liabilities GH¢	Net GH¢
Property and equipment	(25,822)	-	(25,822)
Loans and advances	(65,167)	-	(65,167)
Trading investments	(571,287)	-	(571,287)
Net tax (assets)/liabilities	**(662,275)**	**-**	**(662,275)**

2023	Assets GH¢	Liabilities GH¢	Net GH¢
Property and equipment	-	101,861	101,861
Allowances for loan losses	(584,145)	-	(584,145)
Net tax (assets)/liabilities	**(584,145)**	**101,861**	**(482,284)**

Deferred income tax is calculated using the enacted income tax rate of 25%. Deferred income liabilities and deferred income tax charge in the profit or loss are attributable to the following items:

Movements during the year	Balance at 1/1	Recognised in P&L	Balance at 31/12
2024	GH¢	GH¢	GH¢
Property and equipment	101,861	(12,302)	89,559
Loans and advances	(584,145)	36,680	(547,465)
Trading investments	-	2,834	2,834
	(482,284)	**27,212**	**(455,072)**

Movements during the year	Balance at 1/1	Recognised in P&L	Balance at 31/12
2023	GH¢	GH¢	GH¢
Property, plant and equipment	-	101,861	101,861
Allowances for loan losses	(584,145)	-	(584,145)
	(584,145)	**101,861**	**(482,284)**

21. Other assets	2024 GH¢	2023 GH¢
Office account	264,320	121,853
Prepayments	54,867	43,617
Interest and commission in arrears	978,773	833,976
Stationery stocks	253,838	184,579
Inter branch account	5,493	5,564
Accrued income on investments	4,720,197	2,899,872
	6,277,489	**4,089,460**

22i Right of use - leased offices	2024 GH¢	2023 GH¢
Balance at 1 January	629,685	712,014
Additions	120,000	47,500
Amortisation	(138,940)	(129,829)
Balance at 31 December	**610,745**	**629,685**

	2024	2023
	GH¢	GH¢
22ii Between one and five years	250,745	224,685
More than five years	360,000	405,000
	610,745	**629,685**

The bank leases a number of branch premises for its operations. The leases typically run for a maximum period of 10 years with an option to renew the lease after the expiring date. Lease payments are reviewed by landlords in consultation with management where necessary to reflect market rentals.

23. Impairment of financial assets

Investments - Government of Ghana Bonds	**(17d)**	(98,155)	638,604
Investments - Government of Ghana Treasury Bill	**(18a)**	157,814	33,440
Investments - Cocoa Bills		878,394	-
Investments - Defunct fund manager	**(18a)**	-	500,000
Loans and Advances	**(19iii)**	1,042,667	1,629,550
		1,980,720	**2,801,594**

24. Investment securities

Investment in ordinary shares of ARB Apex Bank PLC

Investment in ordinary shares of ARB Apex Bank PLC	147,246	89,514
	147,246	**89,514**

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

25(a). Property, plant and equipment - 2024

	Land GH¢	Buildings GH¢	Plant & Equipment GH¢	Motor Vehicles GH¢	Office Furniture & Fittings GH¢	Office Equipment GH¢	Computers & Accessories GH¢	Office Renovation GH¢	Capital Work-In-Progress GH¢	Total GH¢
COST										
Balance at 01/01/2024	59,070	5,472,055	377,771	236,683	395,470	769,510	589,812	486,307	295,192	8,681,871
Additions	-	-	-	-	53,560	64,340	60,900	-	-	178,800
Balance at 31/12/2024	59,070	5,472,055	377,771	236,683	449,030	833,850	650,712	486,307	295,192	8,860,671
ACCUMULATED DEPRECIATION										
Balance at 01/01/2024	-	364,804	350,416	207,954	338,684	508,010	529,794	352,318	-	2,651,978
Charge for the year	-	109,441	8,893	8,750	21,564	95,989	33,634	121,577	-	399,847
Balance at 31/12/2024	-	474,245	359,309	216,704	360,248	603,999	563,428	473,895	-	3,051,825
CARRYING AMOUNT - 31/12/2024	**59,070**	**4,997,810**	**18,462**	**19,979**	**88,782**	**229,851**	**87,284**	**12,412**	**295,192**	**5,808,846**
CARRYING AMOUNT - 31/12/2023	59,070	5,107,251	27,356	28,729	56,786	281,501	60,019	133,989	295,192	6,029,893

