SUBIN-AKWABOSO RURAL BANK PLC

Report & Financial Statements - 2024

JOHN ALLOTEY & ASSOCIATES
(CHARTERED ACCOUNTANTS)
1st FLOOR PRUDENTIAL PLAZA
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SUBIN-AKWABOSO RURAL BANK PLC

BOARD OF DIRECTORS AND OFFICIALS

BOARD MEMBERS	MR. EDWARD ANTI NYINAKU	CHAIRMAN
	IBRAHIM ANYARS BAWA Esq	MEMBER
	MR. JACOB FOSU - KYEI	MEMBER
MANAGEMENT	MR.FRANCIS AZURIE	CHIEF EXECUTIVE OFFICER
	MR.DANIEL BOATENG	OPERATIONS & FINANCE MANAGER
	MR.SAMUEL GYAN	AUDIT,RISK & COMPLIANCE MANAGER
	MR.ANANE EMMANUEL	CREDIT MANAGER
	MS.GRACE MENSAH	HUMAN RESOURCE OFFICER
	MR.JOSHUA ARHIN	SYSTEM ADMINISTRATOR
	MRS.REBECCA APPIAH	MARKETING MANAGER
REGISTERED OFFICE:	SUBIN-AKWABOSO RURAL BANK	
AUDITORS:	MESSRS JOHN ALLOTEY & ASSOCIATES (CHARTERED ACCOUNTANTS) 1ST FLOOR, PRUDENTIAL PLAZA, ADUM	

SUBIN-AKWABOSO RURAL BANK PLC

THE YEAR AT A GLANCE

	2024	2023
Major Income Statement Items	GH¢	GH¢
Gross Earnings	9,804,219	3,830,946
Interest Expense	1,539,201	601,950
Overhead Expenses	5,602,934	2,292,342
Loan Impairment Charge	150,096	195,128
Profit/(Loss) before Taxation	3,858,575	741,526
Profit after Taxation	3,473,855	664,052
Major Statement of Financial Position Items		
Total Assets	53,096,468	23,730,060
Deposit Liabilities	46,868,174	21,316,033
Loans and Advances	3,936,621	2,005,537
Shareholders' Funds	5,383,948	1,910,093
Per Share Data		
Earnings Per Share	1.34	0.26
Total Assets Per Share	20.42	9.13
Shares Issued to date	2,600,000	2,600,000
Net Assets Per Share	2.07	0.73

SUBIN-AKWABOSO RURAL BANK PLC

REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December, 2024 report as follows:

Directors' Responsibility Statement

The Bank's Directors are responsible for the preparation of the financial statements that give a true and fair view of Subin-Akwaboso Rural Bank Plc financial position at 31 December 2024, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of this directors' report.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results and dividend

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

31 December	**2024** GH¢	**2023** GH¢
Profit/(Loss) before taxation is	3,858,575	741,526
from which is added/ deducted taxation of	(384,720)	(77,474)
giving profit/(loss) after taxation for the year of	**3,473,855**	**664,052**
less net transfer to statutory reserve fund and other reserves of	(1,752,019)	(332,026)
leaving a balance of	**1,721,837**	**332,026**
to which is added a balance brought forward on retained earnings of	278,067	(53,959)
leaving a balance of	**1,999,903**	**278,067**

In accordance with Section 34(1) (b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢1,736,928 (2023: GH¢332,026) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GH¢2,068,954 (2023: at the year end.

Dividend
The Board of Directors do not recommend any dividend payment based on Bank of Ghana directive **(NOTICE NO. BG/GOV/SEC/2020/03)** dated 12th April,2021.

Nature of Business
The Bank is authorised by Bank of Ghana to carry on the business of rural banking. There was no change in the nature of business of the Bank during the year.

Particulars of entries in the Interest Register during the financial year
No Director had any interest in contracts and proposed contracts with the Bank during the year under review,hence there were no entries recorded in the Interest Register as required Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate Social Responsibilities
The Bank spent a total of GH¢21,340 (2023: GH¢15,460) on corporate social responsibilities during the year. These are mainly in the form of education,health, security and sponsorships of major social events.

Capacity of directors
The Bank ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Bank of Ghana. Relevant training and capacity building programs, facilitated by the Ghana Banking College and the Bank of Ghana, are put in place to enable the directors discharge their duties.

Auditor
The auditor, John Allotey & Associates, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Audit fees for the year ended 31 December 2024 is disclosed in Note 10 to the financial statements.

Approval of the Financial Statements
The financial statements of the Bank were approved by the Board of Directors on 22 April, 2025 and was signed on their behalf by:

.....
DIRECTOR

.....
DIRECTOR

SUBIN-AKWABOSO RURAL BANK PLC

REPORT OF THE DIRECTORS TO THE MEMBERS OF

CORPORATE GOVERNANCE OVERVIEW

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

The objectives of the bank's corporate governance are:

i. To enable the bank undertake licensed business in a sustainable manner;
ii. To promote the interest of depositors and other stakeholders by enhancing performance and accountability;
iii. To promote and maintain public trust and confidence; and
iv. To maximize shareholders' value and interest

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

The Board of Directors

The Board is responsible for setting the bank's strategic direction, leading and controlling the institution and monitoring activities of the executive management. As of 31 December 2024, the Board of Directors of Subin - Akwaboso Rural Bank PLC consisted Three (3) Non-Executive Directors. This is not in compliance with section 29 of the Corporate Governance Directive. The board members have wide experience and in-depth knowledge in management, industry, technology and financial markets which enable them to make informed decisions and valuable contributions to the bank's progress. The Board met five (5) times during the year, which complied with the minimum required meetings per section 39 of the Corporate Governance Directive.

Schedule of Board Meetings held in 2024

Attendance at the meetings are as follows:

Member	Board Meeting
Edward Anti Nyinaku	5/5
Ibrahim Anyars Bawa Esq	0/5
Jacob Fosu-Kyei	4/5

The board has overall responsibility for the bank, including approving and overseeing the implementation of the strategic objectives, risk strategy, corporate governance and corporate values. According to section 15 of the Fit and Proper Directive; the Board is responsible for appointing and providing oversight responsibilities to senior management and ensures a well-structured and rigorous selection process in line with the fit and proper directive.

