

KWAEBIBIREM RURAL BANK PLC



2024 *Annual Report*

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 **opoku, andoh & co.**
CHARTERED ACCOUNTANTS

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 38th Annual General Meeting (AGM) of Shareholders of Kwaebirem Rural Bank PLC will be held at the Presbyterian Church Premises, Asuom, on Friday, 28th November 2025 at 10:00 a.m., to transact the following business:

AGENDA

1. To read the notice convening the meeting
2. To receive the Report of the Board Chairman
3. To consider and adopt the Accounts of the Bank for the year ended 31st December 2024
4. To pass a resolution for the payment of dividends
5. To fix and approve the remuneration of the Directors
6. To authorize the Directors to fix the Auditor's fees
7. To conduct elections to replace retiring Director(s)
8. To transact any other business

NOTE:

Shareholders are entitled to attend the meeting or appoint a proxy to represent them. A Proxy Form is attached to the Annual Accounts. The completed Proxy Form should be forwarded to the Bank's designated office or sent via email not less than 24 hours before the meeting. All shareholders and proxies are required to present their Ghana Cards for identification before entry.

Shareholders are advised to come along with their Share Certificates and Ghana Cards to facilitate the updating of their records.

Copies of the 2024 Financial Report can be downloaded from the Bank's website at www.kwaebiremrbank.com or obtained from any of the Bank's branches.

Dated this 26th day of September 2025

By Order of the Board

GEORGINA NIMAKO ADOMAKO (MRS.)
SECRETARY

**PROGRAM FOR 38TH ANNUAL GENERAL
MEETING ON 28TH NOVEMBER, 2025**

VENUE: PRESBYTERIAN CHURCH PREMISES

TIME: 10:00AM

1. Arrival and Registration of Shareholders
2. Arrival of Board of Directors and Invited Guests
3. Opening Prayer
4. Introduction of Directors and Invited guests
5. Chairman's response
6. Reading and adoption of previous minutes
7. Reading of the Notice convening the meeting by Board Secretary
8. Chairman's Report
9. Reading of the Report of the Directors
10. Presentation of the External Auditor's Report
11. Acceptance and discussion of the 3 Reports
12. Resolution for the payment of dividends
13. Authorizing the Directors to fix Remuneration of the Auditors
14. Address by ARB Apex Bank Representative
15. Address by the Association of Rural Banks Representative
16. Election of Directors in place of those retiring
17. Optional Speeches
18. Vote of thanks
19. Closing prayer

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

BOARD OF DIRECTORS AND OFFICIALS

Board of Directors	Hon. Carlos Kingsley Ahenkorah	Non-Executive Chairman
	Mr. Kwaku Acheampong Ababio	Non-Executive Vice-Chairman
	Mr. Kwaku Owusu	Non-Executive Member
	Mr. Ernest Ampofo	Non-Executive Member
	Mr. Solomon Nyarko	Non-Executive Member
	Madam Monica Ankrah	Non-Executive Member

Secretary	Mrs. Georgina Nimako Adomako
	P.O. Box 21
	Asuom-Eastern Region

Management	Mr. Prince Obiri Yeboah	Chief Executive Officer
	Mr. Abdulai Yussif	Dep. GM, Operations
	Mr. Ernest Ohemeng	Head, Credits
	Mrs. Georgina N. Adomako	Head, HR & Administration
	Mr. Patrick Forson Bentsi	Head, Risk & Compliance
	Mr. Robert Osene	Head, ICT
	Mr. Seth Obeng Amoh	Head, Business Development
	Mr. Isaac Kwabi Donkor	Head, Internal Audit
	Mr. Sylvester Gyamfi	Head, Finance (Resigned 30 th Sep.2024)

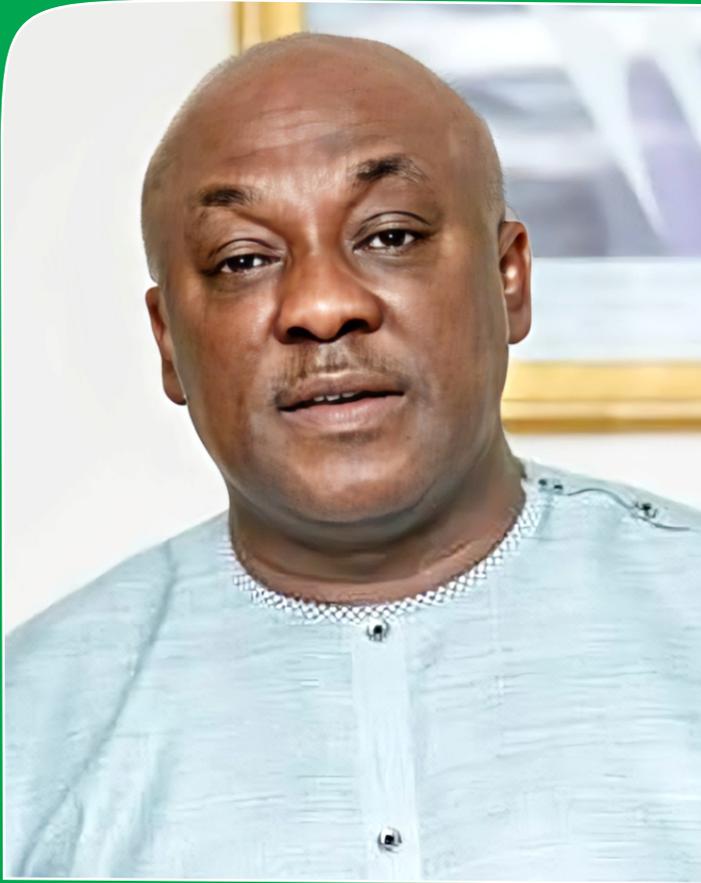
Registered Office	Bank Premises
	P.O. Box 21
	Asuom-Eastern Region

Auditors	Opoku, Andoh & Co
	Chartered Accountants
	SDA 8, Community 5
	P. O. Box CO 1364
	Tema-Ghana

Solicitors	Charles Bamfo Nimako Esq.
	Gyinae Consult

Bankers	ARB Apex Bank PLC
	Kwaebibirem Rural Bank PLC

BOARD OF DIRECTORS



**HON. CARLOS
KINGSLEY AHENKORA
(BOARD CHAIRMAN)**



**MR. KWAKU
ACHEAMPONG ABABIO
(VICE CHAIRMAN)**



**MR. KWAKU OWUSU
(MEMBER)**



**MR. ERNEST AMPOFO
(MEMBER)**



**MR. SOLOMON NYARKO
(MEMBER)**



**MAD. MONICA ANKRA
(MEMBER)**

SENIOR MANAGEMENT STAFF



MR. PRINCE OBIRIYEBOAH
(Chief Executive Officer)



ALHAJI ABDULAIYUSSIF
Deputy General Manager
(Operations)



MR. SETH OBENG AMOH
(Business Development
Manager)



MR. ERNEST OHEMENG
(Credit Manager)



**MR. ISAAC
KWABI DONKOR**
(Internal Audit Manager)



**MRS. GEORGINA
NIMAKO ADOMAKO**
(HR Administration &
Board Secretary)



MR. ROBERT OSENE
(ICT Manager)



**MR. PATRICK
FORSON BENTSI**
(Risk & Compliance Manager)



MR. SAMUEL ASANTE
(Micro Finance Coordinator)

BRANCH MANAGERS



AMOH BREMPONG RICHARD
(Kade Manager)



PHILIPPINE DZEGBEDE
(Asuom Manageress)



RICHARD YAW SIKA
(Akim Oda Manager)



MARY AFRA BOSOMPEM
(Boadua Manageress)



AMPONSAH CHRISTIAN
(Pramkese Manager)



OPOKU AGYARE DANIEL
(Kwae Estate Manager)



SAMUEL AMOATENG ASAMOAH
(Asamankese Manager)

REPORT OF THE DIRECTORS

The Directors present their report together with the audited financial statements of the Bank for the year ended 31st December 2024.

STATEMENT OF DIRECTORS' RESPONSIBILITY

The Directors are responsible for the preparation and fair presentation of these 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 Specialized 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 have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead.

The Directors are responsible for ensuring that the company keeps accounting records, which disclose reasonable accuracy of the financial position of the company. They are also responsible for taking such steps, which are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

The Directors are responsible for ensuring that the company complies with the laws and regulations applicable to its activities and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any non-compliance that may occur.

AUDITOR'S RESPONSIBILITY

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

NATURE OF BUSINESS

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

FINANCIAL RESULTS

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

	2024	2023
	GH¢	GH¢
The Bank recorded a net profit before taxation of	10,914,262	4,128,799
From which is deducted:		
Sustainability Levy of	(545,713)	(154,830)
Income Tax expense of	<u>(3,133,901)</u>	<u>(1,270,633)</u>
Giving a Net Profit after tax of	7,234,648	2,703,336
There was a transfer to Statutory Reserve fund of	(904,331)	(675,834)
Leaving a profit for the year after tax and transfer to statutory reserve of	6,330,317	2,027,502
When added to the opening balance on the Income Surplus account as of 1 January	2,872,119	796,206
Transfer (to)/ from Credit Risk Reserve	(298,415)	70,604
And adjusting it with Prior Year Adjustment of	(40,194)	(22,193)
Leaving a closing balance on the Income Surplus account of	8,863,827	2,872,119

REPORT OF THE DIRECTORS CONTINUED

STATED CAPITAL

The Bank's Stated Capital increased from GH¢1,694,259 as at the end of the previous year to GH¢1,760,190 recording an increase of GH¢65,931, made up of GH¢65,931 in cash consideration. The Stated Capital is made up of Ordinary Shares and no Preference shares. The number of issued shares also increased from 39,653,324 to 91,397,944 showing an increase of 659,310 through cash purchases and an adjustment in shares of 51,085,310 ordinary shares, during the year. However, the additional shares issued in 2024 are yet to be registered with the Registrar General's Department.

DIVIDEND

The Directors propose a dividend of GH¢ 0.016 per share for the year 2024 (2023 - GH¢0.02).

The Directors propose for the payment of an amount of One Million, Four Hundred and Sixty-Two Thousand, Three Hundred and Sixty-seven Ghana Cedis, Ten Pesewas (GHS1,462,367.10), being approximately twenty percent (20%) of Net profit after tax as cash dividends.

The qualifying shares for dividend as at the 31st December was 91,397,944 ordinary shares held, and this leads to a dividend payable per share, as computed at GH¢0.016.

This dividend is subject to Bank of Ghana's approval.

RELATED COMPANIES

Kwaebibirem Rural Bank PLC has no related companies to disclose.

RELATED PARTY TRANSACTIONS

The Board ensures that transactions with related parties including internal bank transactions are reviewed to assess its risk and are subject to appropriate restrictions by requiring that such transactions be conducted on non-preferential terms. Information regarding Directors' interests in ordinary shares of the Bank and remuneration is disclosed in the financial statements. Besides service contracts, no Director had a material interest in any contract during the year. Related party transactions and balances are also disclosed in the financial statements

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER

There was no transaction with potential conflict of interest situation requiring entry in the Interests Register. Therefore, no disclosure of entries in the interest register is stated in the Financial Statements ended December 31, 2024 as required by sections 194 (6), 195 (1)(a) and 196 of the Companies Act 2019, (Act 992).

DIRECTORS CAPACITY BUILDING

The Directors of Kwaebibirem Rural Bank PLC have years of relevant experience in banking, finance and fund management. The Bank ensures that only fit and proper persons are appointed to the board after obtaining the necessary approval from the regulator, Bank of Ghana.

DIRECTORS

The names of the directors who served during the year are provided under "Corporate Information". No director had any interest at any time during the year, in any contract of significance, other than a service contract with the Bank. All the directors have shares in the Bank.

CORPORATE SOCIAL RESPONSIBILITY

The Bank undertook corporate social responsibility activities during the year under review. Noticeable among them are fuel support for the Ghana Police Service and Ghana National Fire Service totaling GH¢44,939.00, Donation to Kade Government Female ward Project GH¢20,000.00, Construction of a Urinal for Pramkese D/A Primary school and Donation to Okyehene Model school in Asuom all totaling GH¢5,000.00.

AUDITORS

The Auditors, Opoku Andoh & Co will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992).

REPORT OF THE DIRECTORS CONTINUED

AUDIT FEES

Audit fees payable for this audit amounts to Sixty Thousand Ghana Cedis only (GH¢60,000), (2023: GH¢35,995).

GOING CONCERN ASSESSMENT

The Directors have assessed the budgets and cash flow projections of the Bank, evaluating their ability to continue as a going concern in light of current and expected economic conditions.