25(b). Property, plant and equipment - 2023

COST	Land GH¢	Buildings GH¢	Plant & Equipment GH¢	Motor Vehicles GH¢	Office Furniture & Fittings GH¢	Office Equipment GH¢	Computers & Accessories GH¢	Office Renovation GH¢	Capital Work-in-Progress GH¢	Total GH¢
Balance at 01/01/2023	59,070	5,472,055	377,771	225,183	395,470	694,697	589,812	486,307	295,192	8,595,557
Additions	-	-	-	11,500	-	74,813	-	-	-	86,313
Balance at 31/12/2023	59,070	5,472,055	377,771	236,683	395,470	769,510	589,812	486,307	295,192	8,681,870
ACCUMULATED DEPRECIATION										
Balance at 01/01/2023	-	255,363	283,066	202,079	317,928	410,660	485,567	234,794	-	2,189,455
Charge for the year	-	109,441	67,350	5,875	20,756	97,350	44,227	117,524	-	462,523
Balance at 31/12/2023	-	364,804	350,416	207,954	338,684	508,010	529,794	352,318	-	2,651,978
CARRYING AMOUNT - 31/12/2023	**59,070**	**5,107,251**	**27,355**	**28,729**	**56,786**	**261,500**	**60,018**	**133,989**	**295,192**	**6,029,892**
CARRYING AMOUNT - 31/12/2022	59,070	5,216,692	94,705	23,104	77,542	284,037	104,245	251,513	295,192	6,406,102

	2024	2023
26. Deposits and current accounts	GH¢	GH¢
(a) Analysis by type of deposits		
Current deposits	15,798,719	12,531,796
Savings deposits	57,908,424	38,133,503
Time deposits	17,935,733	11,638,215
Susu deposits	44,755,102	27,867,851
	136,397,979	**90,171,366**
(b) Analysis by type of customer		
Individuals	131,809,963	87,707,392
Other private enterprises	3,011,691	1,936,835
Public enterprises	1,576,325	527,138
	136,397,979	**90,171,366**
(c) Deposit statistics		
Ten (10) largest depositors to total deposit ratio	5.51%	6.49%

	2024	2023
27. Provisions		
a. Development fund	GH¢	GH¢
Balance at begin	86,255	86,255
Additions	-	-
Balance at end	86,255	86,255

The fund is to support building projects within the bank.

	2024	2023
b. End of service benefit	GH¢	GH¢
Balance at begin	220,889	-
Additions	287,722	220,889
Balance at end	508,610	220,889

The fund is to cater for staff who retires from active service.

Total Provisions	**594,865**	**307,144**

	2024	2023
28. Other liabilities	GH¢	GH¢
Interest suspense	563,522	394,921
Creditors and accruals	508,419	209,525
Interest in arrears	465,799	256,535
Bills payable	673,478	978,506
Office account	496,609	31,583
CAP loan	107,933	176,624
	2,815,761	**2,047,694**

	2024	2023
29. Institutional borrowings		
a. ARB Apex Bank PLC - NIA verification devices loan	GH¢	GH¢
Balance at start	119,525	139,446
Repayment	(19,921)	(19,921)
Balance at end	**99,604**	**119,525**

ARB Apex Bank PLC. - NIA verification devices loan

A loan of GH¢139,446 was contracted from ARB Apex Bank PLC in 2022 which ARB Apex Bank took the initiative on behalf of Rural Banks to purchase. The bank was deployed eight (8) NIA verification machines to support the bank's operations. Interest rate on this facility is at 12% and it is for a period of seven (7) years.

	2024	2023
	GH¢	GH¢
Current	19,921	19,921
Non-current	79,684	99,604
Total	**99,604**	**119,525**

30. Stated capital

(a) Ordinary shares - 2024

	Number of Shares		Proceeds	
	2024	2023	2024	2023
Authorised:			GH¢	GH¢
Ordinary shares of no par value	800,000,000	800,000,000		
Issued and fully paid:				
Opening capital	10,392,352	10,372,352	1,039,235	1,037,235
Issue for cash	53,800	20,000	5,380	2,000
Closing capital	**10,446,152**	**10,392,352**	**1,044,615**	**1,039,235**

There is no call or instalment unpaid on any share.