The Board and its Committees

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

The Board also delegates certain responsibilities to its committees to ensure its independent oversight. In addition, the Board also delegates authority for the operational management of the bank to the Chief Executive Officer and Management in respect of matters which are necessary for the day to day running of the bank. The Board remains very diverse with a distinctive mixture of backgrounds, experience and skills. Risk and governance, shareholder and stakeholder relationships, strategy and budget, financial performance oversight, business development and people were some of the key activities the Board focused its energies on during the year as it provided guidance to Management in steering the affairs of the Bank

Board Roles and Key Responsibilities

Chairman

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

Chief Executive Officer

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

Board of Directors

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

Board Committees

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

Risk, Audit & Compliance Committee

The Board Audit, Risk & Compliance / Procurement Committee is mandated to review and approve the bank's Risk Policies; set a risk appetite or tolerance and strategy including Anti-Money Laundering/Counter Financing of Terrorism (AML/CFT) within which management is required to develop business strategy or plans, objectives and targets for achievement. The Committee is to advise the Board on the recommended risk strategy or appetite within which its business is to be conducted. Again, the Committee oversees and advises the Board on the current risk exposures of the bank and future risk strategy. It monitors the state of tht risk culture of the Bank, serves as an oversight and interect with the Bank's internal and external auditors.
The Committee determine, develop policy on procurement, ensure that the Bank gets value for money in its procurement process and supervise the procurement of certain items as may be referred to it by the main board.

Schedule of Risk, Audit & Compliance Committee's meeting held in 2024

Attendance at the meeting is as follows:

Member	Committee Meeting
Jacob Kyei-Fosu	0/0
Ibrahim Anyars Bawa Esq	0/0

There was no meeting held for the committee in 2024 due to the sickness of the committee chairperson. Hence, all matters regarding Risk, Audit and Compliance were discussed at the board meetings

Credit Committee

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

Schedule of Credit Committee meeting held in 2024

Attendance at the meeting is as follows:

Member	Committee Meeting
Ibrahim Anyars Bawa Esq	0/6
Jacob Kyei-Fosu	6/6

Code of Conduct

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

Recruitment, Induction and Training of New Directors

Individuals selected to be members of the Board have an appropriate diversity of skills and come from backgrounds necessary to provide the needed direction for the bank. All new directors to the board are provided with a letter of appointment stating clearly the terms which shall govern their appointment after all the necessary regulatory approvals have been received with respect to the changes.
The term of the directors is governed by the Bank of Ghana corporate governance directives, which limits the maximum period of service for the chairperson to six years and other members to nine years. New board members participate in a comprehensive induction program covering the bank's financial, strategic, operational and risk management overviews to enable them effectively discharge their duties and responsibilities.

Board Qualifications and Composition

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

Remuneration Structure

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

Board Performance Evaluation

The Board hereby certifies that it has complied with section 45 & 46 of the Directive on Board evaluation.

Business Strategy

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

Risk Management and Internal Controls

The Board has put an effective internal control system in accordance with the Directive and has a risk management in place. The Key Management Personnel holding these roles have sufficient authority, stature, independence, resources and access to the board. Internal controls have been designed to ensure that each key risk has a policy, process or other measure, as well as a control to ensure that such policy, process or other measure is being applied and work as intended.

In accordance with section 50 of the Directive, the bank also has an Internal Auditor who has no involvement in the day-to-day activities and business line responsibilities of the bank. He has the professional competence to collect analyze financial information as well as evaluate audit evidence and communicate with the stakeholders of the internal audit function. He possesses sufficient knowledge of auditing techniques and methodologies and reports directly to the Audit Committee and has direct access to the board. The Board recognizes the importance of external auditors as vital to the corporate governance process and engaged during the year, the services of John Allotey & Associates, Chartered Accountants; an independent, competent and qualified external auditor, to undertake this function.

Key Management Oversight

In accordance with section 49 of the Directive, the Board ensures that, the activities of Key Management Personnel are consistent with the business strategy and policies approved by the Board, including the risk tolerance/appetite. The Board has established a management structure that promotes accountability and transparency and oversees the implementation of appropriate systems for managing risks – both financial and non-financial to which the bank is exposed. The bank has engaged skilled and competent staff and provides training and development opportunities to sustain the delivery of short and long-term business objectives and the risk management framework that protects the reputation of the bank.

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

Corporate Culture and Values

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

Related Party Transactions

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

Separation of Powers

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

Conflict of Interest

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

Anti-Money Laundering

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

Compliance Declaration

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

John Allotey & ASSOCIATES
CHARTERED ACCOUNTANTS

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BANKERS:
ABSA BANK GHANA LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUBIN-AKWABOSO RURAL BANK PLC

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Subin-Akwaboso Rural Bank PlC as at 31 December 2024, and of the financial performance and the cash flows of the Bank for the year then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") with the IAS 29 directive issued by the Institute of Chartered Accountants, Ghana (ICAG) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-TakingInstitutions Act, 2016 (Act 930).

What we have audited

We have audited the financial statements of Subin-Akwaboso Rural Bank Plc for the year ended 31 December, 2024.

The financial statements comprise:

- Statement of financial position as at 31 December 2024;
- Statement of comprehensive income for the year then ended;
- Statement of changes in equity for the year then ended;
- Statement of cash flows for the year then ended; and
- Notes to the financial statements, comprising a summary of material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board for Accountants and the independence requirements of section 143 of the Companies Act, 2019 (Act 992) that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

Key audit matter

Impairment allowances on loans and advances to customers

Gross loans and advances to customers as at 31 December 2024 amounted to GH¢3,982,306 out of which an impairment allowance of GH¢45,685 was recorded for the Bank.

The impairment requirements under IFRS 9 are based on the Expected Credit Losses (ECL) model.
The ECL model estimates the credit losses over the life of financial instruments. The amount of ECL recognised is dependent on the risk of default on the part of the counterparty taking into account:
• the criteria for assessing significant increase in credit risk (SICR);
• the definition of default adopted by the Bank;
• methodologies adopted by the Bank in modelling the probability of default (PD) and the loss given default (LGD);
• exposure at default (EAD) on loans and advances; and
• forward looking information and the determination of multiple economic scenarios which considers probability-weighted outcomes.

The determination of the expected credit loss is Therefore considered as a key audit matter for the bank financial statements based on the level of complexity andsignificant management judgement involved.

The accounting policies, critical estimates and judgements and impairment charge are set out in notes 3.2.4 - 12, 3.23,8, and 15 to the financial statements.

How the matter was addressed in our audit

We updated our understanding of the key controls within the loan origination, approval, monitoring and recovery processes and tested relevant controls.

We assessed the appropriateness of the staging of loans by applying a risk based targeted testing approach toindependently determine the staging of selected loans basedon customers' repayment history and other qualitative factors including compliance to loan covenants.

We checked that the applied definition of default used is consistent with IFRS 9 qualitative default criteria and days past due backstop indicator.

We assessed the methodology used in determining the multiple economic scenario for 12-month and lifetime Probability of Default.