As part of this evaluation, the Directors reviewed the adequacy of the bank's financial resources. Managing these resources, which encompass capital, funding, liquidity, and risk capacity is crucial to achieving the bank's growth and return objectives, aligning with its overall risk appetite.

The anticipated growth in earnings and risk-weighted assets (RWA) is based on macroeconomic forecasts and is assessed against available financial resources, considering the expectations of capital providers and regulators.

These projections and potential constraints are then subjected to stress testing, allowing the bank to establish targets across various business cycles and scenarios.

CONCLUSION ON GOING CONCERN ASSESSMENT

The bank has conducted a stress test on its capital in relation to its going concern status. The results indicate that the Bank's capital remains above the regulatory minimum.

Given this outcome, the directors are confident that the bank have sufficient resources to sustain operations in the foreseeable future.

At the time of approving the financial statements, the directors reasonably expect that the bank will continue to have adequate resources to maintain operational stability. Accordingly, they have adopted the going concern basis of accounting in preparing the financial statements.

CERTIFICATION OF COMPLIANCE WITH THE BANK OF GHANA RISK MANAGEMENT DIRECTIVE 2021

In compliance with the paragraph 41 of the Bank of Ghana Risk Management Directive 2021, the Board of Directors of Kwaebibirem Rural Bank PLC hereby declares that to the best of its knowledge and having made appropriate enquiries in all material respects:

- i. The Bank has put in place systems for ensuring compliance with prudential requirement.
- ii. The system and resources that are in place for identifying, measuring, evaluating, controlling, mitigating and reporting material risk, and the Risk Management Framework itself are appropriate to the Bank and are commensurate with the size, business mix and complexity of the Bank.
- iii. The Risk and internal control systems in place are operating effectively and are adequate.
- iv. The Bank has a Risk Management Strategy that complies with the Bank of Ghana Risk Management Directive 2021, and Bank has complied with the requirements described in its Risk Management Strategy, and
- v. The Bank is satisfied with the effectiveness of its processes and management information systems.

DIRECTORS REPRESENTATION

The Directors confirm that no matters have arisen since 31st December 2024 which materially affect the financial statements as presented.

DIRECTORS CONFIRMATION AND ASSESSMENT OF THE STATE OF AFFAIRS

The Directors confirm that to the best of their knowledge:

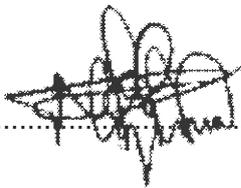
- the financial statements, prepared in accordance with applicable laws and the International Financial Reporting Standards (IFRS), give a true and fair view of the bank's financial position, performance and cash flows; and
- the state of the bank's affairs is satisfactory.

REPORT OF THE DIRECTORS CONTINUED

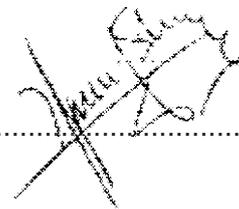
The Directors consider the Bank's State of Affairs to be satisfactory. The Directors have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future and thus used the Going Concern basis in preparing these Financial Statements.

APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on **15TH MAY, 2025** and were signed on their behalf by the following:



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CORPORATE GOVERNANCE REPORT

Dear Shareholders,

At Kwaebibirem Rural Bank PLC, we remain firmly committed to the principles of transparency, accountability, and integrity in every aspect of our operations. Corporate governance is the foundation of our organization, shaping our interactions with stakeholders and guiding our strategic decisions.

In this Corporate Governance Statement, we reaffirm our dedication to maintaining strong governance frameworks that not only meet regulatory requirements but also align with international best practices and relevant Ghanaian laws, including the Companies Act 2019 (Act 992) and the Bank & Specialized Deposit-Taking Institutions Act 2016 (Act 930). Additionally, our corporate governance practices adhere to directives issued by regulatory bodies such as the Bank of Ghana's Corporate Governance Directive 2018 and the Fit and Proper Person Directive 2019.

The Board continuously reviews the Corporate Governance Framework (Board Charter) to ensure its relevance and effectiveness, aligning with evolving corporate governance standards, best practices, and emerging trends. This proactive approach allows us to meet stakeholder expectations and adapt to the ever-changing business environment.

As a responsible financial institution, we understand that effective governance plays a crucial role in maintaining stakeholder trust, ensuring long-term sustainability, and contributing to the broader socio-economic landscape. This statement outlines our governance approach, highlights the frameworks in place to uphold these standards, and reinforces our unwavering commitment to fostering a culture of accountability and transparency at every level of our organization.

THE GOVERNANCE STRUCTURE

The Board Governance Structure

- Shareholders
- The Board
 - Audit Committee
 - Risk & Compliance Committee
 - Administrative Committee
 - Finance Committee
 - Loans Committee
- Chief Executive Officer

The Board serves as the highest decision-making authority within the Bank, providing strategic direction and oversight while representing shareholders' interests by driving sustainable value creation. It is responsible for defining the Bank's strategic objectives and risk tolerance, shaping the institution's values and organizational culture. With a strong commitment to customers, employees, communities, and environmental impact, the Board remains dedicated to enhancing long-term shareholder returns and overall stakeholder value.

At the core of the Board's governance structure is a well-defined Board Charter, known as the Board Corporate Governance Framework. This framework aligns with regulatory requirements, including the Bank of Ghana Corporate Governance Directive 2018, as well as internationally recognized best practices. It clearly outlines the roles and responsibilities of the Board, ensuring transparency, accountability, and effective governance.

The Board ensures that the Bank's governance structures comply with regulatory directives while integrating ethical principles and a culture of integrity. By establishing clear responsibilities and effectively managing risks, the Board upholds the highest governance standards, safeguarding the interests of all stakeholders and reinforcing the Bank's long-term sustainability.

CORPORATE GOVERNANCE REPORT CONTINUED

Roles and Responsibilities

Directors of Kwaebibirem Rural Bank PLC recognize their duty to uphold strong corporate governance. As the highest decision-making body, the Board assumes key responsibilities, including:

- Providing entrepreneurial leadership with integrity and sound judgment while overseeing and guiding Management.
- Ensuring that both the Board and its Committees act in the best interests of the Bank.
- Approving and monitoring the execution of the Bank's long-term and short-term strategies.
- Safeguarding the integrity of financial reports and regulatory submissions.
- Overseeing risk management and internal audit functions.
- Developing succession plans and leadership pipelines while establishing appropriate remuneration structures for the Board and Senior Management.
- Implementing robust systems to identify and manage environmental and social risks and their associated impacts.

These responsibilities underscore the Board's vital role in maintaining governance excellence, ensuring long-term sustainability, and protecting the interests of all stakeholders.

Additionally, the Board plays a central role in defining the Bank's strategic direction while overseeing initiatives that foster sustainable value creation. The division of responsibilities between the Board and Management is explicitly outlined in the Board Corporate Governance Framework and other key governance documents.

The Board is also responsible for approving the Bank's risk appetite, business strategies, and significant initiatives that impact its risk profile. Furthermore, it oversees the implementation of the Bank's Corporate Governance and Internal Control Frameworks, periodically assessing their adequacy in response to changes in the Bank's size, nature, and operational complexity.

Moreover, the Board supervises the selection, performance evaluation, remuneration, and succession planning for key leadership roles, including the Chief Executive Officer (CEO), Executive Management, Functional Heads, and other Senior Management members. This ensures the leadership team possesses the expertise and capability to effectively steer the Bank's operations and drive sustainable growth.

Separation of Chairman and Chief Executive Officer Roles

At Kwaebibirem Rural Bank PLC, the roles of Board Chairman and Chief Executive Officer are distinct, ensuring a clear separation of responsibilities and authority.

The Board Chairman provides leadership and strategic direction to the Board of Directors, overseeing corporate governance, setting the board agenda, facilitating meetings, and representing the Bank externally.

Chairman's Responsibilities

The Chairman's role includes, but is not limited to:

- Fostering an environment of open and constructive discussions within the Board.
- Maintaining transparent communication with the Chief Executive Officer and Management, serving as the primary link between the Board and Management.
- Representing both the Board and the Bank to key stakeholders, including shareholders, regulators, and the broader community.
- Collaborating with the Company Secretary to ensure the Board has access to the necessary information for effective decision-making.
- Working with the Chief Executive Officer and Company Secretary to develop Board agenda, ensuring adequate attention is given to key issues.

CORPORATE GOVERNANCE REPORT CONTINUED

Chief Executive Officer's Responsibilities

Mr. Prince Obiri Yeboah, the Chief Executive Officer of Kwaebibirem Rural Bank PLC, serves as an Ex-Officio Member on the Board. He is responsible for developing and executing the Bank's strategic initiatives. His key responsibilities include:

- Leading the Management Team and ensuring adherence to the Bank's corporate values, culture, and code of conduct.
- Implementing the Bank's strategic, business, and financial plans within the powers granted by the Board.
- Assessing financial resource allocation, approving expenditures, and making strategic financial decisions.
- Establishing systems, policies, and controls to manage operations and mitigate risks effectively.
- Ensuring timely and accurate reporting to the Board to facilitate informed decision-making.
- Engaging with external stakeholders, including shareholders, government entities, and regulators.

Corporate Governance and Board Oversight

The Board maintains independent oversight of Executive Management through a well-defined Corporate Governance Framework, ensuring that no single individual has excessive influence over decision-making.

In recent years, Boards have taken on expanded responsibilities, including oversight of recovery and resolution planning, capital and liquidity management, stress testing, model validation, and new product approvals. As these responsibilities grow, the Board remains mindful of its distinct role in governance, separate from Management's operational duties.

Board Composition

The Board is made up of six (6) Directors, who are independent Directors in-line with the Bank of Ghana Corporate Governance Directive 2018. There are clearly defined roles within our Board structure for the category of Directors as documented in the Board Corporate Governance Framework. The Board has a rich blend of skills and knowledge, combined with the extensive experience required to guide our business in Governance, Banking and Finance, Accountancy, Law, Information Technology, Marketing, Entrepreneurship and Management. The Board Succession Plan involves the guiding principles for effective succession planning as well as the procedures in ensuring a smooth transition in the Board's succession process as existing Directors leave the Board and new ones come on board.

Board Succession Planning

At Kwaebibirem Rural Bank PLC, effective Board succession planning is essential for ensuring continuity, stability, and strong governance. Our proactive approach focuses on identifying, developing, and appointing Directors with the necessary expertise to navigate the Bank through evolving challenges and opportunities.

The Board Succession Plan provides structured guidelines for ensuring seamless transitions when Directors retire or new members are appointed.

Directors of the Bank

The Board is comprised of highly skilled professionals with diverse backgrounds and extensive experience. Their collective expertise ensures strong governance, sound decision-making, and the effective management of the Bank's operations.

CORPORATE GOVERNANCE REPORT CONTINUED

Name	Profession	Status	Date of Birth	Appointment Date
Carlos Kingsley Ahenkorah	Freight Forwarder	Non-Executive Director	20-07-1966	24-04-2015
Kwaku Acheampong Ababio	Finance Executive	Non-Executive Director	22-10-1958	17-06-2020
Solomon Nyarko	Auditor	Non-Executive Director	28-02-1982	22-06-2015
Ernest Ampofo	Teacher	Non-Executive Director	18-11-1974	24-04-2015
Kwaku Owusu	Bursar	Non-Executive Director	24-12-1970	24-04-2015
Monica Ankrah	Educationist (Retired)	Non-Executive Director	04-08-1962	09-12-2022

Independence of the Board of Directors

All directors are expected to contribute independent, fair, and objective perspectives during Board discussions. The presence of a significant number of Non-Executive Directors strengthens the Board's independence, ensuring higher standards of corporate governance that protect shareholders' interests. This structure aligns with the independence criteria outlined in the Corporate Governance Framework.

Before being appointed or elected, each Non-Executive Director must disclose any interests that could potentially affect their impartiality as a Board member. Additionally, they are required to promptly report any changes in circumstances that may impact these interests, including those related to immediate family members or family-owned businesses. The Board carefully evaluates this information—along with relevant financial details—when assessing a director's independence.

Maintaining a high level of independence among its members is essential for the Board, reflecting its commitment to sound corporate governance. Independent Directors play a key role in Board discussions by offering objective insights, ensuring that no single individual or small group exerts disproportionate influence over decision-making.

Board Effectiveness

The Board is strategically structured to ensure a well-balanced mix of skills, experience, industry knowledge, and independence at Kwaebibirem Rural Bank PLC. Given the Bank's core focus on financial services, having Directors with diverse, industry-specific expertise is invaluable. Additionally, the Board benefits from the perspectives of Directors with backgrounds in other key fields.