(b) Ordinary shares - 2023

	Number of Shares		Proceeds	
	2023	2022	2023	2022
Authorised:			GH¢	GH¢
Ordinary shares of no par value	800,000,000	800,000,000		
Issued and fully paid:				
Opening capital	10,372,352	10,330,282	1,037,235	1,033,028
Issue for cash	20,000	42,070	2,000	4,207
Closing capital	**10,392,352**	**10,372,352**	**1,039,235**	**1,037,235**

Shares in treasury

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

Income surplus

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

Statement of changes in issued number of shares	Ordinary Shares 2024	Ordinary Shares 2023
On issue at 1 January	10,392,352	10,372,352
Number of shares issued during the year	53,800	20,000
On issue at 31 December	10,446,152	10,392,352

At 31 December 2024 the authorised share capital comprised 800,000,000 ordinary shares (2023: 800,000,000). The shares are of no par value. All issued shares are fully paid. The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the shareholders. All shares rank equal with regard to the bank's residual assets.

	2024 GH¢	2023 GH¢
Dividend		
GH¢0.0000 per ordinary share (2024)	-	-
GH¢0.0000 per ordinary share (2023)	-	-
	-	-

No dividend was proposed by the directors for the year ended 31 December, 2024. No provision was therefore made in the statement of profit or loss and other comprehensive income or statement of financial position and there is no income tax consequence.

	2024 GH¢	2023 GH¢
31. Revaluation reserve		
Balance at begin	4,794,021	4,794,021
Additions	-	-
Balance at end	**4,794,021**	**4,794,021**

This represents bonus share issue from ARB Apex Bank and Revaluation surplus on the bank's office buildings.

	2024 GH¢	2023 GH¢
32. Statutory reserve fund		
Balance at begin	1,344,137	739,597
Transfer from Income Surplus	518,036	604,540
Balance at end	**1,862,173**	**1,344,137**

This is a non-distributable reserve. The current years transfers to Statutory Reserve represented 12.5% of the net profit after tax and before dividend. The transfer is in compliance with section 34 of the Banks and Specialised Deposit - Taking Institutions Act, 2016. There was a transfer of GH¢517,755 from the income surplus account during the year (2023: GH¢604,540).

	2024 GH¢	2023 GH¢
33. Credit risk reserve		
Balance at begin	552	-
Transfer to Income Surplus	(552)	-
	-	-
Transfer from Income Surplus	-	552
Balance at end	-	**552**

Where the IFRS impairment rules result in a lower provision than would be the case if the BOG's prudential norms were applied, the difference should be charged to Income Surplus and credited to a Credit Risk Reserve and in the case the opposite happens subsequently a reversal should be made to the extent of the credit balance in the Credit Risk Reserve. The Credit Risk Reserve so created is not available for distribution as dividend but included in the adjusted capital base for purposes of the Capital Adequacy Ratio (CAR) computation.

34. Contingencies

Legal proceedings

- The bank has instituted civil actions against one investment company and eleven loan defaulters. All these cases are most likely to go in favour of the bank.
- A claim for wrongful termination of appointment and damages.
  A claim from the former employee regarding a purported wrongful termination of her appointment. Judgement in respect of this case has not been determined as at the year end. No provision has been recognised in the financial statements as legal advice indicates that it is not probable that a significant liability will arise.

35. Related parties

(a) Transactions with directors

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financing or operating decisions or one other party controls both. Transactions in the normal course of business with directors are hereby referred to as related party. They are as follows:

	2024	2023
	GH¢	GH¢
(i) Loans to directors		
Outstanding as at 1 January	-	-
Granted during the year	-	-
Repayment during the year	-	-
Outstanding as at 31 December	-	-
(ii) Emoluments of the directors		
Meeting Expenses	226,265	207,844
	226,265	**207,844**

(b) Transactions with key management personnel

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the bank and comprise the Senior Management of the bank. These are as follows:

	2024	2023
	GH¢	GH¢
(i) Loans to key management staff		
Outstanding as at 1 January	232,757	274,200
Granted during the year	114,408	138,122
Repayment during the year	(192,299)	(179,565)
Outstanding as at 31 December	**154,866**	**232,757**

Loans to key management staff were given at concessionary rates lower than rates that would be charged in an arm's length transaction. The loans are secured by the provident fund of the respective borrowers.