We tested the reasonableness of the Loss Given Default (LGD) by reviewing collateral values along with assumptions on haircut, recovery rates and time to realisation.

We checked the forward-looking information used in the ECL model to independent sources.

We also checked the appropriateness of IFRS 9 ECL disclosures in the financial statements.

Other Information

The Directors are responsible for the Other Information. The other information comprises the Directors Report as requested by the Companies Act, 2019 (Act 992), notice and agenda for the Annual General Meeting, Corporate information, chairman's report, Value Added Statements, Shareholding Structure. Other information does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992)), the IAS 29 directive issued by the Institute of Chartered Accountants Ghana, the requirements of the Companies Act, 2019 (Act 992), and the Banks and Specialized Deposit–Taking Institutions Act, 2016 (Act 930) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the bank audit. We remain solely responsible for our audit opinion.

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.

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

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

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

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

iii. the Bank's statement of financial position and the Bank's statement of comprehensive income are in agreement with the books of account.

In accordance with section 85 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) wehereby confirm that:

i) the accounts give a true and fair view of the state of affairs of the Bank and the results of operations for the period under review.

ii) we were able to obtain all the information and explanations required for the efficient performance of our duties as auditors, and

iii) the Bank's transactions were within its powers.

With respect to the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments, we did not identify any instances of non-compliance based on procedures we performed.

The engagement partner on the audit resulting in this independent auditor's report is: Barima Ogyeabour Amankwaah Adunan II (ICAG/P/1154).

For and on behalf of John Allotey & Associates
(ICAG/F/2025/161)
Chartered Accountants
Prudential Plaza
Adum Kumasi, Ghana
Date: 24th April, 2025.

SUBIN-AKWABOSO RURAL BANK PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2024

	NOTES	2024 GH¢	2023 GH¢
Interest Income	4	9,346,864	3,663,627
Interest Expense	5	(1,539,201)	(601,950)
Net Interest Income		**7,807,663**	**3,061,677**
Commission and Fees	6	376,570	106,859
Other Operating Income	7	80,785	60,460
Total Income		**8,265,018**	**3,228,996**
Impairment Loss on Financial Assets	8	(150,096)	(195,128)
Personnel Expenses	9	(2,013,114)	(982,997)
Depreciation	18a	(192,614)	(157,661)
Operating Expenses	10	(2,050,619)	(1,151,684)
Profit Before Taxation		**3,858,575**	**741,526**
Growth & Sustainabilty Levy	11c	(192,929)	(24,718)
Income Tax Expense	11a	(191,791)	(52,756)
Profit for the year		**3,473,855**	**664,052**
Other Comprehensive Income		-	-
Total Comprehensive Income		**3,473,855**	**664,052**

SUBIN-AKWABOSO RURAL BANK PLC

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2024

	NOTES	2024	2023
Assets		GH¢	GH¢
Cash and Bank Balances	13	10,261,185	2,166,067
Investment Securities	14	37,255,927	18,912,898
Loans & Advances	15	3,936,621	2,005,537
Equity Securities	16	52,100	37,100
Other Assets	17	475,675	71,793
Deferred Tax Asset	12	11,517	-
Property, Plant and Equipment	18a	1,103,443	536,665
Total Assets		**53,096,468**	**23,730,060**
Liabilities			
Deposits and Current Accounts	19	46,868,174	21,316,033
Creditors and Accruals	20	610,863	438,140
Taxation	11b & 11c	233,483	62,434
Deferred Tax Liabilities	12	-	3,360
Total Liabilities		**47,712,520**	**21,816,607**
Equity and Reserves			
Stated Capital	21	1,000,000	1,000,000
Retained Earnings	22	1,999,903	278,067
Deposit for Shares	23	300,000	300,000
Statutory Reserve	24	2,068,954	332,026
Credit Risk Reserve	25	15,091	-
Total Equity and Reserves		**5,383,948**	**1,910,093**
Total Liabilities, Equity and Reserves		**53,096,468**	**23,726,700**

Approved by the Board of Directors on 22nd April, 2025 and signed on its behalf by:

DIRECTOR: .....

DIRECTOR: .....

SUBIN-AKWABOSO RURAL BANK PLC

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2024

2024	STATED CAPITAL GH¢	RETAINING EARNINGS GH¢	STATUTORY RESERVE FUND GH¢	DEPOSIT FOR SHARES GH¢	CREDIT RISK RESERVES GH¢	TOTAL GH¢
At 1 January, 2024	1,000,000	278,067	332,026	300,000	-	1,910,093
Profit for the Year	-	3,473,855	-	-		3,473,855
Transfer to Credit Risk R.	-	(15,091)	-	-	15,091	-
Transfer to statutory Reserves	-	(1,736,928)	1,736,928	-		-
At 31 December, 2024	**1,000,000**	**1,999,903**	**2,068,954**	**300,000**	**15,091**	**5,383,948**

2023	STATED CAPITAL GH¢	RETAINING EARNINGS GH¢	STATUTORY RESERVE FUND GH¢	DEPOSIT FOR SHARES GH¢	TOTAL GH¢
At 1 January, 2023	1,000,000	(53,959)	-	300,000	1,246,041
Profit for the Period	-	664,052	-	-	664,052
Transfer to statutory Reserves	-	(332,026)	332,026	-	-
At 31 December, 2023	**1,000,000**	**278,067**	**332,026**	**300,000**	**1,910,093**

SUBIN-AKWABOSO RURAL BANK PLC

STATEMENT OF CASH FLOWS

	YEAR ENDED 31 DECEMBER, 2024	
	2024	2023
Cash Flows from Operating Activities	GH¢	GH¢
Profit/(Loss) before Tax	3,858,575	741,526
Depreciation	192,614	157,661
Profit on disposal	-	(681)
Cash Flows from Operating activities before changes in operating Assets & Liabilities	**4,051,189**	**898,506**
Changes in Operating Assets & Liabilities		
Change in Advances to Customers	(1,931,084)	(1,811,268)
Change in Other Assets	(403,882)	133,319
Change in Deposits and Current Account	25,552,141	11,167,813
Change in Creditors & Accruals	172,723	5,119
Cash generated from Operating Activities	**27,441,087**	**10,393,489**
Tax paid	(228,549)	-
Net Cash generated from Operating Activities	**27,212,538**	**10,393,489**
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(759,391)	(24,931)
Changes in Investment in Equity	(15,000)	(12,500)
Proceeds from disposal	-	3,000
Changes in Investment in Securities	(18,343,029)	(8,773,294)
Net Cash used in Investing Activities	**(19,117,420)**	**(8,807,725)**
Net (decrease)/Increase in Cash and Cash Equivalents	**8,095,118**	**1,585,764**
Cash and Cash Equivalents at beginning of period	2,166,067	580,303
Cash and Cash Equivalents at end of the year	**10,261,185**	**2,166,067**

The accounting policies and notes on pages 19 to 50 forms an integral part of these financial statements

SUBIN-AKWABOSO RURAL BANK PLC

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

1.0 REPORTING ENTITY

Subin-Akwaboso Rural Bank Plc is a private Company incorporated and domiciled in Ghana.The Registered office is locate in Upper West District in Central Region. The Bank primarily is involved in rural banking.

