KWAHU PRASO RURAL BANK LIMITED

(Registration number CS200542018)

Financial statements
for the year ended 31 December 2024

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General Information

Company registration number	CS200542018
Directors	
	Mr. Michael Nii Kwadjo Martey
	Mr. Joseph Atta Appah
	Mr. Kwabena Safo-Adu
	Mr. Francis Adipah
Registered office	P. O. Box 29
	Nkawkaw
	Eastern Region, Ghana
Business address	EH-230-357-34
Bankers	ARB Apex Bank Limited
	GCB Bank PLC
	Afram Community Bank
Secretary	George Opoku-Agyemang
	c/o Cocoa Research Institute of Ghana
	P. O. Box 8
	New Tafo
Auditors	Crowe Veritas
	Chartered Accountants
	KV1 B.J. Da - Rocha Link
	Tesano, Near Abeka Junction
	P. O. Box CT 6372
	Cantonments
	Accra

Notice of the 28th Annual General Meeting

Notice is hereby given that the 28th Annual General Meeting of **Shareholders of Kwahu Praso Rural Bank Limited** will be held at the **PENTECOST CHURCH Premises, Kwahu Praso** on **Saturday, 26th July, 2025 at 9:00am**, to transact the following business:

1. To receive the report of the Chairman of the Board of Directors.

2. To receive and consider the report of the Directors, Statement of Accounts for the year ended 31st December 2024 and the Auditors Reports thereon.

3. To elect new Directors to replace those retiring.

4. To approve the remuneration of Directors.

5. To authorize the Directors to fix the remuneration of the Auditors.

6. Any other business.

Shareholders may appoint proxies to vote on their behalf and relative instrument must be deposited at the office of the Bank at Kwahu Praso not less than 48 hours before the meeting.

Copies of the Directors Report and Financial Statements are available for collection at the Bank's Head Office at Kwahu Praso and all the Branches.

By order of the Board.

....
George Opoku Agyeman
(Board Secretary)

Chairman's Report - 28th Annual General Meeting

INTRODUCTION

Nananom, the Managing Director, ARB Apex Bank PLC, President- Association of Rural Banks Eastern Chapter, fellow Directors, Distinguished Shareholders, Crowe Veritas-External Auditors, Staff, Distinguished invited guests, friends from the media, ladies and gentlemen. It is with much pleasure to welcome you all to the 28th Annual General Meeting of Shareholders of Kwahu Praso Rural Bank Ltd, and to present to you the financial report and other significant happenings of our Bank for the year ended 31st December 2024.

The Bank in the year 2024 made tremendous strides and progress in achieving its strategic objectives despite the challenging economic difficulties, emanating from effects of high inflation and unfavourable exchange rate.

ECONOMIC OVERVIEW

During the year under review, the financial sector experienced a number of challenges in the course of the year 2024. The table below summarizes some important economic indicators for the period in which the Bank operated.

INDICATORS	31ST DEC 2024	31ST DEC 2023
POLICY RATE	27%	21.5%
INFLATION	23.8%	23.2%
EXCHANGE RATE(USD)	14.78	11.88%
91-DAY T/BILL	27.73	23.34%
182-DAY T/BILL	29%	23.58%
1-YEAR NOTE	30.07	36.0%

The overall full year growth of the economy was 5.7% as compared to 2.9% for the year 2023.

THE BANKING INDUSTRY

In Ghana, the banking sector in 2024 generally showed positive performance particularly in Asset and Deposit growth, with some improvements in profitability and liquidity, indicating a strong financial position. Total assets grew by 42.4%, whiles total deposits increased from GH¢214.5 billion in 2023 to GH¢276.2 billion as at December 2024. The period recorded marginal decrease in lending rates, which was a positive sign for businesses and individuals to access credit.

However high inflation remained a concern, potentially impacting borrower's ability to repay loans and increasing risk of non-performing loans (NPL).

The ratio of NPL increased indicating potential challenges in asset quality.

The Domestic Debt Exchange Program(DDEP) still affected the banking industry, particularly capital and asset quality, although some of the impact had been phased over time.

Likewise, the Rural Banking industry's performance was good, as Banks remained liquid, profitable and well-capitalized, although they faced similar challenges.

OPERATIONAL/FINANCIAL PERFORMANCE

Distinguished Shareholders, in spite of the challenging operating environment that was experienced during the year under review, the Bank was able to chalk a significant performance. The table below illustrate highlights of performance for the reporting period.

Chairman's Report - 28th Annual General Meeting

INDICATOR	2024	2023	% CHANGE	REMARKS
Total Income	21,340,879	14,428,441	47.91%	Increased
Total Operating Cost	16,632,627	10,281,614	61.77%	Increased
Deposits	79,932,691	43,465,850	83.88%	Increased
Investments with Third Parties	59,198,110	27,195,588	117.67%	Increased
Loans and Advances	19,269,171	17,359,490	11%	Increased
Paid up Capital	1,267,902	1,239,491	2.29%	Increased
Capital Adequacy Ratio	13%	21%		Favourable
Cost to Income Ratio	78%	77%		Average
Profit Before Tax	4,708,252	2,870,061	64.05%	Increased
Profit After Tax	3,099,034	1,892,309	63.77%	Increased
Total Assets	92,674,366	52,279,780	77.27%	Increased

GROWTH

Distinguished Shareholders, the Bank was able to record profit before and after tax of GH¢4,708,252.00 and GH¢3,099,034.00 respectively in the year under review, representing 64.05% and 63.77% increase respectively over the previous year's figure, despite the economic challenges that affected businesses.
Total Income recorded an increase from GH¢14,428,441.00 in 2023 to GH¢21,340,879.00 in 2024, representing a percentage increase of 47.91%.

Total Assets increased from GH¢52,279,780.00 in 2023 to GH¢92,674,366.00 representing 77.27%.
Total Deposit base also increased to GH¢79,932,691.00 in 2024 as compared to GH¢43,465,850.00 in 2023, representing a remarkable 83.90% increase.

DEPOSIT MIX HIGHLIGHTS

ACCOUNT	YEAR 2024	YEAR 2023	% CHANGE	REMARKS
Savings	42,146,367	21,629,566	94.85%	Increased
Current	7,452,382	5,675,798	31.30%	Increased
Susu	18,825,347	9,347,288	101.40%	Increased
Fixed Deposit	11,518,593	6,813,198	69.06%	Increased
TOTAL	79,932,691	43,465,850	83.90%	Increased

LOANS AND ADVANCES

During the year under review, the Bank was able to grant a total loan of GH¢44,163,637.07 out of which GH¢ 24,600,772.82 was recovered, leaving a gross outstanding loan portfolio of GH¢19,562,864.25 which was still running.

Chairman's Report - 28th Annual General Meeting

The table below demonstrates the details.

SECTORS	AMOUNT GRANTED	% TOTAL LOANS
Microfinance	15,409,700.00	34.89%
Agriculture/Cocoa	11,444,000.00	25.91%
Trading/ Commerce	6,788,551.29	15.37%
Transport	1,446,450.00	3.27%
Cottage Industries	716,133.00	1.62%
Overdraft	1,204,000.00	2.73%
Others	7,154,802.78	16.21%
TOTAL	44,163,637.07	100%

Following our quest to improve the living standards of our customers, the Board and Management would continue to be prudent in granting good loan facilities to improve businesses and livelihood.
However, I would still entreat and appeal to recalcitrant loan defaulters to pay up their indebtedness to enable other potential loan customers to benefit from the Bank.

