



YAA ASANTEWAA RURAL BANK PLC

AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2025

Owiredu-Yeboah Consult

Chartered Accountant,
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Yaa Asantewaa Rural Bank PLC**Reports and Financial Statements****1****For the year ended 31st December 2025**

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Yaa Asantewaa Rural Bank PLC**Reports and Financial Statements****2****Corporate Information****Board of Directors**

Mr. Abdul Razak Adam	Chairman
Dr. Grace Amoh-Agyei	Member
Ms. Yvonne Yaa Yalley (ESQ)	Member

Management

Dr. Stephen Sarfo Kantanka	Relieving Chief Executive Officer
Samuel Ampofo Jacobson	Head of Operations
Jeremiah Woode	Head of Credit
Patrick Gyamfi	Head of Audit
Melody Asamoah-Frimpong	Human Resource/Admin. Manager
Frank Nyarko	Head of Risk & Compliance
Gershon Sam Woode	Head of IT
Kojo Sam	Head of Sales & Business

Registered Office

Okese Plaza, Ejisu Commercial Centre
Opposite Ejisu Market
P.O.Box EJ 371
Ejisu- Ashanti

Bankers

ARB Apex Bank PLC
Republic Bank

Auditors

Owirededu-Yeboah Consult
Chartered Accountants
Hse No. 12 Kofi Adotei Road, Sahara-Dansoman
P. O. Box AN 7872 Accra-North
Tel: 0244668786 / 0208787232

Yaa Asantewaa Rural Bank PLC**Financial Highlights****For the year ended 31st December, 2025****3**

As at;	2025 (GH¢)	2024 (GH¢)	Percentage Change %
Total Assets	109,372,905	81,709,028	33.86
Loans and advances	12,137,123	12,045,935	0.76
Deposits	97,560,562	70,205,677	38.96
Property, plant and equipment	3,799,737	4,158,020	-8.62
Shareholders' equity	(7,713,945)	(6,061,313)	27.27

For the year ended;

Operating income	12,098,104	10,203,683	18.57
Loss before tax	(1,431,891)	(933,135)	53.45
Loss after tax	(1,620,402)	(1,093,161)	48.23
Earnings per share	(0.35)	(0.24)	48.15
Number of Agencies	6	6	0.00
Number of staffs	130	123	5.69

Statement of Directors Responsibilities

The Bank's Directors are responsible for the preparation and fair presentation of the audited financial statements comprising the statement of comprehensive income, statement of financial position as at 31 December, 2025, the statement of cash flow, the statement of changes in equity, for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act 2019, (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)

The Companies Act, 2019 (Act 992) requires the Directors to prepare financial statement for each financial year which gives a true and fair view of the state of affairs of the Bank and of its profit or loss for that year.

In preparing those financial statements the directors are required to:

- a. Select suitable accounting policies and apply them consistently;
- b. Make judgments and estimates that are reasonable and prudent;
- c. State whether applicable accounting standards have been followed, subject to any material departures;
- d. Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which discloses with reasonable accuracy at any time the financial position of the Bank which enable them to ensure that, the financial statements comply with the relevant applicable standards and are also responsible for safe guarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

Report of the Directors

The Directors submit their report together with the audited financial statements of the Bank for the year ended 31st December 2025.

The Directors are of the opinion that the financial statements give a true and fair view of the state of affairs of the company and of its profit or loss.

The Directors responsibilities include; designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatements whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Going Concern

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. The financial statements therefore continue to be prepared on the going concern basis.

Principal Activities

The company operates as a Rural Bank under the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930)

Nature of business

The Bank is licensed to carry out the business of banking and related services including taking deposits and lending money. The activities of the Bank did not change during the year under review.

Corporate Social Responsibility

The Bank spent an amount of GHS 13,875 on social responsibility within the financial year

Conflict of Interest

In accordance with its governance structure, the Bank has established appropriate procedures to address actual or potential conflict on account of any director or senior management and these are regularly reviewed for authorization. Any identified conflict which has been taken through the full process of the company is recorded in a special conflict of interest register for purposes of disclosure. During the year, no such conflicts arose, and no such authorization was sought.

Financial report and Dividends

The results of the year are set out in the attached detailed financial Statements and summarized below:

	2025 GH¢	2024 GH¢
Loss before tax for the year	(1,431,891)	(933,135)
From which is deducted a tax charge of	(188,512)	(160,026)
Resulting in a loss after tax of	(1,620,402)	(1,093,161)
less net transfer to statutory reserve and other reserves	-	-
To which must be added the balance brought forward on the income surplus account at the beginning of the year of	(7,622,023)	(6,528,862)
Leaving a balance before statutory and other transfers of	(9,242,425)	(7,622,023)
From which the following transfers were made:		
Prior year adjustment	(53,931)	-
Dividend Paid	-	-
Leaving a balance on the income surplus account of	(9,296,356)	(7,622,023)

In accordance with Bank of Ghana directives, the Directors do not recommend the payment of dividend for the year ended 31st December, 2025.

Retirement and re-election of Directors

In accordance with the Companies Act 2019, (Act 992) and the regulations of the Bank, no director is due to retire.

Auditors

In accordance with section 139(5) of the Companies Act, 2019 (Act 992), the Auditor, Owiredi-Yeboah Consult, will continue in office as auditors of the Bank

Approval of Financial Statements

The Financial Statements of the Bank were approved by the Board of Directors on 23/04/2026 and signed on its behalf by:

By Order of the Board

(Director)

(Director)

Corporate Governance Report

Board Structure, Size, Composition and Qualification

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 2025, the Board of Directors of the Bank consisted of three (3) non-executive directors. The board members have wide experience and in-depth knowledge in Banking and Finance, Accountancy, management, entrepreneurship, marketing and the financial industry, which enables them to make informed decisions and valuable contributions to the Bank's progress. The Board met three times during the year.

Independence of the Board

The Directors of the Bank's Board are all non-executive, which makes them to individually participate in deliberations resulting in an independent and unfettered judgment hence providing higher-level corporate governance. Disclosures of interest or relationships by directors including related party dealings involving or concerning Directors, if any is considered key by the Bank in ascertaining the independence status of the directors.

Separation of Powers-Chairman and CEO Roles

The Chairman of the Board, Mr. Abdul Razak Adam is an independent non-executive Director.