2.0 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for land and buildings and available-for-sale financial assets that have been measured at fair value.

2.2 Statement of Compliance

The financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and accounting requirements as dictated by the guide for financial publication 2017 issuedby the Bank of Ghana and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposits - Taking Institutions Act, 2016 (Act 930).

2.3 Functional and Presentation Currency

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

3.0 SIGNIFICANT ACCOUNTING POLICIES

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

3.3.1 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria apply in revenue recognition.

3.3.2 Interest Income

Under IFRS 9, interest income is recorded using the effective interest rate for all financial instruments measured at amortised cost,financial instruments designated at FVPL. (EIR) method Interest income on interest bearing financial assets measured at FVOCI under IFRS 9. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate , a shorter period, to the net carrying amount of the financial asset.
The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Hence, it recognises the effect of potentially different interest rates charged at various stages, andother characteristics of the product life cycle (including prepayments, penalty interest and charges). If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interestincome The adjustment statement of comprehensive income.

3.3.3 Interest and similar income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL is recognised using the contractual interest rate in . net trading income

3.3.4 Fees and commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.
Other fees and commission income, including account servicing fees, management fees, sales commission, placement and arrangement fees and cheque clearing fees are recognised as the related services are performed.

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

3.3.5 Other Operating Income

This is made up of other operating income including profit or loss on sale of property, plant andequipment, Bad debt recovered and other miscellaneous incomes.

3.3.6 Interest Expense

Interest expense is recognized in profit or loss for all interest-bearing financial instruments measured at amortized cost, including loans and advances, as interest accrues using the effective interest rate method.
The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over theexpected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

The effective interest rate is calculated on initial recognition of the financial liability, cash flows after considering all the contractual terms of the instrument. The calculation includes fees paid by the The calculation includes fees paid by theBank that are an integral part of the the acquisition, issue or disposal of a financial instrument .

3.3.7 Income tax expense

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

3.3.8 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. The Bank provides for income taxes at the current tax rates on the taxable profits of the Bank.

3.3.9 Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.
However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.
A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities andassets on a net basis or the tax assets and liabilities will be realised simultaneously.
Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

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

3.4 Financial assets and liabilities
Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument or regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank becomes party to the contractual provisions of the instrument or commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:
(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
(b) In all other cases, the differences is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

3.4.1 Classification and subsequent measurement

From August 2022, the Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:
· Fair value through profit or loss (FVPL);
· Fair value through other comprehensive income (FVOCI); or
· Amortised cost.
The classification requirements for debt and equity instruments are described below:

3.4.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on:
• the Bank's business model for managing the asset; and
• the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:
a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

The above classifications are done using:

Business model: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3.4.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

3.4.4 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.4.5 Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

3.4.6 De-recognition other than on a modification

Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

3.4.7 Identification and measurement of impairment

At each reporting date, the Bank assessed whether there was objective evidence that financial assets not carried at fair value through profit or loss were impaired. A financial asset was impaired when objective evidence demonstrated that a loss event had occurred after the initial recognition of the asset(s) and that the loss event had an impact on the future cash flows of the asset(s) that could be estimated reliably.

Objective evidence that financial assets were impaired included:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- indications that a borrower or issuer will enter bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

The Bank considered evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and a collective level. All individually significant loans and advances and held-to-maturity investment securities were assessed for specific impairment. Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that were not individually significant were collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Bank used statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than was suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries were regularly benchmarked against actual outcomes to ensure that they remained appropriate.

Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

If the terms of a financial asset were renegotiated or modified or an existing financial asset was replaced with a new one due to financial difficulties of the borrower, then an assessment was made of whether the financial asset should be derecognised. If the cash flows of the renegotiated asset were substantially different, then the contractual rights to cash flows from the original financial asset were deemed to have expired. In such case, the original financial asset was derecognised and the new financial asset was recognised at fair value.

The impairment loss before an expected restructuring was 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 were 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 was treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount was discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Impairment losses were recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

The Bank wrote off a loan or an investment in debt security, either partially or in full, and any related allowance for impairment losses, when the Bank Credit Committee determined that there was no realistic prospect of recovery and approval for write-off granted by the Board of Directors and the Central Bank.

3.4.8 Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Bank could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

3.4.9 **(e) Derecognition of financial assets and liabilities**

The derecognition policies for financial assets and liabilities have not changed on the adoption of IFRS 9.

3.5 **Financial Liabilities**

i) Classification

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

ii) Measurement

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

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.6 **Fair value measurement**

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.
If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.
The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.7 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprises cash on hand, cash and balances with the ARB Apex Bank and amount due from banks and other financial institutions.

3.8 Loans and advances

Loans and advances' are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.
Loans and advances to banks are classified as hold to collect.
Loans and advances to customers include:
- those classified as loans and receivables; and
- finance lease receivables.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances also include finance lease receivables in which the Bank is the lessor.
When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

3.9 Investments

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

3.9.1 Non pledged and pledged trading assets

The non-pledged trading assets portfolio comprises debt securities purchased with the intent of short-term profit taking. The Bank values these securities with reference to quoted prices in active markets for identical assets.
These securities are designated at fair value, with fair value changes recognized immediately in profit or loss.

3.10 Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.11 Collateral

The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from banks or other counterparties. Any interest payable or receivable arising is recorded as interest payable or interest income respectively except for funding costs relating to trading activities which are recorded in net trading income.

3.12 Property, plant and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.
The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent costs

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

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.
The estimated annual depreciation rate for the current and corresponding periods are as follows:

Office Building	5%
Office Furniture & Fittings	25%
Motor Vehicles	20%
Computers & Accessories	25%
Plant & Equipment	20%
Improvement to Rented premises	20%
Intagible Assets	20%

Right of use assets are amortised over the shorter of the lease term and the asset's useful life.

3.13 Leasehold property

Leasehold property is initially recognised at cost. Subsequent to initial recognition, leasehold property is amortised over the lease term of the property. The amortisation is recognised in profit or loss.

3.14 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

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

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

3.15 Deposits and borrowings

This is mainly made up of customer deposit accounts, other finncial institutions and medium term borrowings. They are categorised as other financial liabilities measured in the statement of financial position at amortised cost.