STATED CAPITAL
Distinguished Shareholders, stated capital of the Bank as at 31st December,2024 stood at GH¢ 1,267,231.63 as compared to the previous year's figure of GH¢1,233,342.00. We wish to humbly appeal to you to continuously purchase more shares to increase your share value, in order to insulate the Bank from future Bank of Ghana increment, as well as capitalizing the Bank to embark on expansion projects.

BONUS SHARE
The Board took the decision of declaring 10% of the year's profit after tax as Bonus Share, at GH¢0.10 per share. This amount would be used to purchase additional shares for shareholders. The proposal had been forwarded to Bank of Ghana for approval, and when granted it would be declared as such.
However all shareholders who are yet to receive their dividend for 2023 are entreated to provide the Bank with their account numbers so that their accounts could be credited with their dividend.

RELOCATION OF ANYINAM BRANCH/ INFRASTRUCTURE DEVELOPMENT AND EXPANSION
Due to termination of rent contract at Anyinam branch, it became imperative to obtain a new premises for the branch. I am happy to announce that the branch is currently operating in a newly refurbished structure.
The Board and Management would also ensure that all branches are given the necessary facelift to portray captivating aesthetics at all times.

HUMAN CAPITAL
As a strong bank, we would continue to place critical premium and importance on human capital as the most essential resource. Hence, we would invest always in skilled staff development, motivation and team building for the desired growth.
The Board would also support the staff welfare in ensuring employee wellness, recreation and medical activities, all geared towards improving employee engagement and productivity.
However the Board would not relent in its effort to ensure high standards of professionalism and discipline among the staff in the discharge of their duties.

CORPORATE SOCIAL RESPONSIBILITY
As part of the Bank's policy to give a portion of our profit back to society in which we serve and operate, the Bank continued to support a number of social intervention activities within its area of operation during the period under review. The following were some of the activities we sponsored:
1. Cash and assorted items donated to Nkwatia SOS Orphanage Village.

2. Contributions were made towards the orientation programs for newly trained teachers in various Districts in the catchment area.
3. Contributions were made towards Farmers Day Celebrations in five (5) Municipal and District Assemblies where the Bank operates.
4. Donation made towards School Speech Days and sports programs.
5. Cash donations to District Education Directors to attend conference.

DIRECTORSHIP
Ladies and Gentlemen, during the year under review, the composition of Board of Directors failed to meet the minimum number of five(5), due to delays in approval by Bank of Ghana. Although two approvals were granted, the required number could not be met which resulted in constraints in the discharge of duties.
I also wish to report that two(2) interested persons who were elected at last years AGM were yet to be approved by Bank of Ghana.

ACHIEVEMENTS
Apex Bank Ratings
It is pleasant to report that during the year 2024, the ARB Apex Bank quarterly Performance Rating still rated the Bank as Strong.

Ghana Club 100 Award
I am pleased to announce that our Bank was still among the best 100 companies in Ghana placing 77th position during the 21st edition of the Ghana Club 100 Awards, organised by Ghana Investment Promotion Centre.
Also our CEO was awarded by Ghana Industries and Manufacturing Awards(GIMA), for Most Outstanding Personality in Rural Banking. I would take this opportunity to applaud the Board, Management and Staff for sustaining their achievements.

OUTLOOK
Ladies and Gentlemen, in spite of the challenges the banking sector and the economy is facing, our Bank would continue to strive and prevail all obstacles. We are very optimistic in the years to come, because we shall explore other opportunities for sustainable growth. The focus for our growth strategy in the ensuing year includes but not limited to the following:
- To ensure the full implementation of the newly introduced Agency Banking concept.
- To introduce more clients unto the digital banking platforms like the USSD and GhanaPay.
- To streamline banking operations to ensure efficiency.
- To sustain our status as a strong Bank.
- To grow and further expand the beneficiaries of our cocoa and agric program and expand it to other communities.
- To develop new products and services in order to expand our income portfolio.
- To develop and deepen ICT infrastructure to drive growth.
- To improve upon the Bank's capitalization through increase of sale of shares.
- To enhance employee development and motivation.
- To improve tremendously customer service delivery.
- To maintain the principles of strong governance by adopting best practices according to guidelines in the Bank of Ghana Corporate Governance for RCBs.

Chairman's Report - 28th Annual General Meeting

ACKNOWLEDGEMENT / CONCLUSION

Nananom, Distinguished Shareholders, Ladies and Gentlemen, on behalf of the Board, I wish to express my profound appreciation to all Shareholders for your continuous support and encouragement.
To our cherished customers, the bank still owes you deep appreciation for your loyalty and continual doing business with the bank regardless of the competition.

Lastly, I commend the Board of Directors, Management and staff of the Bank for their various vital roles played by all to make the bank an award winning institution and a strong bank. I am confident that we can continue to count on your reliability and hard work in the ensuing years.

Thank you for your attention and May God bless us all.

Mr Joseph Atta Appah
(Board Chairman, Kwahu Praso Rural Bank Ltd)

Directors' Responsibilities and Approval

The directors are required by the Companies Act 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company’s business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company’s cash flow forecast for the year to 31 December 2025 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 13 to 15

The financial statements set out on pages 16 to 45, which have been prepared on the going concern basis, were approved by the board of directors on 30 April 2025 and were signed on their behalf by:

Mr. Michael Nii Kwadjo Martey

Mr. Joseph Atta Appah

Directors' Report

The directors have the pleasure in submitting their report on the financial statements of Kwahu Praso Rural Bank Limited for the year ended 31 December 2024.

1. Incorporation

The company was incorporated on 10 June 1982 and obtained its certificate to commence business on the 21 February 1983.

2. Nature of business

Kwahu Praso Rural Bank Limited was incorporated in Ghana with interests in the Banking industry. The company operates in Ghana.

The principal activities of Kwahu Praso Rural Bank Ltd are the following:

(a) To provide current and deposit account for its customers

(b) To accept and discount bills of exchange

(c) To act as agent of the other financial institutions in the country

(d)To provide savings and time deposits account for its customers

(e) To accept securities for safe-custody

(f) To act as executors or trustees of wills of small-scale farmers and small merchants

(g) To provide finance for small scale farmers, merchants, industrialists and co-operatives of such farmers and merchants and industrialists resident in the catchment area of Kwahu Praso Rural Bank

(h) To engage in other commercial or industrialist enterprises in the locality

There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with International Financial Reporting Standards and the requirements of the Companies Act 2019 (Act 992). The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the year ended 31 December 2024 of GH¢ 3,099,034. This represented an increase of 63% from the net profit after tax of the prior year of GH¢1,892,309.

Company revenue increased by 41% from GH¢10,206,776 in the prior year to GH¢14,412,541 for the year ended 31 December 2024

Company cash flows from operating activities increased by 224% from GH¢11,915,753 in the prior year to GH¢38,610,862 for the year ended 31 December 2024.