The Chairman's role includes but not limited to the following;

- a) Providing effective leadership to the board regarding all Board matters
- b) Leading between management and the Board and being key point of communication between Board and the CEO.
- c) Leading processes/procedures aimed at creating and maintain an effective corporate governance system.

The Relieving Chief Executive Officer, Dr. Stephen Sarfoh Kantanka heads the Management team, and he is the Supervising Manager of the Institution. He is ordinarily accountable to the Board for the development and successful implementation of the Banks strategy as well as other delegated duties with authority from the Board.

The CEO roles among others:

- a) The day-to day management of the Bank in line with delegated authorities approved by the Board.

Board Meeting Attendance

The Board met on regular basis in 2025 and in compliance with the minimum threshold under section 25 of the Corporate Governance Directives for RCBs.

Below is the table for attendance of Board and Committee meetings for the year 2025

Name of Director	Role	Board meetings	Audit Committee	Credit Committee
Mr. Abdul Razak Adam	Chairman	3/3		
Dr. Grace Amoh-Agyei	Member	3/3	3/4	15/15
Ms. Yvonne Yaa Yalley (ESQ)	Member	3/3	3/4	

Board Sub-Committees

The Board has two (2) sub committees that assist in carrying out its delegated responsibilities. Minutes and reports from these committees are received at Board meetings for ratification and approval. Below are the Sub-Committees of the Board as at 31 December, 2025.

a) Audit Committee

1. Dr. Grace Amoh-Agyei
2. Ms. Yvonne Yaa Yalley (ESQ)

b) Credit Committee

1. Dr. Grace Amoh-Agyei

Conflict of Interest

The Bank has instituted appropriate conflict registration procedure for disclosure and authorization of actual or potential conflicts. All actual or potential conflicts are registered in a CONFLICT OF-INTEREST REGISTER DURING Board and Committee meetings and are regularly reviewed for appropriate authorization. During the year, no conflict arose and no such authorizations were sought.



Chartered Accountants

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Independent Auditor's Report

To the shareholders of Yaa Asantewaa Rural Bank PLC

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yaa Asantewaa Rural Bank PLC ("the Company"), which comprise the statement of financial position at 31 December 2025, and the statement of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 14 to 48.

In our opinion, these financial statements give a true and fair view of the financial position of Yaa Asantewaa Rural Bank PLC at 31 December 2025, and its financial performance and cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992), the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

Basis of Opinion

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

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 matters.

Key Audit Matter – Impairment of Loans and Advances

The impairment of financial assets (loans and advances) was determined under IFRS 9 which introduced a forward-looking Expected Credit Loss (ECL) model.

The ECL model requires considerable judgment and interpretation in its interpretation. These judgments were key in the development of ECL model which have been built and implemented to measure the expected credit losses on relevant financial assets (loans and advances) measured at amortized cost.

There is an increase in the data inputs required by the ECL model. The data is from a number of systems that have not been used previously for the preparation of the accounting records. This increases the risk of completeness and accuracy of the data that has been used to create assumptions and operate the model, as the bank has not yet had formal training on the subject matter.

Expected credit losses (ECLs) are required to incorporate forward-looking information, reflecting management's view of potential future economic environment. The complexity involved requires management to develop new methodologies involving the use of significant judgments.

We have focused on the following significant judgments and estimates which could give rise to material or management bias:

- Probability of Default – PD: (estimate of the likelihood that borrowers will be unable to meet their debt obligations over a particular time)
- Exposure At Default – EAD: (amount expected to be owed the Bank at the time of default)
- Loss Given Default – LGD: (percentage exposure at risk that is not expected to be recovered in an event of default)
- Forward looking economic information and scenarios
- Completeness, accuracy and integrity of data used in the model and the ECL calculations

How our audit addressed the key audit matter

We obtained the loan portfolio of the bank at the end of reporting period, tested the data, reconciling it to the underlying records.

We assessed the information obtained, aged the balances and determined the following:

- Probability of default
- Exposure of default
- Loss given default

We assumed reasonable looking information to be incorporated into the calculation of the expected credit losses and weighted the loans and advances into stages.

Other Information

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

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

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

Responsibilities of the Board of 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 in the manner required by the Companies Act, 2019 (Act 992), the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can also arise from fraud or error and are considered material if, individually or in 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 misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery ,intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of the Companies Act, 2019(Act 992)

- a) We have obtained all the information and explanations which we considered necessary for the performance of the audit
- b) In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books
- c) The statement of Financial Position and the Statement of Comprehensive Income of the Bank are in agreement with the books of account

Compliance with the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) - Section 85

- a) The financial statements give a true and fair view of the state of affairs of the Bank and its result for the year under review
- b) We were able to obtain all relevant information and explanations required for the efficient performance of our duties as auditors
- c) The Bank's transactions were within its powers
- d) The Bank has complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930)

The engagement partner on the audit resulting in this independent auditor's report is **Eugene Owiredo-Yeboah (ICAG/P/1229)**



Owiredo Yeboah Consult (ICAG/F/2026/144)

Chartered Accountants

Sahara-Dansoman

P.O.Box AN 7872 Accra North

Accra

20-04-2026

Yaa Asantewaa Rural Bank PLC

Statement of comprehensive income

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For the year ended 31st December 2025

	Notes	2025 (GH¢)	2024 (GH¢)
Interest income	5	15,730,435	10,749,960
Interest expense	6	(4,730,844)	(1,606,240)
Net interest income		10,999,591	9,143,720
Commissions and fees	7	848,125	866,999
Other operating income	8	250,387	192,964
Total operating income		12,098,104	10,203,683
Impairment Loss on Financial Assets	9	(3,274,387)	(3,000,000)
Personnel Expenses	10	(5,462,886)	(4,620,637)
Depreciation & Amortization	20	(644,504)	(286,153)
Operating Expenses	9	(4,148,217)	(3,230,028)
Loss before taxation		(1,431,891)	(933,135)
Income Tax Expense	12	(188,512)	(160,026)
Loss after tax		(1,620,402)	(1,093,161)

Earnings per share (EPS)

Basic earnings per share (in GHP)	13	(0.35)	(0.24)
Diluted Earnings per share (in GHP)		(0.35)	(0.24)

Yaa Asantewaa Rural Bank PLC**Statement of Financial Position****15****As at 31st December 2025**