	2024	2023
(ii) Emoluments to key management staff		
Key Management Salaries	539,954	530,657
	539,954	**530,657**

36. Country analysis

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

37. Comparative figures

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

	2024	2023
	GH¢	GH¢
38. Highlights of financial performance/quantitative disclosures		
Profit for the year	4,144,289	2,418,162
Current assets	134,326,300	85,070,166
Current liabilities	139,909,191	92,355,283
Equity (Net)	3,981,465	(273,205)
Capital adequacy ratio	8.63%	(0.87%)
Net working capital	(5,582,891)	(7,285,117)
Income surplus account	(3,719,344)	(7,451,150)
Current ratio	0.96:1	0.92:1
Non-performing loans ratio	49.42%	36.33%
Loan loss provision ratio	47.38%	34.87%

39. Value added statements

	2024	2023
	GH¢	GH¢
Interest earned and other operating income	23,268,746	17,098,921
Direct cost of services	(7,141,991)	(4,140,853)
Value added by banking services	16,126,755	12,958,069
Non-banking income	174,056	175,524
Impairments on financial assets	(1,980,720)	(2,801,594)
Value Added	**14,320,091**	**10,331,999**
Distributed as follows:		
To Employees:-		
Directors (non-executives)	(363,944)	(359,264)
Other employees	(6,604,244)	(5,142,920)
To Government:		
Income tax	(2,668,824)	(1,819,299)
To providers of capital:-		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation and amortisation	(538,788)	(592,353)
Retained earnings	**4,144,289**	**2,418,162**

40. Analysis of shareholdings as at 31 December, 2024

a. Number of shareholders

The Bank had 6,019 individual ordinary shareholders at 31 December, 2024 distributed as follows:

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	5,563	1,555,902	14.89%
1,001-5,000	243	575,273	5.51%
5,001-10,000	67	511,949	4.90%
Over 10,000	146	7,803,028	74.70%
Total	**6,019**	**10,446,152**	**100.00%**

b. Board shareholding

Name of shareholder	Number of Shares	Percentage Holding (%)
1. Emmanuel Kofi Antwi	20,335	0.19%
2. Mathew Kojo Njourkone	283,094	2.71%
3. Joseph Oduro Brenya	55,000	0.53%
4. Eric Marfo	5,100	0.05%
5. Martin Acheampong	6,000	0.06%
	369,529	3.54%

c. Twenty (20) largest shareholders

Name of shareholder	Number of Shares	Percentage Holding (%)
1. Joshua Ayarkwa	1,215,006	11.63%
2. Anomah Sampson	814,000	7.79%
3. Tawia Paul	266,200	2.55%
4. Barima Sanitation Services	265,000	2.54%
5. Foster Kofi Frimpong	260,606	2.49%
6. Tweneboah Solomon	250,000	2.39%
7. Nana Akosua Abrafi	200,243	1.92%
8. Yaw Yeboah	200,060	1.92%
9. Erasmus Frimpong	196,000	1.88%
10. Adjei Elizabeth	180,061	1.72%
11. Anane Hagar	180,061	1.72%
12. Apanom Adindah	180,061	1.72%
13. Enock Wiredu	170,000	1.63%
14. Sekyedumase Rural Bank PLC Staff Welfare	161,100	1.54%
15. Fuseini Philip	151,000	1.45%
16. Karim Robert	70,606	0.68%
17. Kuffour Desseh Emmanuel	70,080	0.67%
18. Kwabena Panin Nkansah	62,000	0.59%
19. Osei Yeboah Kwasi	61,000	0.58%
20. Alex Boakye Ansah	60,000	0.57%
	5,013,083	47.99%
Unreported Totals	5,433,069	52.01%
Total	**10,446,152**	**100.00%**