The Bank's financial statement highlights for the year 2024, compared to the prior year (2023) are as follows:

Directors' Report

3. Review of financial results and activities (continued)

INCOME STATEMENTS	2024	2023	% Change	Increase/Decrease
Interest Income	10,607,018	7,681,114	38%	Increase
Other Operating Income	10,733,861	6,747,327	59%	Increase
Interest Expense	(1,440,646)	(970,084)	48%	Increase
Total Operating Expense (including depreciation)	(15,191,981)	(10,588,296)	43%	Increase
Net Profit before Tax	**4,708,252**	**2,870,061**	**64%**	
STATEMENT OF FINANCIAL POSITION				
Total Assets	92,674,366	52,279,780	77%	Increase
Total Liabilities	83,449,144	45,904,308	81%	Increase
Shareholders' Funds	9,225,222	6,375,472	45%	Increase
Investments with Third Parties	59,198,110	27,195,588	117%	Increase
Capital Adequacy Ratio	13%	21%		

4. Stated capital

	2024	2023
Authorised	**Number of shares**	
Ordinary shares	10,000,000	10,000,000

	2024	2023	2024	2023
Issued	**GH¢**	**GH¢**	**Number of shares**	
Ordinary shares	1,189,492	1,050,000	2,525,014	2,525,014

There have been no changes to the authorised or issued share capital during the year under review.

5. Deposit for (ordinary) shares

	2024	2023
Ordinary shares	78,410	183,342

6. Dividends

The Bank's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

7. Directorate and interest register

The directors in office at the date of this report are as follows:

Directors	Designation	Nationality	Changes
Mr. Michael Nii Kwadjo Martey	Chairman	Ghanaian	
Mr. Joseph Atta Appah	Non-executive	Ghanaian	
Mr. Kwabena Safo-Adu	Non-executive	Ghanaian	
Mr. Francis Adipah	Non-executive	Ghanaian	

Directors' Report

7. Directorate and interest register (continued)

Top ten(10) Shareholders

	No. of shares
Michael Nketia Frempong	300,000
Eric Kwakye Darfour	65,167
M. N. K. Martey	43,596
Safo Adu	42,839
Fred Adu Dwomor	42,523
Nkwatia Stool Elder	40,000
J. K. Mensah Boakye	39,256
Joseph Kwasi Asiamah	35,542
J. K. Nkrumah	24,111
Asempa Kwabena	22,755

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Bank had an interest and which significantly affected the business of the Bank.

9. Interests in other entities

There were no significant acquisitions or divestitures during the year ended 31 December 2024.

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

13. Terms of appointment of the auditors

Crowe Veritas were appointed as the company's auditors at the general meeting. Included in profit for the year is the agreed auditors' remuneration (incl. VAT & Levies) of GH¢42,415.

Directors' Report

14. Corporate social responsibility

The Bank carried out some corporate social responsibility in the year. Beneficiaries included Nkwatia children's home, and Asante Akyem Central Municipal Assembly during their festival celebration. The bank also made donations to Nkwatia palace, Ghana National Fire Service, Regional Directorate, GES, Nana Ampadu Memorial DA School, Kwahu South Municipal Education, Atiwa East Education Office as well as to Kwahu West Municipal Assembly and Kwahu East District Assembly.

15. Capacity building of directors

As a measure to advance the technical capacity and knowledge of the directors, the directors attended training, seminars and conferences organised by the Bank of Ghana, Apex Bank as well as external persons to equip the directors with the requisite skills and knowledge to discharge their duties as required of them by law. During the year there was training on Agency banking, Customer demographics, Labour Act, Corporate Governance certification and financial crime mitigation..

The financial statements set out on pages 16 to 45, which have been prepared on the going concern basis, were approved by the board of directors on 30 April 2025, and were signed on its behalf by:

Mr. Michael Nii Kwadjo Martey	**Mr. Joseph Atta Appah**
Board chairman	**Director**

Crowe

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF KWAHU PRASO RURAL BANK LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion
We have audited the financial statements of Kwahu Praso Rural Bank Limited set out on pages 12 to 43, which comprise statement of profit or loss and other comprehensive income for the year ended 31 December 2024, the statement of financial position as at 31 December 2024, and the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Kwahu Praso Rural Bank Limited as at 31 December 2024 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Anti-Money Laundering Act, 2008 (Act 749) and the requirements of the Companies Act, 2019 (Act 992).

Basis for opinion
We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the company in accordance with the International Standards Codes of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standard Board for Accountants (IESBA) and the independence requirement of section 143 of the Companies act, 2019 (Act 992). We have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Other information
The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, 2019 (Act 992), which we obtained prior to the date of this report. Other information 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 an audit opinion or any form of assurance conclusion thereon.

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

Crowe

Responsibilities of the directors for the financial statements
The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and the Specialised Deposit-Taking Institutions Act, 2019 Insurance Act 2021 (Act 1061), 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 company'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 company or to cease operations, or have no realistic alternative but to do so.

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 International Standards on Auditing 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 International Standards on Auditing, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the 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 company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Crowe

Report on other legal and regulatory requirements

In accordance with section 137 and the Seventh Schedule of the Companies Act, 2019 (Act 992), (the "Act") we confirm that in carrying out the audit:

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

(ii) In our opinion proper books of account have been kept by the Bank so far as it appeared from our examination of those books and proper returns adequate for the purpose of the audit have been receive from the branches;

(iii) The statement of financial position and the statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the accounting records;

(iv) In our opinion and to the best of our information and according to the explanation given to us, the accounts give the information required by the Act in the manner so required and give a true and fair view, in the case of the:

(a) Statement of financial position, of the state of affairs of the company at the end of the financial year, and
(b) Profit and loss account and other comprehensive income for the year, and

(v) We are independent of the company pursuant to Section 143 of the Act.

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

(i) The financial statements give a true and fair view of the state of affairs as at 31 December 2024 of the Bank and the results for the year then ended

(ii) We obtained all the information and explanation required for the efficient performance of the audit

(iii) The transactions of the Bank were within the powers of the Bank

(iv) In our opinion, the bank has generally complied with the provisions of the Anti-Money Laundering Act 2008, (Act 749) and Anti-Terrorism Act 2008 (Act 762) and the regulations made under these enactments.

The engagement partner on the audit resulting in this independent auditor's report is Anthony Danquah (ICAG/P/1045)

Crowe Veritas

For and on behalf of Crowe Veritas (ICAG/F/116)
Chartered Accountants
Accra, Ghana

..30......April 2025

Statement of Profit or Loss and Other Comprehensive Income

Figures in Cedi	Note(s)	2024	2023
Interest income	3	10,607,018	7,681,114
Interest expense	4	(1,440,646)	(970,084)
Net interest income		**9,166,372**	**6,711,030**
Fees and commission income	5	2,358,563	1,949,235
Other operating income	6	8,375,298	4,798,092
Loss allowance on loans & advances	7	(187,069)	(267,431)
Operating expense	8&9	(14,855,668)	(10,281,614)
Operating profit		**4,857,496**	**2,909,312**
Finance costs	10	(149,244)	(39,251)
Net profit before taxation		**4,708,252**	**2,870,061**
Taxation	11	(1,609,218)	(977,752)
Net profit after tax transferred to retained income		**3,099,034**	**1,892,309**

The accounting policies on pages 20 to 29 and the notes on pages 30 to 45 form an integral part of the financial statements.