3.16 Provisions

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

If the effect of the Time Value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as Borrowing Cost.

3.17 EMPLOYEE BENEFIT

Short-Term Benefits

a. Short Term Benefits

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

b. Post Employment Benefits

Defined Contribution Plans

Social Security and National Insurance Trust (SSNIT)

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

Provident Fund

The Bank has a Provident Fund Scheme for all employees who have been employed by the Bank.Employees contribute 5% of their basic salary to the Fund whilst the Bank contributes 5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager as required by National Pension Regulatory Authority (NPRA).

3.18 Events after the Reporting Date

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

3.19 Dividend

Dividend on ordinary shares is recognized on equity in the period in which they are approved by the company's shareholders. Dividend proposed for approval at AGM is not recognized as a liability as at 31 December, 2023.
The Directors did not recommend the payment of dividend.

3.20 Earnings per share

The Bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

3.21 RISK MANAGEMENT

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

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

a. **Risk Management Structure**

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

b. **Risk Measurement and Reporting System**

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

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

Subin-Akwaboso Rural Bank Plc has the following types of Risk exposures:

Operational Risk	Reputational Ri: Liquidity Risk
Market Risk	Credit Risk

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

c. **Operational Risk**

'Operational risk' is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. Key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks. The Bank manages its operational risk at three distinct levels, each with clearly defined roles and responsibilities as follows:

Business Units and Support Functions

Business Units and Support Functions own and are responsible for understanding the operational risk inherent in their material products, activities, processes and systems. They are responsible for the consistent implementation of the operational risk management framework in their area of responsibility on a day-to day basis. This includes identifying the risks, establishing controls, and managing the risks in accordance with the Bank's overall risk tolerance and operational risk policies.

Operational Risk Management (ORM)

The ORM function has direct responsibility for formulating and implementing the Bank's ORM framework including methodologies, policies and procedures approved by the Board. ORM function works with the Business Units and Support Functions to ensure that the day-to-day operations of the Bank are in line with the approved ORM policies. The unit provides trainings and workshops to facilitate interpretation and implementation of the various ORM programs. The unit continuously monitors the effectiveness and the quality of the controls and risk mitigation tools.

Internal Audit

The mission of Internal Audit is to provide an independent assurance of the design and effectiveness of internal controls over the risks to the Bank's business performance. In carrying out this function, Internal Audit provides specific recommendations for improving the governance, risk & control framework. The role of the Internal Audit function is to conduct regular independent evaluation and review of the Bank's policies, procedures and practices in relation to the ORM Policy Framework and report the results to the Board.

d. Market Risk

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

The Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank's exposure to market risk arises principally from customer driven transactions.

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

3.22 Reputational Risk

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

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

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

Strong Financial Stability
Excellent Customer Services
Timely and periodic review of service agreements
Good Corporate Governance and control Practices
Balancing the interest of all significant Stakeholders
Professionalism of Employees
Adherence to Corpotate Social and Enviromental Responsibility.
Adequate annual budgetary allocation for donation and sponsorship.

3.23 Credit Risk

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

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

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

	2024 Ghc	2023 Ghc
Loans and Advances to customers	3,982,306	2,023,372
	3,982,306	**2,023,372**

The Bank's loans and advances were categorised by the Bank of Ghana prudential guidelines as follows:

I. Exposures that are neither past due nor impaired;
II. Exposures that are past due but not impaired; and
III. Individually impaired facilities

Maximum exposures to credit risk		
Carrying amount	**3,936,621**	**2,005,537**
Grade 1-3: Low - fair risk - Current	3,982,306	2,020,453
Grade 4-5: Low - watch list	-	-
Grade 6: Substandard	-	-
Grade 7: Doubtful	-	-
Grade 8: Loss	-	2,919
Total Gross Amount	3,982,306	2,023,372
Allowance for impairment	(45,685)	(17,835)
Net Carrying Amount	**3,936,621**	**2,005,537**

a	**Neither past due nor impaired**		
	Grade 1-3: Low - fair risk	3,982,306	2,020,453
b	**Past due but not impaired**		
	Grade 4-5: watch list	-	-
c	**Impaired classified by number of days due**		
	90-180 days	-	-
	180-360 days	-	-
	360 day +	-	-
		-	-
	Individually Impaired		
	Substandard	-	-
	Doubtful	-	-
	Loss		2,919
		-	**2,919**

Neither past due nor impaired

The quality of credit exposure to customers and other institutions that were neither past due nor impaired were assessed with reference to the Bank of Ghana prudential guidelines adopted by the bank for its internal grading purposes.

This category is made up as folows:

December 2024	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Current	3,982,306	-		3,982,306

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Current	1,903,925	-	116,528	2,020,453

Loans and advances past due but not impaired

Loans and advances graded internally as current and OLEM may be past due but are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

December 2024	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired		-	-	

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired		-	-	

Individually impaired loans - Stage 3

The breakdown of the gross of loans and advances individually impaired by class,along with the fair value of related collateral held by the bank as security , are as follows:

December 2024	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans		-	-	-
Fair Value of Collateral		-	-	-

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans	2,919	-	-	2,919
Fair Value of Collateral		-	-	-

At 31 December 2024, the Bank's Loans and Advances were categorised under IFRS 9 as follows:
Stage 1 - At initial recognition - Performing
Stage 2 - Significant increase in credit risk since initial recognition - Under-performing
Stage 3 - Credit Impaired - Non-performimg

	2024			
	Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	10,261,185	-	-	10,261,185
Investment Securities	37,255,927	-	-	37,255,927
Investment other than Securities	52,100	-	-	52,100
Loans & Advances to Cust.	3,982,306	-	-	3,982,306
Other assets (less Prepayments)	468,740	-	-	468,740
Gross carrying amount	52,020,258	-	-	52,020,258
Loss allowances	(45,685)	-		(45,685)
Carrying amount	**51,974,573**	-	-	**51,974,573**

	2023			
	Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	2,166,067	-	-	2,166,067
Investment Securities	18,912,898	-	-	18,912,898
Investment other than Securities	37,100	-	-	37,100
Loans & Advances to Cust.	2,020,453	-	2,919	2,023,372
Other assets (less Prepayments)	2,503,446	-	-	2,503,446
Gross carrying amount	23,201,159	-	2,919	25,642,883
Loss allowances	(14,916)		(2,919)	(17,835)
Carrying amount	**23,186,243**	-	-	**25,625,048**

Collaterals and other credit enhancements
The bank employs a range of policies and practices to mitigate credit risk.
The most traditional of these is the taking of security for funds advanced, which is common practice.
The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.
The principal collateral types for loans and advances are:
I. Mortgages over residential properties.
II. Charges over business / personal assets such as premises, Vehicle.
III. Charges over financial instruments such as debt securities and equities
Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities or individuals are generally secured;revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss, the bank will seek additional collateral from the counterparty as soon as impairment indicator are identified for the relevant loans and advances
The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior year.
The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit impaired and the related collateral in order to mitigate potential loses as shown above.
The Bank monitors concentrations of credit risk by sector. An analysis of concemtrations of credit risk on loans and advances is shown below.