The effectiveness of the Kwaebibirem Rural Bank PLC's Board is demonstrated through the following:

- A diverse group of experienced members with deep industry and market expertise to guide strategic decisions.
- Strong accountability to shareholders, reinforced by high meeting attendance, adherence to election standards, and a commitment to fulfilling Board responsibilities.
- A rigorous process for evaluating the Board's performance, with actionable recommendations for continuous improvement.
- An executive remuneration structure aligned with long-term organizational and shareholder interests, ensuring the attraction and retention of top leadership talent.
- A clear division of leadership, with the Chairman overseeing the Board and the Chief Executive Officer leading the management team.

CORPORATE GOVERNANCE REPORT CONTINUED

- A structured approach to Board member succession, ensuring gradual renewal while maintaining institutional knowledge.
- A commitment to diversity in gender, age, ethnicity, and religion, fostering a broad range of perspectives that contribute to robust discussions and well-informed decision-making.

Board Committees

In 2024, the Board operated through five (5) committees.

The Board oversees its five (5) committees, each responsible for critical governance areas, including audit, risk and compliance, administrative, finance and loans. Committee memberships are reviewed annually or as necessary to ensure optimal effectiveness.

To uphold strong governance and oversight, the Board regularly reviews reports and minutes from all committee meetings for ratification and approval. Each committee operates under clearly defined terms of reference, which are reviewed annually to ensure alignment with relevant legislation, regulatory requirements, and industry best practices. This ongoing review process helps maintain compliance and adaptability in a dynamic financial environment.

CORPORATE GOVERNANCE DIRECTIVES FOR RURAL AND COMMUNITY BANKS 2021

The Board of Directors certifies that the Bank is generally compliant with the Corporate Governance Directive for Rural and Community Banks (CGD for RCBs), 2021 issued by the Bank of Ghana, which came into effect on 31st March 2021. The Corporate Governance processes of the Bank are effective and meet its purposes.

In accordance with Section 45 and 46 of the Corporate Governance Directive for RCBs, the independent external evaluation of the Board for the year is yet to be done. The scope of the engagement includes roles and responsibilities of the board, competencies of the members, structure and composition of the board and its sub-committees, processes and relationships, and other key governance issues.

SYSTEMS OF INTERNAL CONTROL, RISK MANAGEMENT AND COMPLIANCE

Kwaebibirem Rural Bank PLC is continuously enhancing its comprehensive risk and control review. This is aimed at both improving the mechanism for identifying and monitoring risk as well as appraising the systems of internal control. The company has effective systems for identifying, managing, and monitoring risks. The system of internal controls is implemented and monitored by appropriately trained personnel, suitably segregated as to authority, duties, and reporting lines.

The company reviews the business' risk, management practices, compliance with policies, applicable laws, and regulations, and assesses the adequacy of systems of internal controls. There are periodic staff and management meetings, layers of reviews and approvals for transactions with top management's involvement.

CODE OF BUSINESS ETHICS

Kwaebibirem Rural Bank PLC continues to reinforce communication on a regular basis together with the development and application of complementary procedures so as to eliminate the potential for corrupt and illegal practices on the part of shareholders, directors, employees and contractors.

BOARD OF DIRECTORS

The responsibility of good corporate governance is in the hands of the Board of Directors and the Management Team. 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 community the bank operates in.

The Board comprises non-executive directors who provide strong oversight of management and the business operations.

CORPORATE GOVERNANCE REPORT CONTINUED

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 and people were some of the key activities the Board focused its time on during the year. The board met five times in the year.

The Board has five sub-committees with specific delegated authorities. These are the Board Audit, Risk and Compliance Committee, Finance Committee, Loans Committee and Administrative Committee. The respective Chairpersons present their reports to the Board at each scheduled meeting.

AUDIT COMMITTEE

NAMES	POSITION
Mr.Solomon Nyarko	Chairman
Mr. Kwaku Owusu	Member
Ms Monica Ankrah	Member

The Audit Committee is made up of non-executive directors and performs the following functions among others:

Internal Control functions:

- The Committee is responsible for advising the Board on Bank's operations including the following:
 - Effectiveness of operational arrangements and internal control systems.
 - Proper management of the bank's resources.
 - Outstanding litigations and contingent liabilities.
 - Overdue and non-performing loans.
 - Related party exposures and their classification.
- Review on behalf of the Board, the Bank's system of internal control (including financial, operational, compliance and risk management) and make recommendations to the Board.
- Monitor and review the effectiveness of the internal audit function and ensure that it is adequately resourced and has appropriate standing within the Bank.
- Review and recommend to the Board, the approval of internal audit programme as well as Internal Audit's Annual Audit Plan.
- Review and recommend to the Board, the Internal Audit Charter in compliance with International Standards for the Professional Practice of Internal Audit for approval.
- Receive and review Internal Audit Reports to establish:
 - The extent to which existing policies are adequate and effective.
 - The extent to which Board decisions and instructions regarding the management of the Bank are being implemented.
 - The extent to which the Bank's operating and financial and accounting policies and practices are being complied with.
 - The adequacy, accuracy and reliability of management information, financial and operational reports from Key Management staff.
 - The extent of implementation of recommendations by external auditors/examiners or inspectors (Apex Bank Ltd/ Bank of Ghana/ Any related Organizations by Management.
- Consider the material findings of internal investigations and management's response.
- Review arrangements by which employees of the Bank may, in confidence, raise concerns about possible improprieties and for appropriate investigation of such matters.
- Consider other topics as defined by the Board.
- Report on all of the above matters to the Board and recommend for ratification by the Board all issues approved by the Committee on behalf of the Board.

CORPORATE GOVERNANCE REPORT CONTINUED

External Audit / External Review Functions

- The Audit Committee is responsible for overseeing the financial reporting process, including:
 - ✓ The establishment of Accounting Policies and Practices by the Bank.
 - ✓ Providing oversight of the internal and external audit functions.
 - ✓ The appointment, compensation and removal of External Auditors.
 - ✓ Reviewing and approving the audit scope and frequency.
 - ✓ Receiving audit reports and ensuring that Key Management Personnel are taking necessary corrective actions in a timely manner to address control weaknesses, non-compliance with policies, laws and regulations and other problems identified by Auditors.
- Discuss and agree with the external auditor before the audit commences the nature and scope of the audit.
- Review from time to time the cost effectiveness of the audit and the independence and objectivity of the external auditor.
- Review from time to time the policy on the engagement of the external auditor to supply non-audit services.
- Review the interim and annual financial statements before submission to the Board focusing particularly on:
 - Any changes in accounting policies and practice.
 - Major judgmental areas.
 - Significant adjustments resulting from the audit.
 - The going concern assumption.
 - Compliance with financial reporting and accounting standards.

RISK AND COMPLIANCE

NAMES	POSITION
Solomon Nyarko	Chairman
Kwaku Owusu	Member
Monica Ankrah	Member

The Audit Committee is made up of non-executive directors and performs the following functions among others:

Risk and Compliance functions:

- The Committee is responsible for advising the Board on compliance issues including: Compliance with Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT). Compliance with policies rules, and regulations of the Bank, Compliance with national laws and regulations; and Compliance with Notices and guidelines and directives from Bank of Ghana including the Risk Management Directive, 2021:
- Review and approval of the Risk and Compliance Charter.
- Review recommendation for appointment by Management, of a Compliance Officer who is competent, experienced, and knowledgeable enough to discharge his/her duties and responsibilities.

CORPORATE GOVERNANCE REPORT CONTINUED

- Receive and review reports from the Risk and Compliance Officer on the:
 Adherence or otherwise of the Bank to various obligations in its business relations with customers.
 The requirements of the law and other regulatory and ethical demands in respect of customer relations and anti-money laundering.
 Reducing the likelihood of violation of the laws and regulations; and
 Preventing any breach of confidence by officeholders to prevent financial losses to the Bank.
- The Committee will ensure the establishment and operation of an effective risk management system in line with the provisions of Section 56 (d) of the Banks and Specialized Deposit-taking Institutions Act, 2019 (Act 930).
- Review the Risk Framework and the Risk Register submitted to it by Management and recommend their approval to the Board.
- The Committee ensures the Bank institutes a Risk Management Committee (RMC) to focus on the Bank's important risks and controls for anticipating and managing existing and new risks across the various business departments, branches and units and review their reports for necessary action.
- The Committee ensures that sufficient resources are dedicated to risk management
- The Committee ensures that Board shall make an annual declaration on the risk management of the bank to Bank of Ghana and in its audited financial statement and/or on its website (risk management declaration) by the stipulated deadline date.
- The Audit, Risk and Compliance Committee on an annual basis, or more frequently as deemed fit, assesses the appropriateness of the strategic plan of the Bank.
- The Audit, Risk and Compliance Committee is responsible for overseeing cyber security risks and management's efforts to monitor and mitigate these risks in the Bank.

ADMINISTRATIVE COMMITTEE

NAMES	POSITION
Kwaku Owusu	Chairman
Kwaku Acheampong Ababio	Member
Monica Ankrah	Member

The Administrative Committee is made up of non-executive directors and performs the following functions among others:

The Administrative Committee is mandated:

- To make recommendations to the Board on the Bank's framework of the staff remuneration and its cost; determine on behalf of the board specific remuneration packages and conditions of employment for all categories of staff.
- The Committee is also expected to satisfy itself that human resource management activities are adequate and effective. In this regard, the specific responsibilities that the committee will carry out on behalf of the Board are as follows:
 Review, monitor and make recommendations to the Board of Directors on the Bank's human resources strategy and policies. These include staffing, compensation, benefits and related issues of strategic importance.

Consider with other Board Committees and Management the repercussions of recommendations of other Board Committees on human resource management.
 The Committee will make Human Resource recommendations to the Board for consideration and approval.

CORPORATE GOVERNANCE REPORT CONTINUED

Consider short listed applicants for employment.
Determine the terms of any compensation package in the event of early termination of service of any staff.
Consider all disciplinary issues involving staff.
Any other matters that may be referred to the Committee.

FINANCE COMMITTEE

NAMES	POSITION
K.A Ababio	Chairman
Ernest Ampofo	Member

The Finance Committee is made up of non-executive directors and performs the following functions among others:

Scope relating to Finance

- The Committee is responsible for advising the Board on:
Financial statements and performance review against the approved budget, business plan, peers and industry data.
The extent to which the bank is exposed to various risks such as credit, liquidity, operational and other risks.
 - Compliance with minimum capital requirements.
 - A review of capital adequacy ratio.

Review the financial standing of the Bank and on the most appropriate action to take.
Scrutinize the Bank's financial reports and statements, its capital base and the volume of business it can assume.

The Bank of Ghana's reserve requirements and their implications.
Compensation packages for staff and their impact on the finances of the Bank.

Total assets and their key components such as advances, investments, balances with banks and in vaults/tills etc.

Performing Assets (assets that directly generate revenue} vis-a-vis Non-Performing Assets (assets that do not generate revenue} and the relationship of each category to total assets.

- Deal with all matters referred to it by the Board on the terms, if any, set by the Board.
- In the case of emergency or when it is impracticable to convene a Board meeting or to obtain a written resolution of the Board in accordance with the Bank's Articles of Association from time to time, where the interests of the Bank would be prejudiced by delay, the Committee shall take steps to contact all directors and, having done so, and taken account of the views of those it has been possible to contact, shall have power to act as it then sees fit on behalf of the Board.
- The committee shall report any such actions and the reasons for taking them, to the Board as soon as practicable.
- Bring on Board, potential investment area to enhance profitability.

LOANS COMMITTEE

NAMES	POSITION
Ernest Ampofo	Chairman
Solomon Nyarko	Member

CORPORATE GOVERNANCE REPORT CONTINUED

Scope relating to Advances

- The Committee is responsible for advising the Board on:
 - The risky assets quality.
 - Exposure concentration,
 - Credit / deposit ratio and non-performing Loans and Advances ratio.
 - Provisions for delinquent loans and overdraft.
 - Credit recovery reports.
 - Review of reports on credit facilities and non-performing loans.
 - Related party transactions and credit concentrations.
 - Any other relevant issues relating to credit facilities.
- To consider and approve loans and overdrafts facilities remitted to it by Management Credit Committee on the terms, if any set by the Board.
- To consider and refer credits facilities which are above its discretionary limit to the Board for consideration and approval after due diligence has been done on them.
- Advise the Board on matters relating to Advances Classification and provision for impairment losses on Advances.
- Review and monitor all advances.
- Enact and review effective and possible measures to recover non-performing credits.
- Refer to the Board for ratification the approved and disbursed Management discretionary facilities.
- Regular review of credit policies to enhance credit administration.