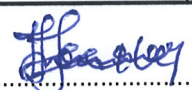
		2025	2024
Assets	Notes	(GH¢)	(GH¢)
Cash and bank balances	14	20,321,665	16,382,580
Non-Pledged Trading Assets	15	70,393,309	44,153,857
Loans & Advances to Customers	16	12,137,123	12,045,935
Investment Securities	17	130,850	93,350
Other Assets	18	2,559,738	4,838,384
Property, plant and equipment	20	3,799,737	4,158,020
Intangible Assets	19	30,483	36,901
Total Assets		109,372,905	81,709,028

Liabilities

Creditors & Accruals	21	18,017,184	14,558,574
Deposits from Customers	22	97,560,562	70,205,677
Borrowings	23	1,470,593	2,846,064
Current Tax Liability	12	38,512	160,026
Total Liabilities		117,086,851	87,770,341

Equity and Reserves

Stated capital	24	1,430,274	1,408,574
Retained Earnings		(9,296,356)	(7,622,023)
Statutory Reserve Fund		152,137	152,137
Total Equity		(7,713,945)	(6,061,313)

Total liabilities and equity**109,372,905 81,709,028**
.....
Director**Date**23/04/2026
.....
Director**Date**23/04/2026

Yaa Asantewaa Rural Bank PLC**Statement of cashflow****16****For the year ended 31st December 2025**

	2025 (GH¢)	2024 (GH¢)
Loss before tax	(1,431,891)	(933,135)
Depreciation	644,504	286,153
Prior year adjustment	(53,931)	(9,838)
Cash flow before changes in assests & liabilities	(841,317)	(656,820)
Changes in assets and liabilities		
Changes in loans and advances to customers	(91,188)	2,489,021
Changes in Other Assets	2,278,646	(587,963)
Changes in Deposits from Customers	27,354,885	27,388,080
Changes in Creditors and Accruals	5,027,765	3,928,655
Cashflow from operating activities	33,728,791	32,560,973
Tax paid	(310,026)	-
Net Cash Generated from Operating Activities	33,418,764	32,560,973
Cashflow from Investing Activities		
Purchases of Property, Plant and Equipment	(1,904,647)	(3,724,173)
Purchases of Treasury Bills and Other Eligible Bills	(26,239,453)	(24,311,034)
Property, Plant and Equipment write-off	55,691	-
ARB Apex Bank Shares	(37,500)	(37,500)
Net Cash Used In Investing Activities	(28,125,909)	(28,072,707)
Financing		
Divdend Paid	-	-
Additional Shares Issued	21,700	22,350
Borrowings	(1,375,471)	1,709,339
Net Cash Used In Financing Activities	(1,353,770)	1,731,689
Net Increase in cash and cash equivalents	3,939,085	6,219,955
Adjusted Cash and cash equivalents at January 1	16,382,580	10,162,626
Cash and cash equivalents at December 31	20,321,665	16,382,580
Analysis of cash and cash equivalents as shown		
Cash & Bank Balances	20,321,665	16,382,580
	20,321,665	16,382,580

Statement of changes in equity**17****For the year ended 31st December 2025**

	Stated Capital	Retained Earnings	Statutory Reserve Fund	Total
2025	(GH¢)	(GH¢)	(GH¢)	(GH¢)
1/1/2025	1,408,574	(7,622,023)	152,137	(6,061,312)
Loss for the year	-	(1,620,402)	-	(1,620,402)
Dividend Paid	-	-	-	-
Prior year adjustment(Repairs & Mainte	-	(53,931)	-	(53,931)
Issue of Additional Shares	21,700	-	-	21,700
31/12/25	1,430,274	(9,296,356)	152,137	(7,713,945)

2024

1/1/2024	1,386,224	(6,528,862)	152,137	(4,990,501)
Loss for the year	-	(1,093,161)	-	(1,093,161)
Dividend Paid	-	-	-	-
Issue of Additional Shares	22,350	-	-	22,350
31/12/24	1,408,574	(7,622,023)	152,137	(6,061,312)

1. The reporting entity

1.1 The Company

Yaa Asantewaa Rural Bank PLC (the Bank) is a public limited company incorporated and domiciled in Ghana. The Bank is registered under Ghanaian Legislation and authorized by its Regulations and a banking license issued by the Bank of Ghana to engage in the provision of banking and related services including the taking of deposits and lending of money. The bank is domiciled in Ghana with its head office at Okese Plaza, Ejisu in the Ashanti Region with its network of Branches located within the Ashanti Region - Ghana. The registered address is P.O.Box EJ 371, Ejisu, Ashanti Region, Ghana.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years, unless otherwise stated.

2.1 Basis of preparation

The set of financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required by legislation, particularly the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) have also been disclosed or presented in the appropriate context. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policy

The Bank's financial statements comprise the statement of comprehensive income, statement of financial position, the statement of changes in equity, the statement of cash flows and related notes.

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ghana Cedis, which is the Bank's functional and presentation currency. Except as indicated, the financial information in Ghana Cedi has been rounded to the nearest Ghana Cedi. Transactions in foreign currencies are translated to the functional currency of the Bank at exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognized in profit or loss.

The disclosures on risks from the financial instruments are presented in the financial risk management contained in Note 4.8

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Directors to exercise judgment in the process of applying the Bank's accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period. The area(s) involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements is (are) disclosed below:

2.1.1 Critical Accounting judgments, estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgment about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying values of the assets and liabilities within the next financial year is (are) discussed below

(i) Measurement of the expected credit loss allowance

The measurement of the expected credit loss allowance (ECL) for the financial assets as per IFRS is a complex area that requires the use of complex models and significant assumptions about future economic conditions and credit behavior (e.g. the likelihood of customers defaulting and the resulting losses)

A number of significant judgments are also required in applying the accounting requirements for measuring ECL, such as;

- Determining criteria for significant increase in credit risk
- Establishing the number of forward-looking economic scenarios and information
- Choosing an appropriate model and assumptions in the measurement of the ECL

2.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency or the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in 'Ghana Cedi' (GHS) rounded to whole numbers

a) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in other comprehensive income. All foreign exchange gains and losses are presented in profit or loss within other operating income. Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income/available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income/available for sale, are included in other comprehensive income

2.3 Revenue recognition

Revenue is derived substantially from banking business and related activities and comprises Interest income, commission and fees, as well as other operating income recognized on an accrual basis in the year in which it accrues

a) Interest income

Interest income are recognized in the Financial Statements in respect to interest bearing Financial Instruments including loans and advances as interest accrues using the effective interest rate method. The effective interest method is used as basis to recognize interest income in the profit and loss account for all interest – bearing financial instruments including loans and advances. The effective interest method is a method of calculating the amortized cost of a financial asset and allocating the interest income. The applicable effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts available over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the related financial asset.