	Loans and advances to customers	
Carrying amount	**2024**	**2023**
Concentration by product:	**Ghc**	**Ghc**
Term loans	3,742,070	1,906,844
Overdraft	-	-
Staff loans	240,236	116,528
Gross loans and advances	**3,982,306**	**2,023,372**
Less: Impairment	(45,685)	(17,835)
Net loans and advances	**3,936,621**	**2,005,537**
Concentration by industry:		
Agriculture	1,009,082	261,730
Transport	664,623	321,084
Others	2,308,601	1,440,558
Gross loans and advances	**3,982,306**	**2,023,372**
Less: Impairment	(45,685)	(17,835)
Net loans and advances	**3,936,621**	**2,005,537**

Key ratios on loans and advances

i. Loan loss provision is 1.15% (2023: 0.88%)

ii. Gross non-performing loans and advances is % (2023:0.14 %)

3.24 Liquidity Risk

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

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

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

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

3.25 CAPITAL

a. The Objectives of Capital Management

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

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

b. Capital Description

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

c. The Level of Capital Adequacy

	2024	2023
	Ghc	Ghc
Paid Capital	1,000,000	1,000,000
Disclosed Reserves	4,068,857	610,093
Deposit for shares	300,000	300,000
Sub-Total	5,368,857	1,910,093
Investments in the capital of other Banks	(52,100)	(37,100)
Tier 1 Capital	5,316,757	1,872,993
Tier 2 Capital	-	-
Regulatory Capital	5,316,757	1,872,993
Required Regulatory Capital	629,735	399,499
Surplus Capital	**4,687,022**	**1,473,494**

The Bank's regulatory capital was above the required minimum for the period.
The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank complied with the statutory capital requirements throughout the period. There have been no material changes in the Bank's management of capital during this period.

3.26 Write-off Policy

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

3.27 Post Statement of Financial Position Events

Events subsequent to the Statement of Financial Position date are reflected in the Financial Statements only to the extent that they relate to the year under consideration and the effect is material.

4 INTEREST INCOME	2024	2023
	GH¢	GH¢
Loans & Advances	1,609,014	323,423
Investments	7,737,850	3,340,204
	9,346,864	**3,663,627**

5 INTEREST EXPENSE		
Savings Account & Fixed Deposits	1,539,201	601,950
	1,539,201	**601,950**

6 FEES AND COMMISSION INCOME		
Income from Remittances	-	429
Commission	16,520	9,373
Processing Fees	346,382	95,555
Commitment Fees	2,218	-
Cheque Clearing Fees	11,450	1,502
	376,570	**106,859**

7 OTHER OPERATING INCOME		
Other Income	46,104	38,437
Sms Charge	-	21,342
Administrative Fees	34,681	-
Profit on Disposal	-	681
	80,785	**60,460**

8 NET IMPAIMENT LOSS ON FINANCIAL ASSETS

	2024	2023
	GH¢	GH¢
Impairment Loss on investment Securities	122,246	181,454
Impairment Loss on Loans & Advances	27,850	13,674
	150,096	**195,128**

9 PERSONNEL EXPENSES

Salaries and Wages	645,928	434,719
Social Security Contrbution	83,500	56,432
Providend Fund Contribution	32,115	12,136
Medical Expenses	41,258	13,260
Staff Training Expenses	229,231	71,611
Allowances	424,451	173,142
Staff Performance Bonus	292,294	94,616
Clothing Allowance	93,296	-
Fuel, Maintenance and Transport Subsidy	84,003	-
Other Staff Cost	57,891	114,304
Attachment Staff	29,147	12,777
	2,013,114	**982,997**

10 OPERATING EXPENSES

Directors Remuneration	22,800	9,600
Board Meeting Expenses	55,290	76,856
Travelling Expenses	120,831	12,766
Communication Costs	19,215	5,624
Printing & Stationery	26,717	21,943
Commission for Susu Agents	232,705	119,323
Entertainment	4,600	-
Audit Fees	18,285	12,190
Audit Expense	13,168	-
Advertising & Publicity	141,794	19,628
Repairs & Maintenance	18,080	39,143
Motor Vehicle Running Cost	110,443	81,068
Motor Vehicle Repairs	71,603	53,576
Repairs & Maint. - F & F	30,899	-

Protocol	-	10,243
Electricity & Water	116,236	43,661
Computer Related Expenses	22,024	9,480
Police Guard	30,330	21,032
Insurance	9,464	24,445
Preliminary Expenses	-	167,839
Specie Movement	12,100	3,550
Cheque Clearing Fee	-	16
Office expenses	105,885	80,040
Subscriptions & Periodicals	233,984	101,512
Donations & Charitable Cont.	21,340	15,460
Generator Running Cost	57,120	68,129
Cleaning & Sanitation	18,914	9,970
Funeral Grant	4,000	1,000
Mobilization Expenses	134,341	40,595
Loan Recovery Expenses	6,150	760
Bank Charges	62,292	30,872
Staff End Of Year Party	3,880	-
Legal Fees	1,900	-
Rent,Rate & Taxes	58,500	-
Consultancy Fees	3,000	-
Annual General Meeting	148,949	-
Business Promotion	69,550	36,230
Sundry Expenses	44,230	35,133
	2,050,619	**1,151,684**

11 (a)INCOME TAX EXPENSE

Current Income Tax	206,668	37,716
Deferred Income Tax	(14,877)	15,040
	191,791	**52,756**

(b) CURRENT TAXATION

Year of Assessment	Balance at 1/1/2024 GH¢	Payments GH¢	Charge for the year GH¢	Balance at 12/31/2024 GH¢
2024	37,716	(169,179)	206,668	75,205
	37,716	**(169,179)**	**206,668**	**75,205**

All tax liabilities are subject to the agreement with the Ghana Revenue Authority.

(c) Growth and Sustainability Levy: Assets/(Liabilities)	2024 GH¢	2023 GH¢
Balance as at 1 January	24,718	-
Charge to statement of comprehensive income	192,929	24,718
Payment during the year	(59,370)	-
Balance as at 31 December	**158,277**	**24,718**

The levy charged on the profit is based on a rate of 5%

In accordance with the Growth and sustainability Act, 2023 all companies in Banking, Non Bank Financial Institutions, Insurance, Brewery and Communication etc are supposed to pay a levy of 5% of profit before tax towards revenue growth,fiscal sustainability and to provide for related matters . It came into effect on 1st May,2023 to replace the National Stabilization Levy.