PROFILE OF BOARD OF DIRECTORS

Directors	Qualification	Position	Role in other institutions
Hon. Carlos Kingsley Ahenkorah	MSc. Port & Shipping	Chairman	MD Carloking Services Limited, MP Tema West
Mr. Kwaku Acheampong Ababio	MBA in Finance	Vice-Chairman	Retired Head of Finance, ARB Apex Bank
Mr. Kwaku Owusu	MSc. Accounting & Finance	Member	Accountant, GES
Mr. Ernest Ampofo	B. Com	Member	Tutor, Tokorase Senior High School
Mr. Solomon Nyarko	MPhil in Accounting	Member	Auditor General Department
Ms. Monica Ankrah	Master of Arts	Member	Retired Educationist

PROFILE OF COMPANY SECRETARY

Name	Qualification	Role in other institutions
Georgina Nimako Adomako	BSc Management & Administration	N/A

CORPORATE GOVERNANCE REPORT CONTINUED

INDEPENDENT NON-EXECUTIVE DIRECTORS

All directors are non-executive directors and are independent and free of any business relationship or other circumstances that could materially interfere with the exercise of objective or independent judgment. In determining their independence, the Board has considered the criteria set out in the Corporate Governance Directive for RCBs, 2021 ("the Directive") and the contribution and conduct of directors at Board meetings, including how they demonstrate independent judgement.

Directors are required to declare, on an ongoing basis, any interests that may give rise to a potential or perceived conflict of interest. The Board is made aware of the other commitments of the individual directors and is satisfied that largely, these do not conflict with their duties and time commitments as directors of the Company.

Directors are appointed for an initial term of three years with an option for renewal for a further two terms.

SCHEDULE OF ATTENDANCE OF BOARD MEETINGS

	Board of Directors Meetings			
Board Members	Role	Date Appointed	Number of Meetings	Attendance
Hon. Carlos Kingsley Ahenkorah	Chairman	23/11/2013	5	5
Mr. Kwaku Acheampong Ababio	Vice-Chair	13/01/2021	5	4
Mr. Kwaku Owusu	Member	23/11/2013	5	5
Mr. Ernest Ampofo	Member	23/11/2013	5	5
Mr. Solomon Nyarko	Member	20/06/2016	5	4
Ms. Monica Ankrah	Member	1/12/ 2023	5	5

	Audit Committee (2024)			
Members	Role	Date Appointed	Number of Meetings	Attendance
Mr. Solomon Nyarko	Chairman	9 th May, 2023	4	4
Mr. Kwaku Owusu	Member	9 th May, 2023	4	4
Ms. Monica Ankrah	Member	9 th May, 2023	4	3

	Risk and Compliance Committee (2024)			
Members	Role	Date Appointed	Number of Meetings	Attendance
Mr. Solomon Nyarko	Chairman	9 th May, 2023	4	4
Mr. Kwaku Owusu	Member	9 th May, 2023	4	4
Ms. Monica Ankrah	Member	9 th May, 2023	4	3

CORPORATE GOVERNANCE REPORT CONTINUED

SCHEDULE OF ATTENDANCE OF BOARD MEETINGS

Administrative Committee (2024)				
Members	Role	Date Appointed	Number of Meetings	Attendance
Kwaku Owusu	Chairman	9 th May, 2023	4	4
Kwaku Acheampong Ababio	Member	9 th May, 2023	4	4
Monica Ankrah	Member	9 th May, 2023	4	4

Finance Committee (2024)				
Members	Role	Date Appointed	Number of Meetings	Attendance
K.A Ababio	Chairman	9 th May, 2023	6	6
Ernest Ampofo	Member	9 th May, 2023	6	6

BOARD OF DIRECTORS 2024 TRAINING PROGRAMS ATTENDED

Name	Training Attended	Certificate received	Organized by	Date of certification
Mr. Carlos Kingsley Ahenkorah	None	None	None	None
Mr. Kweku Acheampong Ababio	None	None	None	None
Mr. Ernest Ampofo	None	None	None	None
Mr. Kweku Owusu	None	None	None	None
Mr. Solomon Nyarko	None	None	None	None
Ms. Monica Ankrah	DAY1: Overview of OFISD, Regulatory and Supervisory Framework. DAY2: Corporate Governance, Internal Audit and Fraud DAY3: Risk Management & Emerging Cyber Security Issues. DAY4: Ethics and Professionalism & Strategic Leadership.	External	Bank of Ghana at Oak Plaza Hotel, Accra	9/02/2024

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

CORPORATE GOVERNANCE REPORT CONTINUED

PROFILE OF KEY MANAGEMENT STAFF

Name	Role/ position	Date appointed	Qualification	Experience
Mr. Prince Obiri Yeboah	CEO	1st September, 2021	ACIB, MBA	19 years
Mr. Abdulai Yussif	DEP. GM Operations	4th May, 2015	Bachelor of Commerce, MBA Accounting	20 years
Mr. Ernest Ohemeng	Credit Manager	3rd July, 2020	BSc. Accounting	33 years
Mr. Sylvester Gyamfi	Finance Manager	3rd January, 2023	ACIB, CA, MBA	20 years
Mr. Patrick Forson	R&C Officer	2nd May, 2009	MSc. Risk	16 years
Mr. Robert Osene	ICT Manager	15th May, 2005	BSc IT, CCNA, MCITP	20 years
Mr. Isaac Kwabi Donkor	Head of Audit	1 st September, 2023	ICA (Ghana), BSc	21 years
Mrs. Georgina Nimako Adomako	HR/Admin	1st July, 2013	BSc. Management Admin	27 years
Mr. Seth Obeng Amoh	Business Dev. Manager	12 th January, 2011	BSc. Business Admin	29 years

KEY MANAGEMENT STAFF TRAININGS ATTENDED

Name	Training attended	Certificate Received	Organized by	Date of certification
Mr. Prince Obiri Yeboah	Cyber Security	Yes	KNUST	N/A
	Talent hunt acquisition for Business Excellence		ARB Apex Bank PLC	
	DAY1: Overview of OFISD, Regulatory and Supervisory Framework. DAY2: Corporate Governance, Internal Audit and Fraud DAY3: Risk Management & Emerging Cyber Security Issues. DAY4: Ethics and Professionalism & Strategic Leadership.	Yes	Bank of Ghana	9/02/2024
	Risk and Corporate Governance		ARB Apex Bank PLC	N/A

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

KEY MANAGEMENT STAFF TRAININGS ATTENDED

Mr. Abdulai Yussif	DAY1: Overview of OFISD, Regulatory and Supervisory Framework. DAY2: Corporate Governance, Internal Audit and Fraud DAY3: Risk Management & Emerging Cyber Security Issues. DAY4: Ethics and Professionalism & Strategic Leadership.	Yes	Bank of Ghana	9/2/2024
	Operational Risk Management			13.04/09/2024
	Ghana Pay, USSD, Customer Care	YES	ARB Apex Bank PLC	
	Cyber Security & Digital Forensics	NO	Internal	20.11.2024
		YES	ARB Apex Bank PLC/KNUST	3.08.2024
Mr. Ernest Ohemeng	None	None	None	None
Mr. Sylvester Gyamfi	DAY1: Overview of OFISD, Regulatory and Supervisory Framework. DAY2: Corporate Governance, Internal Audit and Fraud DAY3: Risk Management & Emerging Cyber Security Issues. DAY4: Ethics and Professionalism & Strategic Leadership.	Yes	Bank of Ghana	9/02/2024
Mr. Patrick Forson	Operational Risk Mgt	N/A	ARB Apex Bank PLC	14/9/2024
	Cyber Security & Digital Forensics	Yes	ARB Apex Bank PLC/KNUST	3/8/ 2024
	Mutual Evaluation Requirement	N/A	National Banking College	11/06/2024
	Agency Banking, Growth & sustainability mindset	N/A	Internal	6/3/2024
	Managing Uncertainty	N/A	ARB APEX BANK PLC	11/02/2024

**KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024**

KEY MANAGEMENT STAFF TRAININGS ATTENDED

Mr. Robert Osene	Cyber Security & Digital Forensics	Yes	ARB Apex Bank PLC/KNUST	3/07/2024
	IT Infrastructure and impart on real time banking	N/A	ARB Apex Bank PLC	2/11/2024 16/11/2024
	Agency Banking	N/A	ARB Apex Bank PLC	
Mr. Isaac Kwabi Donkor	DAY1: Overview of OFISD, Regulatory and Supervisory Framework. DAY2: Corporate Governance, Internal Audit and Fraud DAY3: Risk Management & Emerging Cyber Security Issues. DAY4: Ethics and Professionalism & Strategic Leadership.	Yes	Bank of Ghana	11/02/2024
	Cyber Security	yes	CIB	9/03/2024
Mrs. Georgina Nimako Adomako	Talent hunt acquisition for Business Excellence	YES	ARB APEX BANK	24/08/2024
Mr. Seth Obeng Amoh	N/A	N/A	N/A	N/A

CORPORATE GOVERNANCE REPORT CONTINUED

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At Kwaebibirem Rural Bank PLC, our commitment to our mission and a sustainable future remains steadfast. We prioritize strong Environmental, Social, and Governance (ESG) practices—not just because it is the right thing to do, but because integrating sustainability into our investments and operations allows us to create long-term value.

Our dedication to ESG is reflected in various initiatives aimed at embedding these principles within our operational framework. We recognize ESG as an ongoing process of aligning our business practices with our core values. To drive this commitment, we have established a Board Appetite statement, backed by an approved ESG Policy, to guide our ESG objectives effectively.

Our ESG management strategy is built on strong governance systems, risk management, and controls. It also includes a commitment to providing transparent and exceptional customer service, investing in our employees, and fostering a diverse and inclusive workplace while enhancing the well-being of the communities we serve.

- **Environmental:** We strive to minimize our environmental impact by efficiently managing natural resources, addressing climate-related risks, and implementing sustainable energy solutions. This is evident in our internal efforts to adopt renewable energy sources and our initiative to establish an ESG Unit, ensuring sustainability is embedded in our financing practices.
- **Social:** We prioritize meaningful engagement with our key stakeholders, including clients, employees, regulators, suppliers, and the communities we serve.
- **Governance:** We uphold the highest standards of ethical business practices, fair and equitable compensation, and board diversity while ensuring strict compliance with local, international, and regulatory governance standards. At Kwaebibirem, governance goes beyond compliance—it is a fundamental part of our corporate identity and commitment to public service.

ESG Risk Management:

Our Risk and Compliance (R&C) Committee oversees our ESG agenda at the senior management level. By consolidating all major ESG-related challenges into a single platform, we ensure a structured approach to managing our commitments.

ESG Reporting:

We aim to maintain transparent ESG reporting that is not only aligned with regulatory requirements but also serves the interests of our stakeholders. Our reporting framework is designed to highlight key ESG priorities, track our progress, and provide meaningful insights into our performance and commitments in each area. This enables us to remain accountable and continuously improve our sustainability efforts.

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
KWAEBIBIREM RURAL BANK PLC

Report on the Audit of the Financial Statements

We have audited the financial statements of Kwaebibirem Rural Bank PLC, which comprise the statement of financial position as at 31st December 2024, and the statement of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, as set out on pages 34 to 70.

Opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Kwaebibirem Rural Bank PLC as at 31st December 2024, its financial performance and cash flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and in compliance with the Companies' Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act 2016 (Act 930) and the Anti-Money Laundering Act, 2020, (Act 1044).

Basis of Opinion

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

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of financial statements in Ghana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. They are matters to be addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

The key audit matters below were noted:

Impairment of Fixed Deposits – (Locked up funds)

The bank has Fixed Deposit placement with some defunct financial institutions which amounts to One Million, Two Hundred and Nine Thousand, Three Hundred and Thirty-Three Ghana Cedis (GH¢1,209,333).

The bank has impaired the full amount of GH¢1,209,333 of these locked up funds as it deems it uncertain to recover them.

We hold this matter to be significant because the Bank holds material amount of fixed deposits with other financial institutions, which are classified as financial assets measured at amortized cost under IFRS 9.

KWAEBIBIREM RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

Given the current economic downturn and the probable discontinuation of the financial sector clean up started by the erstwhile government, assessing impairment involves significant judgment in estimating:

- Probability of Default (PD)
- Loss Given Default (LGD)
- Expected Credit Loss (ECL) model assumptions

These estimates are sensitive to macroeconomic factors and credit ratings of counterparties, making impairment of fixed deposits a high-risk area for misstatement.