The effective interest rate is calculated within the context of all estimated cashflows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses.

The calculation also includes all related transactional cost such as processing and commitment fees received by the bank.

The recognition of interest income ceases when the payment of interest or principal is in doubt. Interest is included in income thereafter only when it is received. Loans are re-valued on the accrual basis only when doubts about their collectability are removed and when the outstanding arrears of interest and principal are received.

b) Commissions and Fees

The Bank earns fees and commission income from services it provides to its customers. Commissions and fees are credited to income when earned with reasonable certainty and in the case of loan fees, in the year the loan is granted.

c) Other Operating Income

This relates to income accruing from the consequential dimension of the bank's operations including the sale of value books, susu/microfinance operations and where applicable profits or gains from the sale of property and equipment.

2.4 Interest Expense

Interest expense is recognized in the profit or loss for all interest bearing Financial Instruments measured at amortised cost, including savings and fixed deposit, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expenses.

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

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument.

2.5 Financial assets and liabilities

2.5.1 Financial Assets

Measurement methods

Amortized cost and effective interest rate

The amortized cost is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, and for financial assets, adjusted for any loss allowance.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortized cost of a financial liability.

Initial recognition and measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Bank recognizes the 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.

Subsequent Measurement & Classification

Financial Assets at Fair Value through Profit and Loss

Held for Trading

A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the near future, or is a part of a portfolio of identified instruments that are managed together and for which there is evidence of a recent actual pattern of short term profit making.

Designated at Fair Value through Profit and loss

Upon initial recognition as financial asset, it is designated at fair value through profit or loss. Financial assets at fair value through profit or loss are measured at fair value subsequent to initial recognition. Gains or losses upon subsequent measurement are treated in Profit or loss. All equity instruments are measured at fair value

Financial Assets Measured at Amortized Cost

A financial asset is measured at amortized cost if the following conditions are met:

The asset is held within a business model whose objective is to hold the assets in order to collect contractual cash flows, the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial Assets Measured at Fair Value through Other Comprehensive Income

Securities including investments in money market and equity shares, other than those classified as trading securities, or at fair value through profit or loss, are classified in the Statement of Financial Position at their fair value. Other financial assets that are neither cash nor categorized under any category also come under this classification. Financial assets measured at fair value through other comprehensive income are measured at fair value with gains and losses arising from changes in fair value recognized directly in other comprehensive income until the Financial Asset is either sold, become impaired, or mature, at which time the cumulative gain or loss previously recognized in equity is recognized in profit or loss. Interest calculated using effective interest method is recognized in the Statement of comprehensive income. Dividends on equity instruments are recognized in the income statement when the Bank's right to receive payment is established

2.5.2 Financial Liabilities

Classification

The Bank's holding in financial liabilities represents mainly deposits from banks and customers, and other liabilities. Such financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Measurement

The amortized 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 amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment

De- recognition

A financial liability is de-recognized when the obligation under the liability is discharged or cancelled or expires. When 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 recognized in profit or loss

Determination of Fair Value**Availability of Active Market**

For financial instruments traded in active markets, the determination of fair values of financial instruments is based on quoted market prices or dealer price quotations. This includes listed equity securities and quoted debt instruments on major exchanges. Thus, the fair value of a financial instrument traded in active market at the reporting date is based on its quoted market price without any deduction of transaction costs. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the criteria is not met, the market is regarded as being in-active

Non-availability of Active Market

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

Determination of Fair Value

The International Financial Reporting Standard (IFRS) 13 defines fair value as 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, excluding transaction cost other than that relating to transport. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter-bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to the Bank.

2.5.3 De-recognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is de-recognized where:

- The rights to receive cash flows from the asset have expired; or
- The Bank transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and
- Either the Bank has transferred substantially all the risks and rewards of the asset or the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay

Financial liabilities

A financial liability is derecognized 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 recognized in profit or loss.

2.5.4 Offsetting of Financial Instruments

Netting, where financial assets and liabilities are offset and the net amount reported in the statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on net basis, or to realize an asset and settle the liability simultaneously. In cases, even though master netting arrangements are in place, the lack of an intention to settle on a net basis results in the related assets and liabilities being presented gross in the statement of financial position.

2.5.5 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. Any interest payable or receivable arising is recorded as interest payable or interest receivable except for future costs relating to trading activities which are recorded in operating income

3. Impairment and provisions

3.1 Impairment of financial assets

A financial asset or a group of financial assets is considered impaired only if there is an objective evidence of impairment as a result of one or more event(s) that have occurred after initial recognition of the asset and the event or events have diverse impact on the estimated future cash flow of such financial asset or group of financial assets.

The amount of impairment is measured as the difference between the carrying value of the financial asset or group of financial assets and the estimated future cash flows discounted at the original effective interest rate used to originate the financial asset or group of financial assets in question.

3.2 Impairment of non-financial assets

Non-financial assets are assets that have indefinite useful life and are not subject to amortization and are tested manually for impairment. An impairment loss is recognized for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is the Asset Fair Value (Market Value) less cost to sell.

It is the policy of the bank to review all non-financial assets that suffer impairment for the possible reversal of the impairment at each reporting date.

3.3 Impairment of loans & advances

Loans and Advances are non-derivative financial assets having a fixed or determined cash flow patterns and are not quoted on any active market. Loans and Advances are initially recognized at fair value equivalent to the cash consideration or outflow required to originate or generate the loan including any transaction costs and measured subsequently at amortized cost using the effective interest method.

Loans and advances are designated as impaired and considered non-performing where recognized weakness indicates that full payment of either interest or principal become questionable or as soon as payment of interest or principal becomes questionable or as soon as payment of interest or principal is 90 days or more. Where any amount is considered uncollectible, an individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows.

Evidence of impairment may include indications that the holders of the bank's loans and advances are experiencing significant financial difficulty, default or delinquencies in the payment of interest and/or principal. It may also include the fact that the debt is being restructured to reduce the burden on the borrower.