(d) RECONCILIATION OF EFFECTIVE TAX RATE		
Profit before tax	3,858,575	741,526
Tax at applicable tax rate at 25%	192,929	37,076
Tax impact of non-deductible expenses	21,574	10,897
Tax impact of capital allowances	(7,835)	(5,046)
Recognition of previously unrecognized tax losses	-	(5,211)
Deferred tax	(14,877)	15,040
Current tax charges	**191,791**	**52,756**
		-
Effective tax rate (%)	**5%**	**7%**

12 **(a) DEFERRED TAXATION**

	1/1/2024	Movement	12/31/2024
Charge / (Credit) to Income Statement			
Historical Cost- NCA	6,604	22,382	28,986
Loan Impairment	(9,964)	(7,505)	(17,469)
	(3,360)	**14,877**	**11,517**

(b) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following :

	Temporary	Tax Rate	Deferred Tax
	GH¢	GH¢	GH¢
Defered Tax Asset - Loan Impairment	(349,385)	5%	(17,469)
Defered Tax Liabilities - NCA	579,710	5%	28,986
Net deferred Tax (Assets)/Liabilities	**230,325**		**11,517**

13 CASH AND BANK BALANCES

	2024	2023
	GH¢	GH¢
Cash Balances	2,767,242	421,209
ARB - Apex Bank Ltd - Clearing Account	2,629,366	12,709
5% Deposit Account	2,391,819	987,307
Other Banks-CBG	5,000	728,837
Republic Bank	489	-
ACOD	-	9,946
Call Account	2,453,534	-
E-Cash	13,735	6,059
	10,261,185	**2,166,067**

The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS2,391,819 (2023:987,303) which is not available for use in the Banks day to day operations.Cash on Hand and Balances with ARB Apex Bank are non-interest bearing.

14 INVESTMENT SECURITIES

These are made up of:		
Government Treasury Bills	27,749,070	15,139,411
Money Market Placement	9,810,557	3,954,941
	37,559,627	**19,094,352**
Less:Impairment Charge	(303,700)	(181,454)
	37,255,927	**18,912,898**
Analysis of investment securities by tenor		
Maturing within 91 days of acquisition	12,040,303	1,569,000
Maturing after 91 days but within 182 days of acquisition	25,519,324	12,767,174
Maturing after 1 year of acquisition	-	4,758,178
	37,559,627	**19,094,352**
Less:Impairment Charge	(303,700)	(181,454)
	37,255,927	**18,912,898**

b MOVEMENT IN EXPECTED CREDIT LOSS INVESTMENTS

Balance at 1 January	181,454	-
Impairment Charge	122,246	181,454
Balance at 31 December	**303,700**	**181,454**

15 LOANS AND ADVANCES

	2024	2023
	GH¢	GH¢
Loans	3,982,306	2,023,372
Overdraft	-	-
	3,982,306	2,023,372
Less: Provision for Bad & Doubtful Debts	(45,685)	(17,835)
	3,936,621	**2,005,537**

15a Impairment Allowance for Loans & Advances

Balance at 1 January	17,835	4,161
Provisions made	27,850	13,674
Balance at 31 December	**45,685**	**17,835**

b Bank of Ghana Provisions

Balance at 1 January	5,076	554
Provisions made	55,700	4,522
Balance at 31 December	**60,776**	**5,076**

Loan provisioning/impairment is carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income. Where provisions per IFRS is more than the provisions per Bank of Ghana guidelines, no regulatory credit reserve is required.

When the credit loss provision calculated under IFRS principles is less than that of Bank of Ghana, transfers are made from the income surplus account into the non-distributable regulatory credit reserves.

Provisions per Bank of Ghana Guidelines	60,776	5,076
Provisions per IFRS	45,685	17,835
Regulatory Credit Reserve	15,091	-

16 EQUITY SECURITIES

	2024	2023
	GH¢	GH¢
At 1 January	37,100	24,600
Investment during the year	15,000	12,500
At 31 December	**52,100**	**37,100**

This represents investment in ordinary shares of ARB Apex Bank Limited.

17 OTHER ASSETS ACCOUNT

Interest and Commission Accrued	94,861	49,010
Interest in Arrears	2,884	593
Office Account-DR	350,861	10,000
Controller & Acct General	10,000	-
Insurance Prepaid	6,935	7,152
Stationery Stock Account	10,134	5,038
	475,675	**71,793**

18a PROPERTY, PLANT AND EQUIPMENT

COST / VALUATION	Leased Assets GH¢	Lease Improvement GH¢	Computers & Accessories GH¢	Office Furniture & Fittings GH¢	Motor Vehicle GH¢	Motor Cycles GH¢	Plant & Euipment GH¢	TOTALS GH¢
Balance at 1/1/2024	120,000	73,545	36,500	41,165	270,000	11,597	202,798	755,605
Additions	-	-	61,582	-	647,309	-	50,500	759,391
Transfer	270,000				(270,000)	-		-
Disposal	-	-	-	-				
Balance at 31/12/2024	**390,000**	**73,545**	**98,082**	**41,165**	**647,309**	**11,597**	**253,298**	**1,514,996**
DEPRECIATION								
Balance at 1/1/2024	34,000	20,838	12,927	14,579	76,500	6,319	53,777	218,939
Charge for the year	78,000	14,709	14,058	10,291	21,577	2,320	51,659	192,614
Transfer	76,500				(76,500)			-
Disposal	-	-	-	-	-		-	-
Balance at 31/12/2024	**188,500**	**35,547**	**26,985**	**24,870**	**21,577**	**8,639**	**105,436**	**411,553**
NET BOOK VALUE AT 31 DECEMBER, 2024	**201,500**	**37,998**	**71,097**	**16,295**	**625,732**	**2,958**	**147,862**	**1,103,443**