Statement of Financial Position as at 31 December 2024

Figures in Cedi	Note(s)	2024	2023
Assets			
Cash and cash equivalents	12	8,714,550	4,867,416
Financial assets held at amortised cost	13	59,198,110	27,195,588
Loans and advances to customers	14	19,269,171	17,359,490
Current tax receivable	22	41,522	-
Other assets and receivables	15	1,095,040	625,911
Available-for-sale financial assets	16	110,154	72,654
Deferred tax	17	-	95,571
Property, plant and equipment	18	4,161,502	1,976,463
Intangible assets	19	84,317	86,687
Total Assets		**92,674,366**	**52,279,780**
Equity and Liabilities			
Liabilities			
Customers' deposits payable	20	79,932,691	43,465,850
Borrowings	25	387,853	-
Accounts payable	21	1,438,932	925,393
Current tax payable	22	44,426	268,237
Deferred income	23	-	1,174,434
Borrowings	25	1,422,126	-
Staff retirement fund	26	149,115	70,394
Deferred tax	17	74,001	-
Total Liabilities		**83,449,144**	**45,904,308**
Equity			
Stated capital	27	1,189,492	1,050,000
Deposit for shares	28	78,410	183,342
Reserves (Statutory and capital)	29&30	1,823,015	1,435,636
Retained earnings		6,134,305	3,706,494
		9,225,222	6,375,472
		9,225,222	**6,375,472**
Total Equity and Liabilities		**92,674,366**	**52,279,780**

The financial statements and the notes on pages 16 to 45 were approved by the board of directors on the 30 April 2025 and were signed on its behalf by:

Mr. Michael Nii Kwadjo Martey | **Mr. Joseph Atta Appah**

The accounting policies on pages 20 to 29 and the notes on pages 30 to 45 form an integral part of the financial statements.

Statement of Changes in Equity

Figures in Cedi	Ordinary shares	Capital reserve	Statutory reserve	Total reserves	Retained income	Total attributable to equity holders of the bank	Deposits for shares	Total equity
Balance at 01 January 2023	**1,050,000**	**39,404**	**1,159,693**	**1,199,097**	**2,050,724**	**4,299,821**	**138,972**	**4,438,793**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**1,892,309**	**1,892,309**	**-**	**1,892,309**
Issue of shares	-	-	-	-	-	-	44,370	44,370
Transfer between reserves	-	-	236,539	236,539	(236,539)	-	-	-
Total contributions by and distributions to owners of company recognised directly in equity	**-**	**-**	**236,539**	**236,539**	**(236,539)**	**-**	**44,370**	**44,370**
Balance at 01 January 2024	**1,050,000**	**39,404**	**1,396,232**	**1,435,636**	**3,706,496**	**6,192,132**	**183,342**	**6,375,474**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**3,099,034**	**3,099,034**	**-**	**3,099,034**
Issue of shares	-	-	-	-	-	-	34,560	34,560
Transfer between reserves	-	-	387,379	387,379	(387,379)	-	-	-
Deposit for shares registered	139,492	-	-	-	-	139,492	(139,492)	-
Dividends	-	-	-	-	(283,846)	(283,846)	-	(283,846)
Total contributions by and distributions to owners of company recognised directly in equity	**139,492**	**-**	**387,379**	**387,379**	**(671,225)**	**(144,354)**	**(104,932)**	**(249,286)**
Balance at 31 December 2024	**1,189,492**	**39,404**	**1,783,611**	**1,823,015**	**6,134,305**	**9,146,812**	**78,410**	**9,225,222**
Note(s)	27		29					

The accounting policies on pages 20 to 29 and the notes on pages 30 to 45 form an integral part of the financial statements.

* The translation deficit represents the cumulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary companies, and also the long term loan to a subsidiary company, to the reporting currency.

Statement of Cash Flows

Figures in Cedi	Note(s)	2024	2023
Cash flows from operating activities			
Profit before taxation		4,708,252	2,870,061
Adjustments for non-cash items:			
Depreciation and amortisation		808,520	406,995
Gains on sale of assets and liabilities		(145,556)	-
Changes in working capital:			
Decrease in other assets		(656,198)	57,739
Increase (decrease) in other liabilities		513,539	41,043
Increase in customer deposits		36,466,841	9,475,065
Increase (decrease) in deferred income		(1,174,434)	127,333
Increase in staff retirement fund		78,721	8,435
Cash generated from operations		**40,599,685**	**12,986,671**
Interest income		-	-
Finance costs	10	-	-
Dividends paid		(283,846)	-
Tax paid	31	(1,704,979)	(1,070,918)
Net cash from operating activities		**38,610,862**	**11,915,753**
Cash flows from investing activities			
Purchase of property, plant and equipment	18	(2,798,099)	(1,456,104)
Proceeds from sale of property, plant and equipment	18	150,000	-
Purchases of intangible assets	19	(10,465)	-
Loan advances receivable from customers (at amortised cost)	14	(1,909,681)	(4,013,873)
Purchases of Available-for-sale (investments)	16	(37,500)	(31,250)
Net cash from investing activities		**(4,605,745)**	**(5,501,227)**
Cash flows from financing activities			
Proceeds from issued shares	27	139,492	-
Deposits for shares	27	(104,932)	44,370
Cash receipt from borrowed funds	25	1,809,979	(486,100)
Net cash from financing activities		**1,844,539**	**(441,730)**
Total cash movement for the year		**35,849,656**	**5,972,796**
Cash and cash equivalents at the beginning of the year		32,063,004	26,090,208
Cash and cash equivalents at the end of the year	12	**67,912,660**	**32,063,004**

The accounting policies on pages 20 to 29 and the notes on pages 30 to 45 form an integral part of the financial statements.

Accounting Policies

Corporate information

Kwahu Praso Rural Bank Limited is a private limited company incorporated and domiciled in Ghana with registration number CS200542018. The company was incorporated on 10 June 1982 and issued with certificate to commence business on 21 February 1983. The Bank has its registered office at Kwahu Praso in the Eastern Region of Ghana.

Principal activity

The principal activities of Kwahu Praso Rural Bank Ltd are the following:
(a) To provide current and deposit account for its customers
(b) To accept and discount bills of exchange
(c) To act as agent of the other financial institutions in the country
(d)To provide savings and time deposits account for its customers
(e) To accept securities for safe-custody
(f) To act as executors or trustees of wills of small-scale farmers and small merchants
(g) To provide finance for small scale farmers, merchants, industrialists and co-operatives of such farmers and merchants and industrialists resident in the catchment area of Kwahu Praso Rural Bank
(h) To engage in other commercial or industrialist enterprises in the locality

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 2019 (Act 992) as amended and the Banks and Specialized Deposit Taking Institution Act, 2016 (Act 930).

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Cedis, which is the company's functional currency.

These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

Accounting Policies

Fair value estimation

Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.

Observable market data is used as inputs to the extent that it is available.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use or for rental to others and which are expected to be used for more than one year.

An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate..

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Bank from either their use or disposal. Gains or losses on derecognition of an item of property and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, except for land which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Amounts recognised in the revaluation reserve are not distributable to shareholders.