Where any impairment arises the estimated impairment loss is fully provided for and recognized in the profit and loss as charge for credit losses.

3.3.1 Write-off policy

The Bank writes off a loan balance (and any related allowances for impairment losses) when the Bank determines that the loans are uncollectible. The determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure

3.3.2 Expected credit loss measurement

In determining the ECL, management considers numerous factors including, but not limited to, domestic economic conditions, the composition of the advance portfolio and prior bad debt

experience. Provisions made during the year are charged as a separate amount in the profit and loss account. When an advance is deemed irrecoverable it is written off against the related bad debt provision. Subsequent recoveries of advances that have been written off are credited to the profit and loss account under the category of Other Operating Income.

IFRS 9 outlines a “three-stage” model for expected credit losses, as summarized below:

- A financial instrument that is not credit impaired on initial recognition is classified in ‘Stage 1’ and has its credit risk continuously monitored
- If a significant increase in credit risk since initial recognition is identified, the financial instrument is move to ‘stage 2’ but is not yet deemed to be credit-impaired
- If the financial instrument is credit-impaired, the financial instrument is then moved to ‘stage 3’.

Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months. Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Forward-looking information are considered in measuring the credit losses

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

The Expected Credit Loss, (ECL) is measured on either a 12 month or lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and the Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation
- EAD is based on the amounts the Bank expects to be owed at the time of default, over the remaining lifetime (Lifetime EAD)
- LGD represents the Bank’s expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e. the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point on initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio and credit grade band. This is supported on historical analysis.

The 12-M and lifetime EAD are determined based on the expected payment profile, which varies by product type. Forward-looking economic information is also included in determining the 12-M and lifetime PD, EAD and LGD

During the period under review, the Internal Model based on IFRS has been applied to provide for credit losses with the underlining assumptions:

Internal model and assumptions – ECL measurement

- All of the Loans were originated based on the prevailing interest rate fixed by the Bank based on the Bank of Ghana's base rate
- Loans which are categorized under "Current" are those Loan Balances which have no significant increase in credit risk. Such current balances are stage 1 and 12 months ECL will be recognized.
- Loans which are not categorized under "Current" as well as not impaired or a "Loss" because of past due status will be assumed as significant increase in credit risk but not credit impaired. Such loans will be categorized as stage 2 and a lifetime ECL will be recognized.
- All loans and advances have been aged based on historical experience into stage 1, 2 and 3
- The ageing balances of the Bank will be used for the computation of Expected Credit Losses (ECL). The loan types have been categorized into Personal, Trading/Commercial, Staff, Directors, Agriculture and Group Loans which are the Microfinance.
- The computation is constrained by the fact that additional information or triggers such as bankruptcy, death, loss of jobs, re-location, collateral etc. about the loan types were not obtained. They were all generalized based on balances obtained from the Bank
- ECL is computed as $EAD \times LGD \times PD$.
- Below is the ageing figures for the period
-

At 31 December, the Bank's credit exposures were categorized under IFRS 9 as follows:

- Stage 1 – Performing (Current)
- Stage 2 – Underperforming (Substandard, doubtful)
- Stage 3 – Credit impaired (Loss)

4.1 Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with 91 days or less from the date of acquisition including cash and bank balances with Apex Bank PLC, money market placements and dealing securities

4.2 Equity Investments

Equity investments are marked to market. Market in this context refers to the periodic advice issued by the ARB Apex Bank PLC regarding the price of its equity shares held by the bank.

4.3 Property, Plant and Equipment

Recognition and measurement

Items of property and equipment are stated at cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. The cost of self-constructed assets includes the cost of materials, direct labour and other directly attributable to bringing the asset to a working condition for its intended use. The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Subsequent Costs

The cost of replacing a part of an item of property or equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis to write down the cost of each asset to their residual values over the estimated useful life of each part of an item of property and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is de-recognized or classified as held for sale in accordance with IFRS

5. The estimated useful life for the current and corresponding years are as follows:

Motor Vehicles	20%
Equipment	25%
Furniture & Fittings	20%
Land and Building	2.5%
Computers and Accessories	50%
Electrical Installations	20%

De-recognition

An item of property, plant and equipment is de-recognized on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the year the asset is de-recognized

Capital work in progress

Property and equipment under construction is stated at initial cost and depreciated the date is made available for use over its estimated useful life. Assets are transferred from capital work in progress to an appropriate category of property and equipment when commissioned and ready for its intended use

4.4 Income Tax

Current income tax

Income tax payable on taxable profits is recognized as an expense in the year in which the profits arise. Income tax recoverable on tax allowable losses is recognized as an asset only to the extent that is regarded as recoverable by offsetting against current or future taxable profits.

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Ghana Revenue Authority. The tax rates and tax laws

used to compute the amounts are those that are enacted or substantially enacted by the statement of financial position date.

Deferred Tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences.

The Bank have adopted the liability method on temporary differences that arise from the tax basis of assets and liabilities and their carrying amounts in the financial statements to calculate and make full provision for deferred tax in the financial statements of the bank. The determination of deferred income tax is based on tax rates (and tax laws as the case may be) that have been enacted or expected to become valid for application by the reporting date, or when the related deferred income tax asset may be realized or when the deferred income tax liability may be settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized and such future profits can be reliably measured.

As a result, deferred tax assets are reviewed periodically to ensure that their expected recoverable values grounding their initial recognition have not been impaired and where they have, to reduce the related deferred tax assets to their recoverable amounts.

4.5 Provisions

A provision is recognized if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect 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.

4.5 Borrowings

Borrowings are recognized initially at fair value, net of transactions costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities

are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, the fee is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

4.6 Stated Capital and Reserves

Stated Capital

Ordinary Shares

Ordinary shares are classified as stated capital, and comprise amount arising from the issue of shares for cash and transfers from retained earnings and other surpluses as defined under the Companies Act 2019 (Act 992). These shares are not redeemable by holders in the normal course of business.

Dividend on ordinary shares

Dividend on ordinary shares is recognized on equity in the period in which they are approved by the shareholder. Dividend proposed for approval at AGM is not recognized as a liability as at 31 December, 2025.

The Directors do not recommend the payment of dividend for the year ended 31 December, 2025.