How the matter was addressed in our Audit:

As part of our audit procedures, we:

- **Evaluated the Bank's Expected Credit Loss (ECL) Model** – Tested whether the methodology used aligns with IFRS 9.
- **Assessed the Creditworthiness of Counterparty Banks** – Reviewed recent returns (interest and principal payment) received by the bank and regulatory reports.
- **Checked Management's Assumptions** – Analyzed the discount rate, PD, and LGD applied in calculating impairments.
- **Performed Sensitivity Analysis** – Tested how changes in assumptions (e.g., a 10% increase in LGD) would impact impairment provisions.
- **Validated Disclosures** – Ensured that impairment losses and assumptions were correctly disclosed in line with IFRS 7.

Based on our procedures, we found that management's impairment assessment was consistent with IFRS 9 requirements and assessed the related disclosures as appropriate.

Other Information

The Directors are responsible for the other information. The other information comprises the Corporate Information, Report of the Directors as required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), the Chairman's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements.

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

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

We also:

Identified and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtained 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.

Concluded on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate 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.

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

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992) and Section 85 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930);

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.

In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books.

The Statement of Financial Position and the Statement of Comprehensive Income of the Bank are in agreement with the accounting records and returns.

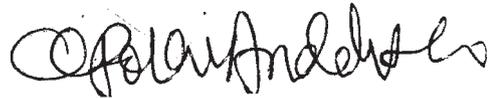
We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

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

- i. The Financial Statements give a true and fair view of the State of Affairs as at 31st December, 2023 of the Bank and the results for the year ended on that date.
- ii. We have obtained all the information and explanation required for the efficient performance of our audit.
- iii. The Bank's transaction were within its powers; and
- iv. The Bank has generally complied with the provisions in the Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), the Anti-Money Laundering Act, 2021, Act (1044), (AML) and International Financial Reporting Standards.

The engagement partner on the audit resulting in this independent auditor's report is Peter Opoku (ICAG/P/1402).



Opoku Andoh & Co (ICAG/F/2022/053)
Chartered Accountants
SDA 8, Community 5
Tema

15TH MAY, 2025

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	(NOTES)	2024 GH¢	2023 GH¢
Interest Income	7	25,181,025	13,869,904
Interest Expense	7	(2,581,494)	(1,556,430)
Net Interest Income		22,599,531	12,313,474
Fees & Commission Income	8	2,486,651	1,835,598
Fees & Commission Expense	8	(210,545)	(153,827)
Net Fees & Commission Income		2,276,106	1,681,771
Other Income	9	-	-
Net Other Income		-	-
Total Operating Income		24,875,637	13,995,246
Net Impairment Loss on Financial Assets	19	1,530,917	610,472
Personnel Expenses	10	6,649,601	4,718,030
Depreciation & Amortization	11	473,938	410,629
Other Expenses	12	5,306,919	4,127,316
Total Operating Expenses		13,961,375	9,866,446
Profit Before Tax		10,914,262	4,128,799
Growth & Sustainability Levy		(545,713)	(154,830)
Income Tax Expense	13	(3,133,901)	(1,270,633)
Profit For The Year		7,234,648	2,703,336
Other Comprehensive Income		-	-
Other Comprehensive Income		-	-
Total Comprehensive Income for the Year		7,234,648	2,703,336
Basic Earnings Per Share (Cedis)	14	0.079	0.069
Diluted Earnings Per Share (Cedis)	14	0.079	0.069

The notes form an integral part of these financial statements.

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

STATEMENT OF FINANCIAL POSITION

		2024	2023
ASSETS	(NOTES)	GH¢	GH¢
Cash and Cash Equivalents	16	15,820,820	6,237,785
Non-Pledged Trading Assets (Other Institutions)	17	11,150,001	5,482,194
Non-Pledged Trading Assets (Government of Ghana)	18	83,719,218	42,259,911
Loans and Advances to Customers	19	23,065,191	17,379,597
Other Assets	22	1,334,424	1,433,121
Investment in Securities	23	110,154	72,654
Property, Plant & Equipment	24	2,931,657	3,084,707
Total Assets		138,131,465	75,949,969
LIABILITIES			
Deposits from Customers	25	119,973,265	61,947,740
Deferred Tax Liability	21	229,425	225,862
Borrowings	27	120,708	242,363
Current Income Tax Liabilities	13	757,955	(223)
Sustainability Levy		65,543	19,830
Other Liabilities	28	2,617,136	6,407,350
Total Liabilities		123,764,033	68,842,922
EQUITY AND RESERVES			
Stated Capital	29	1,760,190	1,694,259
Income Surplus		8,863,826	2,872,119
Revaluation Reserve	30	14,794	14,794
Statutory Reserve	31	3,038,596	2,134,265
Credit Risk Reserve	32	690,026	391,610
Total Equity and Reserves		14,367,432	7,107,047
Total Liabilities and Equity		138,131,465	75,949,969

The financial statements were approved by the Directors on 15th MAY, 2025
and were signed on their behalf by:



.....
DIRECTOR



.....
DIRECTOR

The notes form an integral part of these financial statements.

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

STATEMENT OF CASH FLOWS

	(NOTES)	2024 GH¢	2023 GH¢
Cash flows from operating activities			
Profit before tax		10,914,262	4,128,799
Adjustments for:			
Depreciation		473,938	410,629
Impairment on financial assets		1,530,917	610,472
Prior Year Adjustment-Differences in R.o.U		(40,194)	(22,193)
Net write-off of PPE		120,195	183,377
Change in loans and advances to customers		(6,007,180)	(4,710,284)
Change in non-pledged trading assets (GOG Bills)		(41,459,307)	(10,313,611)
Change in non-pledged trading assets (Other institutions)		(6,877,139)	(2,836,780)
Change in other assets		98,703	(195,986)
Change in deposits from customers		58,025,525	13,362,247
Change in other liabilities		(3,790,214)	2,956,328
		12,989,506	3,572,997
Income tax paid		(2,372,160)	(1,475,651)
Growth and Sustainability Levy paid		(500,000)	(135,000)
Net cash generated from operating activities		10,117,346	1,962,346
Cash flows from investing activities			
Purchase of property & equipment		(441,086)	(1,170,218)
Purchase of Apex shares		(37,500)	(31,250)
Disposal of PPE		0	0
Net cash used in investing activities		(478,586)	(1,201,468)
Cash flows from financing activities			
Borrowed Funds		(121,655)	1,252
Issue of ordinary shares		65,931	21,334
Net cash used in financing activities		(55,724)	22,586
Net increase in cash and cash equivalents		9,583,036	783,464
Cash and cash equivalents at 1 January		6,237,784	5,454,320
Cash and cash equivalents at 31 December	16	15,820,820	6,237,784

The notes form an integral part of these financial statements.

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

STATEMENT OF CHANGES IN EQUITY - 2024

	Stated Capital	Income Surplus	Revaluation reserve	Statutory Reserve	Credit risk reserve	Total Equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
At 1/01/2024	1,694,259	2,872,119	14,794	2,134,265	391,610	7,107,047
Prior Year Adjustment	-	(40,194)	-	-	-	(40,194)
Restated Balances	1,694,259	2,831,925	14,794	2,134,265	391,610	7,066,853
Net Profit for the year	-	7,234,648	-	-	-	7,234,648
Total Comprehensive Income	-	7,234,648	-	-	-	7,234,648
Transaction with equity holders						
Issue of share	65,931	-	-	-	-	65,931
Issue of shares-Transfer from Stated Capital						
Transfer from Preference Shares						
Total Transactions with equity holders	65,931	-	-	-	-	65,931
Regulatory Transfers						
Transfer to Statutory reserve funds	-	(904,331)	-	904,331	-	-
Transfer (to)/from Credit Reserve	-	(298,415)	-	-	298,415	-
Total Regulatory reserve	-	(1,202,746)	-	904,331	298,415	-
Balance at 31/12/2024	1,760,190	8,863,827	14,794	3,038,596	690,025	14,367,432

The notes form an integral part of these financial statements

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

STATEMENT OF CHANGES IN EQUITY - 2023

	Stated Capital	Income Surplus	Revaluation reserve	Statutory Reserve	Credit risk reserve	Total Equity
	GHC	GHC	GHC	GHC	GHC	GHC
At 1/01/2023	1,672,925	796,206	14,794	1,458,431	462,213	4,404,570
Prior Year Adjustment	-	(22,193)	-	-	-	(22,193)
Restated Balances	1,672,925	774,013	14,794	1,458,431	462,213	4,382,377
Net Profit for the year		2,703,336	-	-	-	2,703,336
Total Comprehensive Income		2,703,336				2,703,336
Transaction with equity holders						
Issue of share	21,334	-	-	-	-	21,334
Issue of shares-Transfer from Stated Capital						-
Transfer from Preference Shares						-
Total Transactions with equity holders	21,334					21,334
Regulatory Transfers						
Transfer to Statutory reserve funds		(675,834)		675,834		-
						-
Transfer from Credit Reserve		70,604			(70,604)	-
Total Regulatory reserve		(605,230)		675,834	(70,604)	-
Balance at 31/12/2023	1,694,259	2,872,119	14,794	2,134,265	391,610	7,107,047

The notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Reporting entity

Kwaebibirem 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 The Bank Premises Kwaebibirem Rural Bank Limited, Asuom. The Bank is authorized and licensed to provide 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 Specialized 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 estimates are recognized 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 accounting policies that have the most significant effect on the amount recognized 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 these financial statements.

a) Interest

Interest revenue is generally recognized when future economic benefits of the underlying assets will flow to the organization 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 recognized in the income statement on straight-line basis using the effective interest rate 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 amortized cost on an effective interest rate basis and
- Interest on available-for-sale investment securities on an effective interest rate 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.

NOTES TO THE FINANCIAL STATEMENTS

Other fees and commission income, including account servicing fees, investment management fees and special statement request are recognized 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 recognized 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 comprises profit on disposal of assets.

d) Lease payments made

Payments made under operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognized as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. 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 recognized in the P&L/ OCI except to the extent that it relates to items recognized directly in equity, in which case it is recognized 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 recognized 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 when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

f) Financial assets and liabilities

i) Recognition

The Bank initially recognizes 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 recognized on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

ii) De-recognition

The Bank de-recognizes 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 recognized as a separate asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

The Bank de-recognizes a financial liability when its contractual obligations are discharged or cancelled or expired. The Bank enters into transactions whereby it transfers assets recognized 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- recognized 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 realize 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) Amortized cost measurement

The amortized 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 amortization using the effective interest rate method of any difference between the initial amount recognized 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 amortized 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 amortized cost are measured as the difference between the carrying amount of the financial assets and the

NOTES TO THE FINANCIAL STATEMENTS

present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognized in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognized 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 recognized by transferring the difference between the amortized acquisition cost net of any principal repayment and amortization and current fair value, less any impairment loss previously recognized 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 recognized through OCI.

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

vii) Designation at fair value through profit or loss

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

-the assets or liabilities are managed, evaluated and reported internally on a fair value basis;

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

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 amortized 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 recognized 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 recognized as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

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 recognized within loans and advances. When the Bank purchases a financial asset under a commitment to sell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the financial asset is accounted for as a loan, and the underlying asset is not recognized 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 amortized cost using the effective interest rate 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 held-to-maturity, fair value through profit or loss, or available-for-sale.

i) Held-to-maturity

Held-to-maturity 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 maturity, and which are not designated at fair value through profit or loss or available-for-sale.

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

(ii) Fair value through profit or loss

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

iii) Available-for-sale

Available-for-sale 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 cost. All other available-for-sale investments are carried at fair value. Interest income is recognized in profit or loss using the effective interest rate method. Dividend income is recognized in profit or loss when the Bank becomes entitled to the dividend.

Other fair value changes are recognized 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 recognized 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

NOTES TO THE FINANCIAL STATEMENTS

on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalized 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 recognized 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 recognized 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 recognized 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 for the current and comparative periods are as follows:

Buildings	50 years
Motor Vehicles	3 years
Office Equipment	4 years
Furniture and Fittings	5 years
Computers & Accessories	4 years

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

l) Leased assets – lessee

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. 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. Other leases are operating leases and the leased assets are not recognized on the Bank statement of financial position at its fair value.

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 recognized 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 recognized in profit or loss. Impairment losses recognized 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.

NOTES TO THE FINANCIAL STATEMENTS

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 recognized 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 amortization, if no impairment loss had been recognized.

n) Provisions

A provision is recognized 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 recognized when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Bank recognizes 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 employee's basic salary to SSNIT and Enterprise Trustees 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 Enterprise Trustees.

ii) Provident fund

The Bank has a provident fund scheme for all employees who have completed probation with the Bank. Employees contribute 4.5% of their basic salary to the fund whilst the Bank contributes 12%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates.