18b PROPERTY, PLANT AND EQUIPMENT

COST / VALUATION	Rented Office Building GH¢	Lease Improvement GH¢	Computers GH¢	Office Furniture & Fittings GH¢	Motor Vehicle GH¢	Motor Cycles GH¢	Plant & Euipment GH¢	TOTALS GH¢
Balance at 1/1/2023	120,000	73,545	36,500	41,165	270,000	14,496	177,867	462,363
Additions	-	-	-	-	-	-	24,931	296,141
Disposal	-	-	-	-	-	-	-	-
Balance at 31/12/2023	**120,000**	**73,545**	**36,500**	**41,165**	**270,000**	(2,899)	-	(2,899)
						11,597	**202,798**	**755,605**
DEPRECIATION								
Balance at 1/1/2023	10,000	4,903	3,802	4,288	22,500	2,899	13,467	61,859
Charge for the period	24,000	15,935	9,125	10,291	54,000	4,000	40,310	157,661
Disposal	-	-	-	-	-	(580)	-	(580)
Balance at 31/12/2023	**34,000**	**20,838**	**12,927**	**14,579**	**76,500**	**6,319**	**53,777**	**218,939**
NET BOOK VALUE AT 31 DECEMBER, 2023	**86,000**	**52,707**	**23,573**	**26,586**	**193,500**	**5,278**	**149,021**	**536,665**

C **Profit on disposal of Non-current Asset is calculated as follows:**

	MOTOR CYCLE GH¢	MOTOR CYCLE GH¢
Cost		2,899
Accum. Depreciation	-	-
Net Book Value	-	2,899
Proceeds from sale		3,000
Profit on Disposal	-	101

19 **DEPOSITS AND CURRENT A(**

	2024 GH¢	2023 GH¢
Savings Account	16,626,188	7,137,853
Current Account	1,927,303	1,792,499
Fixed Deposit	11,261,231	5,323,789
Susu & Others	17,053,452	7,061,892
	46,868,174	**21,316,033**

(b) **Analysis by Type of Customers**

Individuals	23,769,532	13,224,351
Other Private Enterprise	359,655	593,006
Public Enterprise	1,507,126	149,197
Others	21,231,861	7,349,479
	46,868,174	**21,316,033**

20 **CREDITORS AND ACCRUALS**

Audit Fees	18,285	22,552
Office Account (CR)	250,228	21,023
Suspense Account	20,032	4,565
Interest Suspense	1,699	-
Accured Interest	320,608	-
E-zwich Operations(CR)	11	-
Leased Liabilities	-	390,000
	610,863	**438,140**

21 **STATED CAPITAL**

	No. of Shares 2024	No. of Shares 2023	Proceeds 2024 GH¢	Proceeds 2023 GH¢
Authorised:				
Ordinary Shares	200,000,000	200,000,000		
Issued and Fully Paid:				
Issued for Cash	2,000,000	2,000,000	1,000,000	1,000,000

There were no shares in treasury and no call or instalment unpaid on any Share.

Stated capital and reserves

Share capital

The bank classifies capital and equity instruments in accordance with the contractual terms of the instrument. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.
Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

22 RETAINED EARNINGS

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

23 DEPOSIT FOR SHARES

Deposit for shares has been created pending when it is registered with the office of the Registrar of Companies.

24 STATUTORY RESERVE

Statutory reserves are based on the requirements of section 34 of the Banks and Specialised Deposits-Taking Institutions Act (ACT 930).Transfers into statutory reserves are made in accordance with the relationship between the Bank's Reserve fund and its paid up capital, which determines the proportion of profit for the period that should be transferred.

(i) Where the reserve fund is less than fifty percent of the stated capital, an amount not less than 50% of net profit for the year is transferred to the reserve fund.

(ii) Where the reserve fund is more than 50% but less than 100% of the stated capital, an amount not less than 25% of net profit is transferred to the reserve fund.

(iii) Where the reserve is equal to 100% of the stated capital, an amount not less than 12.5% of the net profit for the year is transferred to the reserve fund.

24 RELATED PARTY TRANSACTIONS

Advances due from Officers and Employeesof the bank amounted to GHS 240,236 (2023:GHS 116,528), and it comprises :

	2024	2023
	GH¢	GH¢
Officers and Employees	240,236	116,528
	240,236	**116,528**

SUBIN-AKWABOSO RURAL BANK PLC

VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	NOTES	2024	2023
Interest earned and other operating income		9,723,434	3,770,486
Direct cost of services and other costs		(3,567,020)	(1,756,811)
Value added by banking services		6,156,414	2,013,675
Non-banking income		80,785	60,460
Impairments		(150,096)	(195,128)
Value added		**6,087,103**	**1,879,007**
Distributed as follows:			
To employees			
Directors		(22,800)	(9,600)
Other Employees		(2,013,114)	(970,220)
		(2,035,914)	**(979,820)**
To Government			
Income Tax		**(384,720)**	**(77,474)**
To providers of capital			
Dividends to shareholders			-
To expansion and growth			
Depreciation		(192,614)	(157,661)
To retained earnings		**3,473,855**	**664,052**

SUBIN-AKWABOSO RURAL BANK PLC

TAX COMPUTATION

YEAR OF ASSESSMENT - 2024

		GH¢
Profit before tax		3,858,575
Add Back:	Depreciation	192,614
	Loan Impairment Charge	150,096
	Excess Repairs-Motor Vehicle & F&F	88,775
	Adjusted Profit	4,290,060
Less:	Capital Allowances	(156,702)
	Chargeable Income	4,133,358
	Unrelieved loss- 2022	-
	Chargeable Income	4,133,358
	Tax thereon @ 5%	206,668

The Bank has a tax concession for ten years with a concessionary rate of 5%

This is subject to agreement by the Ghana Revenue Authorities.

SUBIN-AKWABOSO RURAL BANK PLC

CAPITAL ALLOWANCES COMPUTATION

YEAR OF ASSESSMENT, 2024

BASIS: 1/1/2024- 31/12/2024

ASSETS CLASS	W.D.V. B/F	ADDITIONS	EXCESS REPAIRS	TOTAL	RATE	DEPRN.	W.D.V. C/F	
CLASS 1 POOL	13,140	61,582	-	74,722	40%	29,889	44,833	
CLASS 2 POOL	76,477	75,000	66,301	217,778	30%	65,334	152,445	
CLASS 3 POOL	160,125	50,500	22,474	210,625	20%	42,125	168,500	
	249,742	187,082	88,775	525,600		137,347	388,252	

ASSETS CLASS	W.D.V. B/F	ADDITIONS	TOTAL	RATE	DEPRN.	W.D.V. C/F	
CLASS 4 POOL	96,000	-	96,000	10%	12,000	84,000	3RD Year
CLASS 4 POOL	58,836	-	58,836	10%	7,355	51,481	3RD Year
	154,836	-	154,836		19,355	135,481	

RESTRICTION ON REPAIRS AND IMPROVEMENT

	GHC	GHC	GHC
Per Account	71,603	30,899	
Deductible Amount:			
5% of WDV	5,302	8,425	
Capitalised Amount	**66,301**	**22,474**	-

REDUCING BALANCE	137,347
STRIGHT LINE	19,355
	156,702