Statutory Reserves

The statutory Reserve Fund is required under section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) to be set aside cumulatively from annual profit after tax. Depending on the ratio of existing Statutory Reserve Fund to paid up capital, the proportion of after-tax profits required to be transferred to this reserve fund ranges from 12.50% to 50%. The Bank during the year did not transfer any amount to the fund.

Capital Surplus/Reserves

The capital surplus account is a creation by the companies Act 2019 (Act 992) and records gains or losses arising from the revaluation of assets of the company including its property, plant and equipment. The International Financial Reporting standards (IFRS) require the valuation at regular intervals of these property, plant and equipment. The bank has therefore adopted a policy to value its assets at regular intervals.

Income Surplus (Retained Earnings)

The Income Surplus account records the cumulative annual profits (after appropriations) available for distribution to shareholders.

4.7 Post Balance Sheet Events

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

4.8 Employment Benefit

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligation for contributions to defined contribution pension plans are recognized as personnel expenses in statement of profit or loss in the period during which related services are rendered.

The Bank has the following defined contribution schemes:

National Pension Scheme

The Bank contributes 13.50% of basic salary to a National Pensions Scheme and the contribution is charged to the Profit and Loss Account as part of total Employee Benefit. The National Pension Scheme is a creation of law and managed by the Government of Ghana through the appropriate public and private sector entities.

Provident Fund

The Bank has a provident fund scheme for all employees. Employees of the Bank contribute 5% of their basic salary to the fund whilst the bank contributes 7.5%. Obligations under the scheme are limited to the relevant contributions made and any related investment income generated.

4.9 Risk Management

Introduction and overview

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations.

The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Bank's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

The Bank defines risk as the possibility of losses or profits foregone, which may be caused by internal or external factors.

Risk Management structure

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk and management framework. The Board's Audit Committee gives direction for overall risk monitoring and control and it is assisted in its functions by the Risk and Compliance Department of the Bank. The Assets and Liabilities Management Committee (ALCO) are directly responsible for the developing and monitoring risks in their specific areas of operation. The bank has a liquidity contingency plan with ARB Apex Bank PLC to support the bank in times of liquidity challenges. All these structures work together to ensure effective implementation of the risk management policies and procedures of the bank.

The Bank has exposure to the following types of risk from its use of financial instruments:
a) Credit risk; b) Market risk; c) Liquidity risk; d) Operational risk

The Bank continues to assess its overall risk management framework and governance structure. The notes below present information about the Bank's exposure to each of the above risk.

(i)Credit Risk

To the Bank, Credit risk is the likelihood that a receivable from a financial instrument issued by the Bank to a borrower is unlikely to be received regarding the principal with or the according to the terms contained in the financial instrument. This will result in economic loss to the Bank. The credit risk arises from largely loans and advances to customers.

Credit Risk Management

Credit risk is the single largest risk for the Bank's business; the Directors therefore carefully manage the exposure to credit risk. The credit risk is managed through the systems and controls established by the Credits and Marketing department that ensures that periodic review of the status of the receivable at every stage of its application to completion of the repayment of the advance by the borrower. The credit and marketing department submits reports of the performance of the Loans and Overdrafts to the credit and marketing committee which takes appropriate actions for approval and recovery. Credit facilities are monitored for early warning signals of non-performance.

The Bank has well documented policies and procedures for managing credit risk in the Bank's operational manual. To manage the level of credit risk, the Bank deals with customers of good credit standing and for which in its assessment the transactions are appropriate and risks understood by the customer. The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for loans and advances

(ii)Market Risk

Market risk is the potential of losses arising from movements in market prices such as Interest rates, exchange rates, and equity and commodity prices which affects the Bank's income or the value of its holdings of financial instruments.

Market Risk Management

Currently, the Bank's activities expose it to interest rate risks with no exposure to exchange rate, equity or commodity price risks. The interest rate risk is inherent in the Bank's financial assets and liabilities such as loans, customer's deposits and borrowings.

In the event when 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 mitigates these risks 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.

(iii) Liquidity Risk

Liquidity risk is the potential loss to the Bank arising from either its inability to meet its maturing short-term obligations as they fall due or to fund increases in assets without incurring unacceptable costs.

Liquidity Risk Management

The Bank maintains liquidity limit imposed by its regulator, the Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. The management of this risk enables the Bank to minimize the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the primary reserve requirement of 13% of total deposits as required by Bank of Ghana and ARB Apex Bank

(iv) Operational Risk

Operational risk is direct or indirect loss resulting from inadequate or failed internal controls and processes, staff and systems.

Operational Risk Management

These are managed by well-designed manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit, risk and compliance and timely and reliable management reporting

4.9.1 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/approval.

	2025	2024
	(GH¢)	(GH¢)
5. Interest Income		
Interest on Loans and Overdrafts	6,018,278	2,940,413
Interest on Investments	9,712,158	7,809,547
	15,730,435	10,749,960

6. Interest Expense

Interest on Deposits	4,293,114	1,406,240
Interest on Borrowings	437,731	200,000
	4,730,844	1,606,240

7. Commission and Fees

Commission	105,030	430,709
Commitment Fees	743,096	436,290
	848,125	866,999

8. Other operating income

Cheque Clearing Fees	25,794	29,803
Sundry Income	224,594	163,160
	250,387	192,964

9. Impairment Loss on Financial Assets

Allowance for impairment - Loans & Advances	3,274,387	3,000,000
	3,274,387	3,000,000

Notes to the Financial Statements**38**

	2025	2024
	(GH¢)	(GH¢)
10. Personnel Expenses		
Salaries & Wages	2,885,062	2,421,833
Other Staff Cost	1,504,864	1,345,756
Provident Fund	195,365	159,791
Social Security Contribution	352,270	295,664
Staff Training Cost	131,714	119,069
Staff Medical	103,075	75,377
Staff Clothing Allowance	290,536	203,146
	5,462,886	4,620,637

Relevant Statistics

(i) Number of persons in employment of the Bank at reporting date	130	123
(ii) Average annual basic remuneration per staff	22,193	19,690
(iii) Average annual costs per staff	42,022	37,566

11. Operating Expenses

Occupancy Cost	169,984	181,799
Auditor's Remuneration	50,000	50,000
Other Expenses	3,928,233	2,998,229
	4,148,217	3,230,028

12. (a) Income Tax Income

Current Income Tax	188,512	160,026
	188,512	160,026

Deferred tax expense relates to the origination and reversal of temporary differences.