Revaluations are made based on management's assessment that this interval will ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting .

Gains and losses on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, losses are recognised in profit or loss to the extent that they exceed amounts previously accumulated from gains in equity. Subsequent gains are recognised in profit or loss to the extent that they reverse revaluation decreases of the same asset previously recognised in profit or loss.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

Accounting Policies

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Rate
Bank premises	Straight line	5%
Managers bungalow	Straight line	5%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Equipment	Straight line	20%
Generator	Straight line	20%
Computer	Straight line	33%
Bank office improvement cost	Straight line	20%
Bungalow furniture & fittings	Straight line	20%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.4 Intangible assets

Intangible assets comprise computer software licenses. Intangible assets are initially recognised at cost.

Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.

Amortisation is provided to write down the intangible assets, on a straight line basis.

Intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.

The useful life and amortisation method of intangible assets are reviewed at the end of each reporting . No material changes were made.

There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.5 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments at fair value through profit or loss which exclude transaction costs.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The material accounting policies for each type of financial instrument held by the company are presented below:

Loans receivable at amortised cost

Management have assessed and classified advances to banks, loans and advances to customers, loans to directors, managers and employees, and loans & advances to customers as financial assets at amortised cost.

Loans and receivables comprise cash and cash equivalents, advances to Banks, loans and advances to customers and other assets.

Loans and receivables are initially recognized at fair value plus incremental direct transaction costs and are subsequently measured at amortized cost using the effective interest method less any impairment losses..

Accounting Policies

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.

Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.

Gains or losses arising on the derecognition of loans receivable are included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables

Other assets and receivables, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

The accounting policy for impairment of other assets and receivables is set out in the loss allowances and write offs accounting policy.

Impairment of financial assets

Loss allowances are recognised for expected credit losses on [list all the financial assets for which expected credit losses are recognised on financial assets measured at amortised cost, financial assets at fair value through other comprehensive income, trade and other receivables, and contract assets.

A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

All other loss allowances are measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk (risk of default) since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments. This means that at each reporting date, the ECL for a specific instrument will either be based on lifetime ECL or 12 month ECL depending on the credit risk at reporting date compared to the credit risk at initial recognition.

Irrespective of the outcome of the above assessment, the credit risk on an instrument is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

By contrast, if an instrument is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk of the receivable has not increased significantly since initial recognition.

The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

Accounting Policies

As an exception, for investments at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income and accumulated in the reserve for valuation of financial instruments, rather than through a loss allowance account. The movement in loss allowance is recognised in profit or loss.

The company writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the company's recovery procedures. Any recoveries made are recognised in profit or loss.

Assets classified as available-for-sale

Available-for-sale financial assets comprise investment in equity securities.

These assets are initially measured at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, they are initially measured at fair value and changes therein are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in the fair value reserve is reclassified to profit or loss. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost.

The Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. In general, the Bank considers a decline of 20% to be significant and a period of nine months to be prolonged. However, in specific circumstances a smaller decline or a shorter period may be appropriate.

Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through other comprehensive income.

(c) Renegotiated loans

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized.

If the cash flows of the renegotiated asset are substantially different, then the contractual rights to cash flows from the original financial asset is derecognized and the new financial asset is recognized at fair value. The impairment loss before an expected restructuring is measured as follows:

If the expected restructuring will not result in derecognition of the existing asset then the estimated cash flows arising from the modified financial asset are included in the measurement of the existing asset based on their expected timing and amounts discounted at the original effective interest rate of the existing financial asset.

If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Accounting Policies

Trade and other payables

Customers' deposits payable, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

For customers' deposits payable which contain a significant financing component, interest expense is calculated using the effective interest method, and is included in profit or loss.

Financial liabilities at fair value through profit or loss

Financial liabilities which are held for trading are mandatorily measured at fair value through profit or loss.

Fair value gains or losses on these liabilities are recognised in profit or loss.

For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of financial instruments. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.

Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

The changes in fair value attributable to changes in own credit risk which accumulated in equity are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. For the purposes of the Statement of Cash Flows, Cash and Cash equivalents comprise cash on hand, deposits held at the banks and investments in money market instruments and bank balance.

Derecognition

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification

The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.

Financial liabilities are not reclassified.

Accounting Policies

1.6 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.

Deferred tax is not raised on the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss), nor gives rise to equal taxable and deductible temporary differences at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses

The income tax expense consists of current and deferred tax. It is recognised in profit or loss, except for the tax on transactions recognised directly in equity or other comprehensive income. Tax on these transactions is also recognised in equity or other comprehensive income.

1.7 Leases

The Bank assesses whether a contract is, or contains a lease, at the inception of the contract.

Company as lessee

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

Accounting Policies

Lease liability

Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

Right-of-use assets

Right-of-use assets are presented as a separate line item on the Statement of Financial Position.

They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

As an exception, when the underlying assets are land and buildings, the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the company. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.

Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Company as lessor

Leases for which the Bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases

Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.

Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.8 Impairment of assets

Management assesses, at the end of each reporting period, whether there is any indication that property, plant and equipment and intangible assets may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.

Accounting Policies

An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.

Impairment losses are recognised immediately in profit or loss.

1.9 Stated capital and equity

Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

(a) **Ordinary shares** are recognised at no par value and classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

(b) **Dividends on ordinary shares** are recognised in equity and as a liability in the company in the period in which they are approved by the shareholders. Dividend proposed are disclosed as a note in the financial statement.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits, which consist of those payable within 12 months after the service is renderd [such as paid annual leave and sick leave, bonuses, and medical care], are recognised in the period in which the service is rendered and are not discounted.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a constructive obligation to make such payments as a result of past performance.

Social security contributions

The company contributes to a defined contribution pension/retirement scheme that is regulated by the National Pension Act, 2008 (Act 766). Under this law the total contribution is made up of the first tier managed by the Social Security and National Insurance Trust (SSNIT) and the second tier managed by an appointed licensed trustee, Glico Pension Trustee Company Limited. The company's obligation is therefore limited to the required contributions and the pension and retirement liabilities and obligations rest with the Social Security & National Insurance Trust (SSNIT) and the appointed licensed trustee.

1.11 Provisions and contingencies

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.

There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

1.11 Provisions and contingencies (continued)

Provisions are not recognised for future operating losses.

1.12 Revenue from contracts with customers

The Bank's recognises revenue as follows:
- Interest income
- Dividend income
- Fees and commission

Accounting Policies

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

Interest income

Interest income from investment is recognized when it is probable that the economic benefits will flow to the Bank and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Dividend income

Dividend income are recognised when the entity's right to receive payment is established.

Fees and commission

Fees and commission income and expenses that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income and expenses are recognised on an accrual basis when the related services are performed. Loan commitment fees for loans that are not likely to be drawn down are deferred, together withrelated direct costs and recognized on a straight line basis over the commitment period. Other fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are performed.

1.13 Interest expense

Interest expense are recognised in profit or loss using the effective interest metehod. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation includes all transaction costs, fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributal to the acquisition or issue of a financial liability.

Interest expense presented in the statement of profit or loss includes interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. Once a financial asset or a group of similar financial assets have been written down as aresult of an impairment loss, interest income is recognised using the rate used to discount future cash flows for the purpose of measuring the impairment loss..