(iii) Termination benefits

Termination benefits are recognized 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 recognized 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.

NOTES TO THE FINANCIAL STATEMENTS

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 December. Diluted EPS is determined by the number of shares existing at the end of December.

r) Dividends

Dividends are recognized 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) Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

t) 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.

u) Borrowings (liabilities to Banks and customers)

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost using the effective interest rate method, any differences between proceeds net of transaction costs) and the redemption value is recognized in the income statement over the period of the borrowings. Borrowings and other forms of financial liabilities shall be de-recognized from the books only when they are extinguished, ie when the obligation specified in the contract is discharged or cancelled or expired.

v) 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 2019, with early application permitted. The Bank adopted this standard effective 1st January 2020 and will 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.

NOTES TO THE FINANCIAL STATEMENTS

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 will apply the General Approach and calculate expected losses on all its instruments. Impairment Loss Schedule - 2024

	Stage 1	Stage 2	Stage 3	Total
	12-months	Lifetime ECL	Lifetime ECL	
Impairment Classification	ECL	Not credit	Credit	
	GH¢	impaired	impaired	GH¢
Loans loss allowance	133,538	156,069	1,729,351	2,018,958
Investment with other institutions			1,209,333	1,209,333
Total	133,538	156,069	2,938,684	3,228,291

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 arising from the use of financial instruments.

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the Bank 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 of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Finance, Audit and Risk, Information Communication Steering, Loans and the Administration Committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

The risk management policies are established to identify and analyze 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 Audit and Risk 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's Audit and Risk Committee is assisted in its functions by the Internal Audit Department. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committees.

NOTES TO THE FINANCIAL STATEMENTS

a) 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 to customers and other Banks and investment securities. For risk management reporting purposes, the Bank considers and 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 of Directors has delegated responsibility for the management of credit risk to its Loans Committee. A separate Bank credit department, reporting to the Bank Loans 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 authorization and structure for the approval and renewal of credit facilities. Authorization limits are allocated to branch managers. Larger facilities require approval by the head of credit, Chief Executive Officer and the Board of Directors as appropriate.
- Reviewing and assessing credit risk. The Bank's Loans 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 categorize 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's Loans Committee on the credit quality of portfolios and appropriate corrective action being taken.
- 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 Loans Committee. Each branch has a credit risk officer who reports on all credit related matters to local management and the Bank Loans Committee.

Each branch is responsible for the quality and performance of its credit portfolio and for monitoring risk in its portfolios, including those subjects to central approval. Regular audits of business units and Bank credit processes are undertaken by Internal Audit.

NOTES TO THE FINANCIAL STATEMENTS

Impaired loans and securities

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

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does 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 carrying amount of the financial asset and shall recognize 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 amortized 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.

Write-off policy

The Bank writes off a loan/security when it determines that the loans/securities 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.

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 on 31st December 2023 or 2021.

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. It must however be noted that collateral values for impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans & advances to customers 2024 GH¢	Loans & advances to customers 2023 GH¢
Cash and near cash instruments	18,978,577	414,743
	18,978,577	414,743

NOTES TO THE FINANCIAL STATEMENTS

Repossessed assets

The Bank did not repossess any customer's asset during the period. If the Bank would have repossessed, the type and carrying amount of collateral would have been the lower of its carrying amount and fair value less costs to sell. All assets repossessed if any are to be sold within one year of possession and approval would be sought from Bank of Ghana for those 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	656	2,124,354
Cottage Industry	1,508,791	1,873,424
Trading	3,741,363	7,354,310
Others	19,833,339	7,724,879
Total	25,084,149	19,076,969
Credit impairment loss	(2,018,958)	(1,697,372)
Net Loans	<u>23,065,191</u>	<u>17,379,597</u>

b) Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from 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 liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions.

All liquidity policies and procedures are subject to review and approval by the finance 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 Committee.

Exposure to liquidity risk

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

NOTES TO THE FINANCIAL STATEMENTS

Average of liquidity ratios are as follows:	2024	2023
At 31 December	78.18	82.45
Average for the period	77.87	79.75
Maximum for the period	83.11	83.67
Minimum for the period	72.94	73.76

c) 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 optimizing the return on risk.

Management of market risk

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the treasury unit, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

Overall authority for market risk is vested in credit committee. The Bank is responsible for the development of detailed risk management policies (subject to review and approval by the credit committee) and for the day-to-day review of their implementation.

Exposure to market risk – trading portfolios

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

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based do give rise to some limitations, including the following:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

Exposure to interest rate risk – non-trading portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for repricing bands. The credit and marketing committee is the monitoring body for compliance with these limits and is assisted by finance and operations department in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100-basis point (bp) fall or rise in all financial market interest rates. Overall non-trading interest rate risk positions are managed by Central Treasury, which uses investment securities, advances to Banks and deposits from Banks to manage the overall position arising from the Bank's non-trading activities.

Exposure to other market risks – non-trading portfolios

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

d) Operational risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

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

NOTES TO THE FINANCIAL STATEMENTS

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 Finance, Audit Committee and senior management of the Bank.

5. Capital management Regulatory Capital

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 Bank's regulatory capital is analyzed into two tiers:

- Tier 1 capital, which includes ordinary share capital, perpetual bonds, retained earnings, translation reserves and non-controlling interest 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 purpose.
- Tier 2 capital, which includes qualifying subordinated liabilities, and the element of the fair value reserve relating to unrealized gains on equity instruments classified as available-for-sale. to unrealized 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 consideration, investments in the capital of Banks and certain other regulatory items. Banking operations are categorized 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 recognized and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Bank has complied 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 are as follows:

Adjusted Capital Base	2024	2023
Tier 1 capital	GH¢	GH¢
Ordinary share capital	1,760,190	1,694,259
Disclosed Reserve	11,902,423	5,006,384
Less: Investments in the capital of other financial institutions	(110,154)	(72,654)
Intangible Assets	(158,047)	(185,308)
	13,393,787	6,442,681
Tier 2 capital		
Subordinated Capital		
Other reserves (Revaluation)	14,794	14,794
	14,794	14,794
Total Adjusted Capital Base (Tier 1 and Tier 2)	13,408,581	6,457,475

NOTES TO THE FINANCIAL STATEMENTS

Adjusted Asset Base

Total assets	138,131,465	75,949,969
Less: Cash on hand	(5,298,572)	(2,288,343)
Claims on ARB Apex Bank (clearing)	(4,986,258)	(971,967)
Claims on ARB Apex Bank (5% Deposit)	(5,535,990)	(2,977,475)
Claims on government	(83,719,218)	(42,259,911)
Intangible Assets	(158,047)	(185,308)
Investment in the capital of other financial institutions	(110,154)	(72,654)
80% of claims on Discount Houses	(8,920,000)	(3,280,000)
50% claims on other financial institutions	604,667	(691,097)
Adjusted total assets	30,007,267	23,223,214
100% of 3 years average annual gross income	17,983,627	11,784,236
Total Adjusted Asset Base	47,990,894	35,007,450

Capital adequacy ratio (adjusted capital base/adjusted asset base x 100) **27.94%** **18.45%**

6. Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimization 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 maximization 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.

1. Use of estimates and judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Bank's 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 amortized 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 realizable 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.

NOTES TO THE FINANCIAL STATEMENTS

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.

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).

2024	Carrying value	Fair value
Assets as at 31 December, 2024	GH¢	GH¢
Cash and cash equivalents	15,820,820	15,820,820
Non-pledged Trading Assets (Other Institutions)	12,359,333	11,150,001
Non-pledged Trading Assets (Government of Ghana)	83,719,218	83,719,218
Loans & advances to customers	25,084,149	23,065,191
Other assets	1,334,424	1,334,424
Investment securities	110,154	110,154
	138,428,098	135,199,808
Liabilities as at 31 December, 2024		
Deposits from customers	119,973,265	119,973,265
Other liabilities	2,617,136	2,617,136
Institutional borrowings	120,708	120,708
	122,711,109	122,711,109

NOTES TO THE FINANCIAL STATEMENTS

2023	Carrying value	Fair value
Assets as at 31 December, 2023	GH¢	GH¢
Cash and Cash Equivalents	6,237,785	6,237,785
Non-Pledged Trading Assets (Other Institutions)	5,482,194	5,482,194
Non-Pledged Trading Assets (Government of Ghana)	42,259,911	42,259,911
Loans and Advances to Customers	19,076,969	17,379,597
Other Assets	1,433,121	1,433,121
Investment in Securities	72,654	72,654
	74,562,634	72,865,262

Liabilities as at 31 December, 2023		
Deposits from customers	61,947,740	61,947,740
Other liabilities	6,407,348	6,407,348
Institutional borrowings	242,363	242,363
	68,597,451	68,597,451

	2024	2023
7 Net interest income	GH¢	GH¢
Interest income		
Loans and advances to customers	10,137,559	7,043,211
Investment (Trading)	15,043,466	6,826,693
Total interest income	25,181,025	13,869,904

	2024	2023
	GH¢	GH¢
Interest expense		
Deposits from customers	2,527,211	1,375,381
Borrowings	54,283	181,049
Total interest expense	2,581,494	1,556,430

	2024	2023
8 Net fees and commission income	GH¢	GH¢
Fees and Commission Income		
Retail Banking customer fees	1,692,992	1,368,741
SMS charges	128,234	106,306
Sundry income	665,425	360,552
Total fees and commission income	2,486,651	1,835,599

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	GH¢	GH¢
9 Other income		
Profit on disposal of assets	-	-
	-	-

	2024	2023
	GH¢	GH¢
10 Personnel expenses		
Salaries & Other Related Costs	5,727,792	3,914,381
Contributions to defined benefit plans - Tier 1	316,972	255,987
Contributions to defined contribution plans - Tier 3	289,144	220,320
Medical expenses	102,605	88,211
Other Staff Cost	39,785	23,615
Staff training	173,303	215,517
	6,649,601	4,718,030

	2024	2023
	GH¢	GH¢
11 Depreciation & Amortization		
Amortization	37,860	28,879
Depreciation of property & equipment	436,078	381,750
	473,938	410,629

	2024	2023
	GH¢	GH¢
12 Other expenses		
Directors' fees & Meeting Expenses	192,874	131,854
Software licensing and support	621,494	466,537
Auditors' remuneration	73,140	40,851
Electricity & water	179,739	158,394
Other Administrative Expenses	4,239,672	3,329,680
	5,306,919	4,127,316

	2024	2023
	GH¢	GH¢
13 Income tax expense		
Current Income Tax (a)	3,130,338	1,199,777
Deferred Income Tax (b)	3,563	70,856
	3,133,901	1,270,633

NOTES TO THE FINANCIAL STATEMENTS

(a) Current income tax

Year of Assessment	Balance at 1st January GH¢	Payments in the year GH¢	Charged to P&L GH¢	Balance at 31st December GH¢
2023	275,651	(1,475,651)	1,199,777	(223)
2024	(223)	(2,372,160)	3,130,338	757,955

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

(b) Deferred income tax

	Assets GH¢	Liabilities GH¢	Net GH¢
2024			
Property and equipment	-	229,425	229,425
Impairment allowances for loan losses	-	-	-
Net Tax (Assets)/Liabilities	-	229,425	229,425
2023			
Property and equipment	-	225,862	225,862
Impairment allowances for loan losses	-	-	-
Net Tax (Assets)/Liabilities	-	225,862	225,862

Deferred income tax is calculated using the enacted income tax rate of 25% (2023: 25%). Deferred income tax liability and deferred income tax charge in the statement of profit or loss and other comprehensive income are attributable to the following items;

	Balance at 01-01-24 GH¢	Recognized in P&L GH¢	Balance at 31-12-24 GH¢
2024			
Property and equipment	225,862	3,563	229,425
Impairment allowances for loan losses	-	-	-
Total	225,862	3,563	229,425
	Balance at 01-01-23 GH¢	Recognized in P&L GH¢	Balance at 31-12-23 GH¢
2023			
Property and equipment	155,006	70,856	225,862
Impairment allowances for loan losses	-	-	-
Total	155,006	70,856	225,862

NOTES TO THE FINANCIAL STATEMENTS

	2024
	GH¢
Reconciliation of effective tax rate	
Profit before income tax	10,914,262
Income tax using the enacted corporate tax rate	2,728,565
Non-deductible expenses	501,214
Tax incentive not recognized in the income statement	(99,441)
Deferred tax	3,563
Total income tax expense in income statement	3,133,902

Effective tax rate **28.71%**

(c) Growth and Sustainability Levy

	2024	2023
	GH¢	GH¢
Balance at 1 January	19,830	-
Provision for the year	545,713	19,830
Levy paid during the year	(500,000)	-
Balance at 31 December	65,543	19,830

14. Earnings per share

Basic earnings per share

The calculation of basic earnings per share at 31st December 2024 was based on the profit attributable to ordinary shareholders of GH¢7,234,648 (2023: GH¢2,703,336) and number of ordinary shares of 91,397,944 (2023: 39,653,324) existing as at 31 December, calculated as follows:

	2024	2023
	GH¢	GH¢
Profit attributable to ordinary shareholders		
Net profit for the period attributable to equity holders of the Bank	7,234,648	2,703,336
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	39,653,324	39,439,984
Effect of share issued as at 31 December	659,310	213,340
Adjustments in Shares	51,085,310	0
Number of ordinary shares at 31 December	91,397,944	39,653,324

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¢7,234,648 (2023: GH¢2,703,336) and number of ordinary shares after adjustment for the effects of all dilutive potential ordinary shares of 91,397,944 (2023: 39,653,324) calculated as follows:

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NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	GH¢	GH¢
Profit attributable to ordinary shareholders (diluted)		
Profit for the period attributable to ordinary shareholders	7,234,648	2,703,336

	2024	2023
	GH¢	GH¢
Weighted average number of ordinary shares (diluted)		
Number of ordinary shares (basic)	39,653,324	39,439,984
Effect of share purchase after 31 December	659,310	213,340
Adjustments in Shares	51,085,310	0
Number of ordinary shares (diluted) at 31 December	91,397,944	39,653,324

15. Dividend per share

The Directors propose a dividend of GH¢0.016 per share in respect of the 2024 financial year. In 2023, a dividend issue of GH¢0.02 per share was proposed.