(b) Current Taxation

Year of Assesment 2025	Bal at 1st	Repayment	Charge to	Over/Under	Balance at
		In The Year	P/L	Provision	31/12/2025
	(GH¢)	(GH¢)	(GH¢)	(GH¢)	(GH¢)
	160,026	(310,026)	188,512	-	38,512
	160,026	(310,026)	188,512	-	38,512

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

13. Earnings per share

Basic earnings per share (EPS) is calculated by dividing the profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year

	2025	2024
Profit attributable to ordinary shareholders	(1,620,402)	(1,093,161)
Total number of ordinary shares	4,621,444	4,618,776

Basic Earnings per share (in Ghana Pesewa) **(0.35)** **(0.24)**

(Note: The bank had no category of dilutive potential ordinary shares at both reporting dates. The diluted earnings per share is therefore the same as the basic earnings per share.

	2025	2024
14. Cash and Bank balances	(GH¢)	(GH¢)
Cash Holdings	1,782,169	1,880,549
APEX 5% Deposit Account	4,486,559	3,201,796
APEX Clearing Account	2,551,879	1,346,969
ACOD	10,800,000	6,000,000
Ecobank Clearing Account	519	521
EcobankLtd- Prepaid Card	5,933	5,933
First Atlantic Current Account	416	416
First Atlantic Savings Account	4,332	4,332
CBG	173,285	1,065
GCB Bank PLC	10,231	10,361
Republic Bank	201,600	79
Zenith Bank Settlement	199,988	200,000
Republic Bank- Call	104,755	3,730,559
	20,321,665	16,382,580

	2025 (GH¢)	2024 (GH¢)
15. Non-Pledged Trading Assets		
G.O.G Treasury Bills held by:		
ARB Apex	46,850,030	36,051,077
		-
	46,850,030	36,051,077
Easy Investment	3,140,488	3,140,488
New Generation Investment	63,544	63,544
Republic Bank	1,023,014	3,178,514
REPO	15,500,000	-
CBG Bank	2,096,000	-
GCB Amalgamated Fund	1,720,233	1,720,233
	23,543,279	8,102,780
Total	70,393,309	44,153,857

16. Loans and advances**(a) Analysed by Type of Customer**

Overdraft	12,845,295	10,364,556
Loans	9,465,689	8,580,853
	22,310,984	18,945,409
Credit Impairment Loss	(10,173,861)	(6,899,474)
	12,137,123	12,045,935

The Bank's loans and advances were categorized 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

Yaa Asantewaa Rural Bank PLC**Notes to the Financial Statements****41**

	2025	2024
	(GH¢)	(GH¢)
Maximum exposure to credit risk carrying amount	12,137,123	12,045,935
Grade 1-3: Low-Fair risk- Current	12,112,063	6,340,258
Grade 4-5: Low- Watch list	26,536	13,530
Grade 6-8: Substandard- Loss	10,172,384	12,591,622
Total Gross Amount	34,448,107	18,945,409
Allowance for Impairment	(10,173,861)	(6,899,474)
Net Carrying Amount	24,274,246	12,045,935

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 follows:

December				
2025	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Current:	10,117,638	1,019,160	975,265	12,112,063

December				
2024	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Current:	4,728,468	868,464	743,325	6,340,258

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				
2025	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Past due but not impaired	26,536	-	-	26,536

December				
2024	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Past due but not impaired	13,530	-	-	13,530

Individually impaired loans- Stage 3

The break down of the gross 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 2025	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Individually impaired Loans	1,630,653	8,446,529	95,202	10,172,384
Fair value of collateral		-	-	-

December 2024	Term Loans	Overdrafts	Staff Loans	Total
Grade:				
Individually impaired Loans	2,998,190	9,496,092	97,340	12,591,622
Fair value of collateral		-	-	-

At 31 December 2024, the Bank's loans and advances were categorized under ifrs 9 as follows:

Stage 1 - At initial recognition - Performing

Stage 2 - Significant increase in credit risk since initial recognition - underperforming

Stage 3 -Credit Impaired - Non - Performing

(b) Impairment Allowance for Loans & Advances

Balance at 1st January	6,899,473	3,899,473
Loan Impairment Charge	3,274,387	3,000,000
Balance at 31st December	10,173,860	6,899,473

(c) Analysed by Type of Business Segment

Salaried Workers	672,236	512,957
Agriculture	49,324	-
Trading	14,913,703	15,588,736
Microfinance	5,538,064	1,810,473
Staff & Directors	1,070,467	840,891
Others	67,189	192,352
	22,310,984	18,945,409
Credit Impairment Loss	(10,173,861)	(6,899,474)
	12,137,123	12,045,935

Yaa Asantewaa Rural Bank PLC**Notes to the Financial Statements****43**

	2025	2024
	(GH¢)	(GH¢)
17. Investment Securities		
ARB Apex Bank PLC - Ordinary Shares	130,850	93,350
	130,850	93,350

This represents an investment in the ordinary shares of ARB Apex Bank PLC

18. Other Assets

Rent Prepaid	35,125	82,430
Insurance prepaid	63,824	67,793
Office Account	622,757	3,032,311
Inter Branch Account DR Bankmill	-	300
Stationery Stock	114,513	125,251
Interest and Commission Accrued	193,219	-
WIP- Racecourse/ Kejetia	1,530,300	1,530,300
Other Prepayments	-	-
Sundry Debtors	-	-
	2,559,738	4,838,384

19. Intangibles Assets(Purchased Softwares)**COST**

Balance at 1 January	358,343	358,343
Acquisitions	-	-
write Off	(294,167)	-
Balance at 31st	64,176	358,343

ACCUMULATED AMORTIZATION

Balance at 1 January	321,442	308,080
Amortization for the year	6,418	13,362
write Off	(294,167)	-
Balance at 31st	33,693	321,442

20. Property, Plant & Equipment

Cost	Building (GH¢)	Computer & Access. (GH¢)	Equipment (GH¢)	Furniture &Fittings (GH¢)	Motor Vehicle (GH¢)	Electrical Installations (GH¢)	Total (GH¢)
1/1/2025	500,638	336,894	647,994	262,164	3,798,838	325,633	5,872,162
Transfer			-	-	(1,569,154)	-	(1,569,154)
Additions	1,702,780	38,147	89,966	53,246	-	20,508	1,904,647
Disposal	(16,395)		(1,760)	(32,787)		(7,581)	(58,523)
31/12/25	2,187,023	375,041	736,200	282,623	2,229,684	338,560	6,149,132