1.14 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

Figures in Cedi	2024	2023

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Supplier finance arrangements - amendments to IAS 7 and IFRS 7	01 January 2024	The impact of the amendments is not material.
• Non-current liabilities with covenants - amendments to IAS 1	01 January 2024	The impact of the amendments is not material.
• Lease liability in a sale and leaseback	01 January 2024	The impact of the amendments is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2025 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2099	Unlikely there will be a material impact
• IFRS 19 Subsidiaries without Public Accountability: Disclosures	01 January 2027	Unlikely there will be a material impact
• IFRS 18 Presentation and Disclosure in Financial Statements	01 January 2027	Unlikely there will be a material impact
• Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments.	01 January 2026	Unlikely there will be a material impact
• Lack of exchangeability - amendments to IAS 21	01 January 2025	Unlikely there will be a material impact

3. Revenue

	2024	2023
Interest from loans and advances		
Loans	10,147,759	7,378,301
Overdraft	262,841	217,766
Interest on overdue account	196,418	85,047
	10,607,018	**7,681,114**

Notes to the Financial Statements

4. Interest expense

Interest on fixed deposits		1,049,599	736,622
Interest on savings		391,047	233,462
		1,440,646	**970,084**

5. Fees and commission income

Commitment and processing fees		1,062,449	759,203
Commissions received		1,296,114	1,190,032
		2,358,563	**1,949,235**

6. Other operating income

Gains (losses) on disposals, scrappings and settlements			
Property, plant and equipment	18	145,556	-
Interests on Investment:			
Treasury bills		7,602,322	4,155,034
ARB Apex Placement - ACOD		627,420	643,058
		8,229,742	**4,798,092**
Total other operating gains (losses)		**8,375,298**	**4,798,092**

7. Provision for impairment on loans

Balance as at 1st January		695,749	478,937
Increase in provision for impairment		187,069	267,431
Bad debt write-off		(1,476)	(50,619)
		881,342	**695,749**

8. Depreciation and amortisation

Depreciation			
Property, plant and equipment		608,616	397,417
Amortisation			
Intangible assets		12,835	9,577
Total depreciation, amortisation and impairment			
Depreciation		608,616	397,417
Amortisation		12,835	9,577
		621,451	**406,994**

Notes to the Financial Statements

9. Other operating expenses

Salaries	4,085,010	2,869,265
Employer's contribution	490,057	334,020
Provident fund	224,434	135,985
Staff bonus	661,027	439,470
Staff training and development	454,833	168,791
Staff retirement	181,000	120,000
Other staff cost	1,545,650	1,008,141
Directors' remuneration	55,300	57,600
Audit fees (VAT & levies incl.)	42,415	25,358
Audit expenses	71,637	70,959
Board meeting expenses	303,398	322,227
Rent	218,645	134,856
Medical expenses	57,654	41,475
Travelling expenses	462,015	240,946
Printing & stationery	231,426	190,232
Repairs & Maintenance	455,182	394,609
Postage, telephone & telegram	79,935	58,536
Insurance	199,406	136,613
Insurance expense (GDPC)	130,394	100,084
Electricity & Water	239,486	210,490
Advertising & Publicity	48,549	18,078
Subscriptions	35,153	27,383
Donations & Charitable contributions	22,790	60,470
Police guard	129,837	155,984
Specie expenses	34,290	18,590
Motor vehicle running cost	559,140	471,135
Generator running cost	102,242	47,048
Fines & Penalty	460,401	-
Cleaninig & sanitation	103,971	81,685
Computerisation expenses	533,657	419,094
Business promotion	191,904	132,884
Legal fees	12,881	2,080
Microfinance expenses	349,067	274,545
Bank charges	32,202	33,301
Annual General Meeting	95,688	75,680
Loan recovery expenses	50,717	36,935
Funeral grant	7,700	6,000
Cashier efficiency allowance	20,006	6,100
Susu collection expenses	767,440	510,242
Rates	22,500	31,538
Defalcation write-off	-	5,847
Impairment losses on investment	400,344	400,344
Consultancy	16,050	-
Entertainment	48,784	-
	14,234,217	**9,874,620**

Operating expense summary		
Depreciation & amortization (NOTE 8)	621,451	406,994
Other operating expense (NOTE 9)	14,234,217	9,874,620
	14,855,668	**10,281,614**

Notes to the Financial Statements

10. Finance costs

Interest paid	149,244	39,251

This represents an interest on loan facility with ARB Apex Bank Ltd & Rural Enterprise Development Fund.

11. Taxation

Major components of the tax expense

Current		
Corporate income tax - current period	1,204,233	884,223
Growth and sustainability levy	235,413	109,014
	1,439,646	**993,237**
Deferred		
Movement in deferred tax	169,572	(15,485)
	1,609,218	**977,752**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	4,708,252	2,870,061
Tax at the applicable tax rate of 25% (2023: 25%)	1,177,063	717,515
Tax effect of adjustments on taxable income		
Non-deductible expenses	358,865	321,191
Deferred tax effect	169,572	(15,485)
Tax incentives not recognised in income statement	(331,695)	(154,483)
Growth & sustainability levy	235,413	109,014
	1,609,218	**977,752**

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	4,361,923	2,361,052
Bank (Current accounts) balance	595,711	345,782
5% Reserve (ARB Apex Bank)	3,756,916	2,160,582
	8,714,550	**4,867,416**

13. Financial assets held at amortised cost

Investments held by the company which are measured at fair value, excluding debt instruments measured at fair value through other comprehensive income are as follows:

Notes to the Financial Statements

Designated at fair value through profit or loss:		
GoG Bonds	1,000,000	1,000,000
ARB Apex Bank - ACOD	6,300,000	2,370,000
Gold Coast Bank Capital Ltd	1,601,376	2,001,720
GoG Teasury bills	50,296,734	21,823,868
	59,198,110	**27,195,588**

14. Loans & advances to customers

Loans & advances to customers are presented at amortised cost, which is net of loss allowance, as follows:

Loans (individual)	10,919,816	8,568,152
Principal in arrears	1,043,248	1,364,439
Others	5,893,356	6,063,110
Private/Public enterprise	1,706,444	1,509,835
Interest in arrears	168,398	201,971
Commission accrued	419,251	347,732
Provision for impairment	(881,342)	(695,749)
	19,269,171	**17,359,490**

Split between non-current and current portions

Current assets	19,269,171	17,359,490

Exposure to credit risk

Loans & advances to customers inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Notes to the Financial Statements

Credit loss allowances

The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans & advances to customers by credit rating grade:

2024

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans (individual)	Bank of Ghana	10,919,816	-	10,919,816
Principal in arrears	Bank of Ghana	1,043,248	-	1,043,248
Others	Bank of Ghana	5,893,356	-	5,893,356
Private/Public	Bank of Ghana	1,706,444	-	1,706,444
Interest in arrears		168,398	-	168,398
Commission accrued		419,251	-	419,251
Provision for impairment		-	(881,342)	(881,342)
		20,150,513	**(881,342)**	**19,269,171**

2023

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans (individual)	Bank of Ghana	8,568,152	-	8,568,152
Principal in Arrears	Bank of Ghana	1,364,439	-	1,364,439
Others	Bank of Ghana	6,063,110	-	6,063,110
Private/Public Enterprise	Bank of Ghana	1,509,835	-	1,509,835
Interest in arrears		201,971	-	201,971
Commission accrued		347,732	-	347,732
Provision for impairment		-	(695,749)	(695,749)
		18,055,239	**(695,749)**	**17,359,490**

15. Other assets and receivables

Stationery	173,455	124,528
Other receivables	29,148	94,839
Prepayments	892,437	406,544
Total other assets and receivables	**1,095,040**	**625,911**

16. Available for sale financial assets

ARP Apex Bank	110,154	72,654
This is investment in equity with Apex Bank stated at cost.		