	2024	2023
	GH¢	GH¢
16 Cash and cash equivalents		
Cash balance	5,298,572	2,288,343
Unrestricted balance with ARB Apex Bank & Others	4,986,258	971,967
Restricted balance with ARB Apex Bank - 5% placement	5,535,990	2,977,475
	15,820,820	6,237,785

	2024	2023
	GH¢	GH¢
17 Non-pledged trading assets (Other Institutions)		
Fixed Deposits and Call Accounts:		
SDC Investment	555,518	722,515
GCB Capital	653,815	659,679
ACOD 7	11,150,000	4,100,000
	12,359,333	5,482,194
Impairment on investment in fixed deposits	(1,209,332)	
	11,150,001	5,482,194

	2024	2023
	GH¢	GH¢
18 Non-pledged trading assets (Government of Ghana)		
Government of Ghana Bonds	10,193,903	9,803,611
Bank of Ghana Treasury Bills held by Apex Bank	66,886,832	32,456,300
Interest Earned on Bank of Ghana Treasury Bills	6,638,483	
	83,719,218	42,259,911

Trading liabilities

There were no trading liabilities during the year.

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	GH¢	GH¢
19 Loans and advances to customers		
Loans and advances to customers at fair value through profit or loss	25,084,149	19,076,969
	25,084,149	19,076,969
Allowances for impairment	(2,018,958)	(1,697,372)
	23,065,191	17,379,597
Loans and advances to customers at amortized cost-	2024	2023
Loans by business segment to customers:	GH¢	GH¢
Agriculture	656	657
Cottage industries	1,508,791	-
Transport	132,513	157,428
Commerce	3,741,363	2,224,775
Other credit lines	19,700,826	16,694,109
	25,084,149	19,076,969
Allowances for impairment	2024	2023
	GH¢	GH¢
Balance at 1 January	1,697,373	1,086,901
Impairment loss for the year:		
Charge for the year	321,585	610,472
Balance at 31 December	2,018,958	1,697,373
Impairment loss on financial assets		
Loss/Gain on Loan Loss Impairment Provision	321,585	610,472
Impairment on Investment in Fixed Deposits	1,209,332	-
Balance at 31 December	1,530,917	610,472

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

At 31st December 2024 the maximum exposure to credit risk on loans and advances at fair value through profit or loss was GH¢25,08 million (2023: GH¢17.37 million).

NOTES TO THE FINANCIAL STATEMENTS

Loan statistics	2024	2023
i) Twenty (20) largest exposures to total exposures	27.37%	18.55%
ii) Loan loss provision ratio	8.05%	8.90%

	2024	2023
	GH¢	GH¢
22 Other assets		
Office account	36,395	49,223
Inter-Agency	1,136	16,043
Stationery stocks	255,102	213,838
Prepayments	27,615	16,397
Uncleared Effect	(197,199)	12,450
Interest & Commission Accrued	349,765	276,379
E-zwich	252,658	89,634
Others	-	430,917
Provision for CSR	122,969	-
Ghana Pay Operations	28	-
Others-Interest in Arrears	485,958	328,240
	1,334,424	1,433,121

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

23. Leases (IFRS 16)

The Company applies IFRS 16 where leases are recognized as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company. The right-of-use asset is presented separately in the statement of financial position, except for right-of-use assets that meet the definition of investment property, which is presented in the statement of financial position in separate line items – “investment property”. IFRS 16 allows two methods of initial application: (1) full retrospective application with the restatement of comparatives and (2) modified retrospective approach without the restatement of comparatives and with certain simplifications available upon adoption. The Company has elected to use the second approach by implementing the standard retrospectively in relation to all leases in which the Company is a lessee without restating comparatives. The implementation of IFRS 16 will not affect total equity. The adjustments to assets and liabilities are disclosed in the financial statements. The Company has elected to apply the exemption for low value assets on lease-by-lease basis. The Company has decided that for the leases where the asset is sub-leased, a right-of-use asset is recognized with the corresponding lease liability. For all other leases of low value assets, the lease payment associated with those leases will be recognized as an expense on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

24a. Property, Plant and Equipment- 2024

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Computers & Accessories	Plant & Generator	Right of Use	WIP development	Total
COST	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1/1/2024	1,165,622	742,508	319,560	231,528	477,859	45,500	743,960	128,403	3,854,940
Additions		13,500	60,745	80,622	80,842	-	92,100	102,050	429,859
Disposal/Transfer			179,862	50,591				(230,453)	
Write Offs							(171,471)		(171,471)
Balance at 31/12/2024	1,165,622	756,008	560,167	362,741	558,701	45,500	664,589	-	4,113,328
DEPRECIATION									
Balance at 1/1/2024	167,073	355,611	142,800	26,942	140,055	45,500	77,560	-	955,541
Charge for the year	23,381	150,494	58,278	51,016	100,343	-	52,567		436,078
Write Offs							(51,276)		(51,276)
Balance at 31/12/2024	190,454	506,105	201,078	77,958	240,398	45,500	78,851	-	1,340,343
CARRYING AMOUNT									
31-12-24	975,169	249,903	359,089	284,783	318,303	-	585,738	-	2,772,985
CARRYING AMOUNT									
31-12-23	998,549	386,897	176,760	204,586	337,804	-	666,400	128,403	2,899,399

NOTES TO THE FINANCIAL STATEMENTS

24b. Plant, Property and Equipment - 2023

	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Computers & Accessories	Plant & Generator	Right Of Use	Branch Development	Total
COST	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1/1/2023	1,277,124	826,836	363,492	438,003	980,258	88,883	182,891	-	4,157,487
Additions		32,529	148,376	114,066	143,644		603,200	128,403	1,170,218
Disposal/Write-offs	(111,502)	(116,857)	(192,308)	(320,541)	(646,043)	(43,383)	(42,131)		(1,472,765)
Balance at 31/12/2023	1,165,622	742,508	319,560	231,528	477,859	45,500	743,960	128,403	3,854,940
DEPRECIATION									
Balance at 1/1/2023	202,893	328,048	210,101	285,867	671,726	88,883	75,662	-	1,863,180
Charge for the year	28,378	140,687	44,855	43,294	102,095	-	22,440	-	381,749
Disposal/Write offs	(64,198)	(113,124)	(112,156)	(302,219)	(633,766)	(43,383)	(20,542)		(1,289,388)
Balance at 31/12/2023	167,073	355,611	142,800	26,942	140,055	45,500	77,560	-	955,541
CARRYING AMOUNT									
31/12/2023	998,549	386,897	176,760	204,586	337,804	-	666,400	128,403	2,899,399
CARRYING AMOUNT									
31/12/2022	1,074,231	498,788	153,391	152,136	308,532	-	107,229		2,294,307

NOTES TO THE FINANCIAL STATEMENTS

24(c). INTANGIBLE ASSETS- 2024	2024	2023
	GH¢	GH¢
Balance at 1/1/2024	185,308	214,187
Additions	11,227	-
Amortization	(38,487)	(28,879)
Balance at 31/12/2024	158,672	185,308

25 Investment in Securities	2024	2023
	GH¢	GH¢
Investment in ordinary shares of ARB Apex Bank PLC	110,154	72,654
	110,154	72,654

26 Deposits from customers	2024	2023
Retail customers:	GH¢	GH¢
Demand deposits	16,657,466	11,051,453
Savings deposits	41,105,690	23,120,884
Time deposits	15,336,725	6,748,273
Installment deposits- Susu	46,873,384	21,027,130
	119,973,265	61,947,740

Deposit statistics

i) Ten (10) largest depositors to total deposit ratio	9.6%	6.9%
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27 Borrowings	2024	2023
	GH¢	GH¢
Apex Loan	120,708	242,363
	120,708	242,363

NOTES TO THE FINANCIAL STATEMENTS

28	Other liabilities	2024	2023
		GH¢	GH¢
	Unearned Discount on Treasury Bills	-	3,554,206
	Unearned Interest / Interest in Arrears	120	113
	Audit Fees	73,140	35,995
	Office Account	366,451	481,125
	Bills Payable	26,696	26,696
	Sundry Creditors	-	384,606
	Accrued Charges/Interest	490,106	257,079
	Ghana Pay Operations	9,740	-
	Provision for End of Service Benefit	275,600	-
	Interagency/Managed Funds	279,159	279,188
	Other Provisions	211,533	229,474
	E-Zwich Operation (Credit)	2,690	3,889
	Interest Suspense	296,242	199,378
	Sundry Liabilities	(3,359)	955,600
	Suspense Accounts	88,674	-
	Provision for Staff Bonus	500,344	-
		2,617,136	6,407,349

29 a) Stated capital - 2024

Ordinary shares	Number of Shares		Proceeds	
	2024	2023	2024 GH¢	2023 GH¢
Authorized: Ordinary shares of no par value	50,000,000	50,000,000		
Issued and fully paid: Balance at 1 January	39,653,324	39,439,984	1,694,259	1,672,925
For Cash Consideration	659,310	213,340	65,931	21,334
	40,312,634	39,653,324	1,760,190	1,694,259
Converted Preference Shares	-	-	-	-
Transfers	-	-	-	-
Adjustments in Shares	51,085,310	-	-	-
Balance at 31 December	91,397,944	39,653,324	1,760,190	1,694,259

NOTES TO THE FINANCIAL STATEMENTS

29 b) Stated capital - 2023

Ordinary shares	Number of Shares		Proceeds	
	2023	2022	2023 GH¢	2022 GH¢
Authorized: Ordinary shares of no par value	50,000,000	50,000,000		
Issued and fully paid: Balance at 1 January	39,439,984	26,154,014	1,672,925	344,328
For Cash Consideration	213,340	269,700	21,334	26,970
	39,653,324	26,423,714	1,694,259	371,298
Converted Preference Shares	-	7,000,000	-	700,000
Transfers	-	-	-	-
Bonus Issues	-	6,016,270	-	601,627
Balance at 31 December	39,653,324	39,439,984	1,694,259	1,672,925

c. Shares in treasury

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

d. Income surplus

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

e. Statement of changes in issued number of shares

	Ordinary Shares 2024	Ordinary Shares 2023
On issue at 1 January	39,653,324	39,439,984
Number of shares issued during the year	659,310	213,340
Converted Preference Shares	-	-
Adjustments in Shares	51,085,310	-
On issue at 31 December	91,397,944	39,653,324

At 31st December 2024 the authorized share capital comprised 100,000,000 ordinary shares (2023: 50,000,000). 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 poll voting per share at meetings of the Bank. All shares rank equal with regard to the Bank's residual assets.

Dividend	2024 GH¢	2023 GH¢
The following dividends were paid by the Bank for the year ended 31 December:		
Dividend proposed	0.016	0.02
Capitalization Issue	0.016	0.02

The Directors have proposed a dividend of GH¢ 0.016 per ordinary shares.
 In 2023 a dividend of GH¢0.02 per ordinary shares was proposed by the Directors.