Split between non-current and current portions

Current assets	110,154	72,654

Notes to the Financial Statements

Figures in Cedi	2024	2023

17. Deferred tax

Deferred tax liability

Property plant and equipment	(74,001)	95,571

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(74,001)	95,571

Reconciliation of deferred tax asset / (liability)

At beginning of year	95,571	80,086
Charged/(Credit) to P/L	(169,572)	15,485
	(74,001)	**95,571**

18. Property, plant and equipment

	2024			2023		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Bank Premises	200,855	(110,249)	90,606	200,855	(100,206)	100,649
Bank office renovation	1,448,021	(535,417)	912,604	1,059,016	(361,059)	697,957
Generator	276,260	(186,254)	90,006	276,260	(177,070)	99,190
Furniture and fixtures	485,698	(267,120)	218,578	429,452	(225,031)	204,421
Motor vehicles	3,221,768	(865,778)	2,355,990	1,222,824	(750,993)	471,831
Equipment	715,475	(388,910)	326,565	577,409	(319,616)	257,793
Computer & Accessories	649,493	(499,707)	149,786	579,673	(446,050)	133,623
Bungalow furniture & fittings	34,073	(16,706)	17,367	24,073	(13,074)	10,999
Total	**7,031,643**	**(2,870,141)**	**4,161,502**	**4,369,562**	**(2,393,099)**	**1,976,463**

Notes to the Financial Statements

Figures in Cedi	2024	2023

Reconciliation of property, plant and equipment - Company

	Bank premises	Bank office renovation	Generator	Furniture and fixtures	Motor vehicles	Equipment	Computer accessories	Bungalow furniture & fittings	Total
Cost									
At 01 January 2023	200,855	471,259	193,700	225,503	1,041,701	308,206	458,361	13,873	2,913,458
Additions	-	587,757	82,560	203,949	181,123	269,203	121,312	10,200	1,456,104
At 31 December 2023	**200,855**	**1,059,016**	**276,260**	**429,452**	**1,222,824**	**577,409**	**579,673**	**24,073**	**4,369,562**
Additions	-	389,005	-	56,246	2,134,962	138,066	69,820	10,000	2,798,099
Disposals and scrappings	-	-	-	-	(136,018)	-	-	-	(136,018)
At 31 December 2024	**200,855**	**1,448,021**	**276,260**	**485,698**	**3,221,768**	**715,475**	**649,493**	**34,073**	**7,031,643**
Depreciation and impairment									
At 01 January 2023	(90,163)	(272,742)	(176,230)	(204,294)	(582,100)	(266,673)	(392,339)	(11,140)	(1,995,681)
Depreciation	(10,043)	(88,317)	(840)	(20,737)	(168,893)	(52,943)	(53,711)	(1,934)	(397,418)
At 31 December 2023	**(100,206)**	**(361,059)**	**(177,070)**	**(225,031)**	**(750,993)**	**(319,616)**	**(446,050)**	**(13,074)**	**(2,393,099)**
Disposals	-	-	-	-	131,574	-	-	-	131,574
Depreciation	(10,043)	(174,358)	(9,184)	(42,089)	(246,359)	(69,294)	(53,657)	(3,632)	(608,616)
At 31 December 2024	**(110,249)**	**(535,417)**	**(186,254)**	**(267,120)**	**(865,778)**	**(388,910)**	**(499,707)**	**(16,706)**	**(2,870,141)**
Carrying amount									
Cost	200,855	1,059,016	276,260	429,452	1,222,824	577,409	579,673	24,073	4,369,562
Accumulated depreciation and impairment	(100,206)	(361,059)	(177,070)	(225,031)	(750,993)	(319,616)	(446,050)	(13,074)	(2,393,099)
At 31 December 2023	**100,649**	**697,957**	**99,190**	**204,421**	**471,831**	**257,793**	**133,623**	**10,999**	**1,976,463**
Cost	200,855	1,448,021	276,260	485,698	3,221,768	715,475	649,493	34,073	7,031,643
Accumulated depreciation and impairment	(110,249)	(535,417)	(186,254)	(267,120)	(865,778)	(388,910)	(499,707)	(16,706)	(2,870,141)
At 31 December 2024	**90,606**	**912,604**	**90,006**	**218,578**	**2,355,990**	**326,565**	**149,786**	**17,367**	**4,161,502**

19. Intangible assets

	2024			2023		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	138,817	(54,500)	84,317	128,352	(41,665)	86,687

Notes to the Financial Statements

Figures in Cedi	2024	2023

19. Intangible assets (continued)

Reconciliation of intangible assets

	Bank software (Temenos 24)	Total
Cost		
At 01 January 2023	128,352	128,352
At 31 December 2023	**128,352**	**128,352**
Additions	10,465	10,465
At 31 December 2024	**138,817**	**138,817**
Depreciation and impairment		
At 01 January 2023	(32,088)	(32,088)
Amortisation	(9,577)	(9,577)
At 31 December 2023	**(41,665)**	**(41,665)**
Amortisation	(12,835)	(12,835)
At 31 December 2024	**(54,500)**	**(54,500)**
Carrying amount		
Cost	128,352	128,352
Accumulated amortisation and impairment	(32,088)	(32,088)
At 31 December 2022	**96,264**	**96,264**
Cost	128,352	128,352
Accumulated amortisation and impairment	(41,665)	(41,665)
At 31 December 2023	**86,687**	**86,687**
Cost	138,817	138,817
Accumulated amortisation and impairment	(54,500)	(54,500)
At 31 December 2024	**84,317**	**84,317**

20. Customers' deposits payable

	2024	2023
Financial instruments:		
Trade payables	2	-
Savings accounts	42,146,367	21,629,566
Current accounts	7,452,382	5,675,798
Fixed deposits	11,518,593	6,813,198
Susu deposits	18,815,347	9,347,288
	79,932,691	**43,465,850**

Financial instrument and non-financial instrument components of trade and other payables

	2024	2023
At amortised cost	79,932,689	43,465,850

Notes to the Financial Statements

Figures in Cedi	2024	2023

21. Accounts payable

	2024	2023
Accrued payables	276,956	152,616
Apex Clearing - Uncleared effect	-	59,966
Other payables	1,119,561	712,810
	1,396,517	**925,392**

22. Current tax payable

Corporate tax	Balance 01.01.2024	Charge for the year	Payments in the year	Balance 31.12.2024
2020	(8,409)	-	-	(8,409)
2021	222,732	-	-	222,732
2022	(214,323)	-	(152,227)	(366,550)
2023	259,223	-	(352,752)	(93,529)
2024	-	1,204,234	(1,000,000)	204,234
	259,223	1,204,234	(1,504,979)	(41,522)
Growth & Sustainability levy				
2023	9,014	-	-	9,014
2024	-	235,412	(200,000)	35,412
	268,237	**1,439,646**	**(1,704,979)**	**2,904**

23. Deferred income

This relates to unearned interests on Treasury bills for which the full discounts are received on dates of investment.