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
	GH¢	GH¢
30. Revaluation reserve		
Balance at begin	14,794	14,794
Balance at end	14,794	14,794
This represents increase in share value with ARB Apex Bank Limited		
	2024	2023
	GH¢	GH¢
31. Statutory reserve		
Balance at Beginning	2,134,265	1,458,431
Transfer from income surplus	904,331	675,834
Balance at End	3,038,596	2,134,265

This is a non-distributable reserve. The transfer to Statutory Reserve Fund represents 12.50% (2023: 25%) of the net profit after tax and before dividend for the year. The transfer is in compliance with section 34 of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

32. Credit Risk Reserve

The credit risk reserve is a non-distributable reserve and it represents the difference of the total provisions for loans and advances provision determined in accordance with the Bank of Ghana prudential guidelines and that of the impairment loss for loans and advances recognized in the statement of comprehensive income under the IFRS framework.

Loan loss provisioning/impairment are carried out in accordance with Bank of Ghana policy as well as the principles of IFRS. Loan impairment loss calculated based on IFRS principles are passed through the statement of comprehensive income. Per the BOG guide for financial publication, banks shall comply with the IFRS impairment rules. However, 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 case the opposite happens subsequently, a reversal should be made to the extent of the credit balance in the Credit Risk Reserve.

As at the reporting date, total provision for losses under the Bank of Ghana provisioning criteria amounted to GH¢ 2,317,373 (2023:GH¢1,626,768). This was below the impairment allowance for loans and advances recognized under the IFRS framework of GH¢2,018,957 (2023:GH¢1,697,372). The impairment under the IFRS framework is less than that of the Bank of Ghana criteria by GH¢298,416. This will result in the transfer of GH¢ 298,416 from the Retained Earnings to Credit Risk Reserve. The computation and reconciliation are as below:

a. IFRS Impairment for loans and advances	2024	2023
	GH¢	GH¢
Balance at 1 January	1,697,372	1,086,900
Loan impairment charge	321,585	610,472
Balance at 31 December	2,018,957	1,697,372

NOTES TO THE FINANCIAL STATEMENTS

b. Bank of Ghana Provisions	2024	2023
	GH¢	GH¢
Balance at 1 January	1,626,768	1,549,114
Loan impairment charge	690,605	77,654
Balance at 31 December	2,317,373	1,626,768

c. Credit Risk Reserve Reconciliation	2024	2023
	GH¢	GH¢
Bank of Ghana Provisions	2,317,373	1,626,768
IFRS Impairment for loans and advances	2,018,957	1,697,372
Credit Risk Reserve	298,416	(70,604)

d. Credit Risk Reserve Account	2024	2023
	GH¢	GH¢
Balance at 1 January	391,610	462,214
Transfer from Income Surplus	298,416	-
Transfer to Income Surplus		(70,604)
Balance at 31 December	690,026	391,610

32. Contingencies

Claims and litigation / Legal Proceedings

The following law suits were pending against the Bank which could result in a loss or contingent liability. There was no legal opinion on the amount of claim, if any that the Bank could be made to suffer on any one of the suits.

CASE TITLE	BRIEF	STATUS
Kwaebibirem Rural Bank PLC vrs Ellachelle	Failed to repay his overdraft outstanding balance	Ongoing

a. Contingent liabilities

In the ordinary course of business, the Bank did conduct business involving guarantees and did not engage in letters of credits and acceptances. These facilities are offset by corresponding obligations of third parties.

b. Nature of contingent liabilities

Guarantees are generally written by a Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default.

Letters of credit commit the Bank to make payment to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by the Bank to pay a bill of exchange drawn on the customer. The Bank expects most acceptances to be presented and reimbursed by the customer immediately. The nominal principal amount of the guarantees are as follows:

	2024	2023
	GH¢	GH¢
Guarantees	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Related parties

Transactions with Directors
Loan Balances

Transactions in the normal course of business with directors who are hereby referred to as related party. The outstanding loan balances and deposits for the year are as follows:

a. Directors Loans	2024	2023
	GH¢	GH¢
	Closing Balance	Closing Balance
Loans and advances to directors	-	-
Fixed deposits from directors	-	-
	-	-

Maximum Amount of Loans granted to directors during the year	Maximum Balance	Maximum Balance
Mortgage Lending and Other Secured Loans	-	-
Other Loans	-	-
	-	-

b. Directors Remuneration During the Year	99,250	49,363
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c. Short-Term Directors' Benefits

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

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

Loan and Advances to Directors and their Associates

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

d. Loan and Advances to Directors and their Associates	2024	2023
	GH¢	GH¢
Gross Amount at 1 January	-	-
Loans Disbursed	-	-
Interest Charged	-	-
Total	-	-
Cash Received	-	-
Net Movement in Overdraft Balances	-	-
Net Amount at 31 December	-	-

KWAEBIBIREM RURAL BANK PLC
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st December 2024

NOTES TO THE FINANCIAL STATEMENTS

e. Directors' shareholding

Name of Director	As At	Additions	As At	Percentage Holding (%)
	1-1-24	During 2024	31-12-24	
Carlos K. Ahenkorah	12,857,143	0	12,857,143	14.07%
Kwaku Owusu	42,996	0	42,996	0.05%
Kwaku Acheampong Ababio	20,060	0	20,060	0.02%
Ernest Ampofo	16,350	0	16,350	0.02%
Solomon Nyarko	6,136	0	6,136	0.006%
Monica Ankrah	0	50,000	50,000	0.05%
Total	12,942,685	50,000	12,992,685	14.21%

35a. Transactions with key management personnel

The Bank's key management personnel include directors (executive and non-executive) and members of the executive committee. Transactions in the normal course of business with these people who are hereby referred to as related party as follows:

	2024	2023
	GH¢	GH¢
	Closing Balance	Closing Balance
Loans and advances to key management personnel	349,846	267,270
Fixed deposits from key management personnel	-	-
	349,846	267,270

c. Maximum Amount of Loans Granted to Key Management During the Year

	Maximum Balance	Maximum Balance
Mortgage Lending and Other Secured Loans	-	-
Other Loans	-	-
	-	-

d. Key management personnel compensation for the year comprised

	1,012,398	858,600
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All transactions other than with related parties are priced in an arm's length basis and was entered into in the normal course of business.

e. Short-Term Employee Benefits

The Bank does not have any share options policy in place for its Key Management Personnel and other employees.

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

NOTES TO THE FINANCIAL STATEMENTS

f. Loans and Advances to Employees	2024	2023
	GH¢	GH¢
Balance at 1 January	1,249,272	920,714
Loans Advanced during the Year	1,077,500	1,114,100
Interest Charged	145,798	66,846
Loans Repayments/Interest Received	(1,051,575)	(852,388)
Balance at 31 December	1,420,995	1,249,272

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

g. List of Related Parties

DIRECTORS

NAMES	DESIGNATION	FROM	TO
CARLOS AHENKORAH KINGSLEY	DIRECTOR – CHAIRMAN	23-11-13	TO DATE
KWAKU ABABIO ACHEAMPONG	DIRECTOR	13-01-21	TO DATE
ERNEST AMPOFO	DIRECTOR	23-11-13	TO DATE
KWAKU OWUSU	DIRECTOR	23-11-13	TO DATE
SOLOMON NYARKO	DIRECTOR	22-06-15	TO DATE
MONICA ANKRAH	DIRECTOR	09-05-23	TO DATE

h. KEY MANAGEMENT PERSONNEL

NAMES	DESIGNATION	FROM	TO
PRINCE OBIRI YEBOAH	CEO	01-09-21	TO DATE
ABDULAI YUSSIF	HEAD OF OPERATIONS	04-05-15	TO DATE
SETH OBENG AMOH	BDM	01-12-11	TO DATE
ROBERT OSENE	HEAD OF ICT	03-15-10	TO DATE
ERNEST OHEMENG	HEAD OF CREDIT	03-07-20	TO DATE
PATRICK BENTSI FORSON	HEAD OF RISK & COM.	02-10-18	TO DATE
GEORGINA ADOMAKO NIMAKO	HEAD OF HR/ADMIN	02-07-13	TO DATE
ISAAC KWABI DONKOR	HEAD OF INTERNAL AUDIT	1-09-23	TO DATE
SYLVESTER GYAMFI	HEAD OF FINANCE	2-01-23	OCT, 2024

36. Capital Commitments

There were no capital commitments as of 31 December, 2024 (2023: Nil)

37. Country analysis

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

38. Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS

39. Value added statement	2024	2023
	GH¢	GH¢
Interest earned and other operating income	27,667,676	15,705,503
Direct cost of services	(2,792,039)	(1,710,257)
Other upfront expenditure	(5,114,045)	(4,077,953)
Value added by Banking services	19,761,592	9,917,293
Non-Banking Income	-	-
Impairments	(1,530,917)	(610,472)
Value Added	18,230,675	9,306,821

Distributed as follows:

To Employees: -

Directors (non-executives)	192,874	49,363
Other employees	6,649,601	4,718,030

To Government:

Income tax and levies	3,679,614	1,425,463
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To providers of capital: -

Dividends to shareholders	-	-
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To expansion and growth

Depreciation	436,078	381,750
Amortization	37,860	28,879

To the Company

Reserves	7,234,648	2,703,336
Value Added	18,230,675	9,306,821

SHAREHOLDER'S INFORMATION

40. Analysis of shareholdings as at 31 December, 2024 Number of shareholders

The Bank has two thousand, one hundred and three (2,103) ordinary shareholders at 31 December, 2024 distributed as follows:

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	1,455	540,761	0.59%
1,001-5,000	575	1,014,222	1.11%
5,001-10,000	36	228,370	0.25%
Over 10,000	37	89,614,591	98.05%
Total	2,103	91,397,944	100.00%

NOTES TO THE FINANCIAL STATEMENTS

41. Twenty (20) largest shareholders

	Name of Shareholder	Number of Shares	Percentage Holding (%)
1	ALBERTA ABOAGYE-KWARTENG	21,428,571	23.45
2	CARLOS KINGSLEY AHENKORAH	12,857,143	14.07
3	NANA AKUA AHENKORAH	12,857,143	14.07
4	CARLOKING SERVICES	12,857,143	14.07
5	S.D BOTCHWAY	547,570	0.60
6	RICHARD NWIAH	475,890	0.52
7	ACHEAMPONG MICHAEL	475,169	0.52
8	PRAMKESE COCOA FARMERS SHED 1	435,855	0.48
9	YORZIE MARTIN JOHN	426,502	0.47
10	SAMUEL YAW APPEATU	349,817	0.38
11	SABINA FAUSTINA JONES	255,960	0.28
12	ABUGRI FRAFRA	252,570	0.28
13	SAMUEL ADOMAKO TWUMASI	226,045	0.25
14	BARBARA OPOKU	226,044	0.25
15	OHENE ADDO DAVID	216,718	0.24
16	SAMPSON ASANTE	216,718	0.24
17	BARIMA OWUSU KONADU	214,253	0.23
18	DORA AFRA	213,250	0.23
19	FRANCIS PIRKUO	213,250	0.23
20	THOMAS KOFI ZEGAH	200,775	0.22

REPORTED TOTAL	64,946,386	71.06%
UNREPORTED TOTAL	26,451,558	28.94%
TOTAL	91,397,944	100%

PROXY FORM

Annual General Meeting to be held at Presbyterian Church Premises, Asuom on Friday, 28th November, 2025 at 10:00am.

I/WE.....

(BLOCK LETTERS)

I / We direct that my / our vote(s) be cast on the specific Resolutions as indicated by an X in appropriate spaces.

RESOLUTION	FOR	AGAINST
1. Receive the accounts 2. Appoint Directors in place of those retiring 3. To approve the Directors fees. 4. Authorize the Directors to fix the Auditors Remuneration. 5. To declare Dividend 6. Any Other Business		
..... SHAREHOLDER'S SIGNATURE		

Being a member / members of Kwaebibirem Rural Bank PLC hereby appoint

NAME:.....

Or falling him the duly appointed Chairman of the meeting as my / our proxy to vote for me / us on my / our behalf at the Annual General Meeting of the Bank to be held at Asuom, on Friday 28th November, 2025 at Presbyterian Church and at any adjournment thereof.

Dated this.....**day of**.....**2025**

NOTE

If you wish to insert in the blank on the above Proxy Form the name of any person who will attend the meeting and vote on your behalf, you may do so. If you do not insert a name, the Chairman of the meeting will vote on your behalf.