	2024	2023
Treasury bill (discount)	-	1,174,434

24. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Occupancy cost

	2024	2023
Rent	218,645	134,856

25. Long term Borrowings

Held at amortised cost

	2024	2023
ARP Apex Bank loan	1,809,979	-

26. Staff retirement fund

	2024	2023
Provisional fund towards retirement of staff members	(149,115)	(70,394)

Notes to the Financial Statements

Figures in Cedi	2024	2023

27. Stated capital

Authorised		
Ordinary shares	10,000,000	10,000,000
Reconciliation of number of shares issued:		
Reported as at 01 January 2024	2,525,014	2,525,014
Issued		
Ordinary	1,189,492	1,050,000

There is no unpaid liability on any share.There are no calls or installments unpaid, and there are no treasury shares held. There was an increase of GHs139,491.85 in the stated capital during the year under review.

28. Deposit for (ordinary) shares

	2024	2023
Ordinary shares	78,410	183,342

This represents funds received from individuals for the purchase of shares of the bank which is yet to be authorised or regularised with relevant authorities, It decreased by GHs 104,932.00 (2023: increased by GHs 44,370) during the year under review.

29. Statutory Reserve

The transfer to the statutory reserve is based on Banks and Specialized Deposit Taking Institution Act, 2016 (Act 930), which requires that bank or specialised deposit-taking institution shall establish and maintain a reserve fund into which shall be transferred out of net profits for each year.

(a) Where the amount of the reserve fund is less than fifty per cent of the paid-up capital of the bank or specialised deposit taking institution, an amount which is not less than fifty per cent of the net profit for the year;

(b) Where the amount of the reserve fund is fifty per cent or more but less than one hundred per cent of the paid-up capital of the bank or specialised deposit-taking institution, an amount which is not less than twenty-five per cent of the net profit for the year; or

(c) Where the amount of the reserve fund is equal to one hundred per cent or more of the paid-up capital of the bank or specialised deposit-taking institution, an amount equal to twelve and half per cent of the net profit for the year.

Balance as at 1st January	1,396,232	1,159,693
Transfer from retained income	387,379	236,539
Balance as at 31st December	**1,783,611**	**1,396,232**

30. Capital reserve

Capital reserve	39,404	39,404

Notes to the Financial Statements

Figures in Cedi		2024	2023

31. Tax paid

Balance at beginning of the year	(268,237)	(345,918)
Current tax recognised in profit or loss	(1,439,646)	(993,237)
Balance at end of the year	2,904	268,237
	(1,704,979)	**(1,070,918)**

32. Related parties

Relationships

Members of key management and directors	Michael Nii Kwadjo Martey
	Kwabena Safo-Adu
	Francis Adipah
	Joseph Atta Appah

Compensation to directors

Directors' remuneration	55,300	57,600
	55,300	**57,600**

33. Financial instruments and risk management

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Borrowings	25	1,809,979	-
Customers' deposits	20	79,932,689	43,465,850
Total borrowings		**81,742,668**	**43,465,850**
Cash and cash equivalents	12	(67,912,660)	(32,063,004)
Net borrowings		**13,830,008**	**11,402,846**
Equity		9,225,225	6,375,474

Notes to the Financial Statements

Financial risk management

Overview

The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, 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 and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans and advances to customers, available-for-sale financial assets, other assets and receivables, contract receivables, lease receivables, cash and cash equivalents, loan commitments and -.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with well-established financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

Notes to the Financial Statements

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

		2024			2023		
		Gross carrying amount	**Credit loss allowance**	**Amortised cost / fair value**	**Gross carrying amount**	**Credit loss allowance**	**Amortised cost / fair value**
Loans and advances	14	20,150,513	(881,342)	19,269,171	18,055,239	(695,749)	17,359,490
Available-for-sale financial assets	16	110,154	-	110,154	72,654	-	72,654
Other assets & receivables	15	1,095,040	-	1,095,040	625,911	-	625,911
Cash and cash equivalents	12	67,912,725	-	67,912,725	32,065,215	-	32,065,215
		89,268,432	**(881,342)**	**88,387,090**	**50,819,019**	**(695,749)**	**50,123,270**

Notes to the Financial Statements

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The management of liquidity risk is governed by the Bank's liquidity policy. Responsibility for the management of liquidity risk lies with the Bank's Assets and Liability Management Committee (ALCO), which is chaired by the Chief Executive Officer. ALCO is responsible for both statutory and prudential liquidity as well as compliance with regulatory requirements. The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behavior or abnormal market conditions. ALCO emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes. .

Liquidity is managed on a short to medium-term basis. in the short term, the focus is on ensuring that cash flow demands can be met as and when required. The focus, in the medium term, is on ensuring that the balance sheet remains structurally sound and aligned to the bank's strategy..

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of surplus funds. Lending is normally funded by liability in the same currency. The Bank also maintains significant levels of marketable securities to meet compliance with prudential investment of surplus funds. ALCO oversees structural foreign currency and interest rate exposures that arise within the bank.

(a) Market risk is the risk of loss arising from adverse changes in market conditions (interest rates, exchange rates and equity prices) during the year. Positions that expose the Bank to market risk can be trading or non-trading related. Trading risk comprises positions that the Bank holds as part of its trading or market-making activities wheras non trading risk includes discretionary positions that the Bank undertake for liquidity.

(b) Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Operational risk is inherent in the Bank's business activities and, as with other risk types, is managed through an overall framework designed to balalnce strong corporate oversight with well-defined independent risk management. The Bank endeavors to minimize operational losses by ensuring that effective infrastructure, controls, systems and individuals are in place throughout the organization.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

Notes to the Financial Statements

2024

		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Borrowings	25	1,422,126	1,422,126	1,422,126
Current liabilities				
Customers' deposits		79,932,689	79,932,689	79,932,689
Borrowings	25	387,853	387,853	387,853
		81,742,668	**81,742,668**	**81,742,668**

2023

		Less than 1 year	Total	Carrying amount
Current liabilities				
Customer deposits	20	43,465,850	43,465,850	43,465,850

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

34. Quantitative disclosures

	2024	2023
i. Capital Adequacy Ratio	13%	21%
ii. Current Asset Ratio	108%	109%
iii Cost to Income Ratio	78%	77%
iv.Credit to Deposit Ratio	24%	40%

PROXY AUTHORIZATION

I / We...being a shareholder of Kwahu Praso Rural Bank Ltd.

hereby appoint...as my / our proxy to vote on my / our behalf at the Annual General Meeting of the Bank to be held at the Kwahu Praso Pentecost Church on Saturday, 26th July, 2025. and at any adjournment thereof.

Signed the...day of....................................2025

...
Signature of Shareholder(s)