Depreciation

1/1/2025	119,279	256,843	522,444	180,879	363,827	270,871	1,714,142
Transfer	-					-	-
Charge	36,938	81,518	55,976	16,708	432,821	14,124	638,086
Disposal	(34)	-	(308)	(989)		(1,501)	(2,832)
31/12/25	156,183	338,361	578,112	196,597	796,648	283,494	2,349,395

Carrying Amount

31/12/2025	2,030,840	36,680	158,089	86,026	1,433,036	55,065	3,799,737
31/12/2024	381,359	80,052	125,551	81,286	3,435,011	54,762	4,158,020

	2025 (GH¢)	2024 (GH¢)
21. Creditors and Accruals		
Provision - Others	50,000	33,530
Sundry Creditors	17,186,115	13,922,090
Bills Payable	14,427	4,217
Tax- GRA PAYE	49,398	42,689
Tax- GRA WHT	19,464	12,121
SSNIT	43,790	35,888
Provident Fund	103,417	86,495
Audit Fees	50,000	30,266
Loan Protection	179,445	166,758
Interest in arrears suspense	1,210	50,000
Others/ Ezwich	4,318	1,572
Rent Payable	150,639	30,960
Ghana Pay Operation	72,225	72,225
Akenten Appiah-Menkah Univ of Skills Training & Ent	-	-
Police Guard/Scholarship & Others	33,600	28,800
Salary Suspense	5,965	5,217
Suspense Credit Accounting	53,172	35,745
Total	18,017,184	14,558,574

22. Deposits from Customers

Savings Account	22,684,368	16,653,558
Current Account	9,098,014	9,242,504
Time Deposits	19,013,576	12,165,402
Susu Deposits	46,764,603	32,144,213
	97,560,562	70,205,677

23. Borrowing

ARB Apex Bank PLC	1,470,593	1,846,064
Loan	-	1,000,000
	1,470,593	2,846,064

24. Stated Capital	No. of shares 2025	No. of shares 2024	Proceeds 2025	Proceeds 2024
Authorized:	100,000,000	100,000,000		
Issued Shares:				
Ordinary Shares	4,621,444	4,618,776	1,430,274	1,408,574
Issued for cash	4,621,444	4,618,776	1,430,274	1,408,574

25. Capital Adequacy	Required By BOG	2025 Actually Achieved	Required By BOG	2024 Actually Achieved
Adequacy Ratio	10%	-11.54%	10%	-8.82%

26. Capital commitments

There were no capital commitments provided for in the financial statement at the reporting dates

27. Related party transactions

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to related persons. The disbursement and related outstanding balances at the year-end are as follows:

Officers and Employees	1,070,467	840,891
At 31/12	1,070,467	840,891

28. Exchange control

All remittances from Ghana are subject to the agreement of the Exchange Control Authorities

29. Shareholding Structure**(i) Directors' Shareholding**

The directors named below held the following number of ordinary shares in the Bank as at 31st December 2025

Directors	No. of Shares	Percentage
1. Dr. Grace Amoh-Agyei	22,490	0.49
2. Abdul-Raak Adam	5,000	0.11
3. Yvonne Yaa Yalley (ESQ)	5,000	0.11

(ii) List of Twenty (20) largest shareholders at 31st December 2025	No. of Shares	% Holdings
1. Samuel Addo Otoo	1,184,333	25.63
2. Easy Investment Services Ltd	874,911	18.93
3. Gabriel Sam Ahinful	276,600	5.99
4. Frank Nketiah-Boakye	270,110	5.84
5. John Kwame Awuku Dzuazah	265,400	5.74
6. Emmanuel William Dodoo	234,000	5.06
7. Paul Kofi Oppong Boakye	140,000	3.03
8. Kwabena Obiri- Yeboah	122,000	2.64
11. Dr. Mustapha Ahmed	100,000	2.16
9. Nana Afranie Okese IV	81,400	1.76
10. Oguakro Afranie Okese IV- The Stool	76,000	1.64
12. Maxwell Kusi	75,000	1.62
13. Stephen Agbeli	75,000	1.62
14. Richard Kwesah Sallah	70,000	1.51
15. Abraham Adu-Kwarteng	70,000	1.51
16. Janet Acheampong	65,000	1.41
17. Alexander Kofi Eduful	54,000	1.17
18. Eugenia Elsie Dodoo	40,000	0.87
19. Peter Addo Otoo	40,000	0.87
20. Ntim Twumasi Kwaku	40,000	0.87
Total	4,153,754	89.88
Others	467,690	10.12
	4,621,444	100.00

	2025	2024
	(GH¢)	(GH¢)
30. General & Administrative Expenses		
Specie	21,510	8,923
Subscription & Periodicals	88,023	54,878
Office Expenses	29,602	13,614
Attachment Students' Allowance	3,176	300
Postage & Telephone	28,360	22,752
Insurance	348,890	231,170
Printing & Stationery	112,041	95,613
Travelling & Transport	403,497	330,065
Light & Water	231,598	199,678
Software Licence & Support Fees	493,927	403,438
Cleaning & Sanitation	112,073	104,750
Bank Charges	24,729	27,173
Enter. For Guest/ Protocol & Public Relations	10,770	37,099
Board Meeting	43,556	49,133
Motor Vehicle Running	396,813	318,112
A.G.M. Expenses	130,018	58,200
Security Expense	161,910	56,611
Advertising, Publicity & Promotion	106,447	102,759
Legal	226,130	216,711
Donation	19,110	8,600
Generator Running Cost	72,670	61,975
Repairs & Maintenance	130,296	60,040
Business Registration & Licencing	1,200	100
Rates & Taxes	39,172	38,700
End of year Payment	436,900	454,500
Sundry Expenses	52,333	21,997
Shortage in Till	11,700	-
Susu/Mobilization Expenses	160,743	-
Penalties	7,000	-
Audit Expenses	5,003	-
Recruitment & Selection Expenses	5,160	-
Social Responsibility	13,875	21,339
	3,928,233	2,998,229

Yaa Asantewaa Rural Bank PLC**Appendix i**

	2025 (GH¢)	2024 (GH¢)
Value Added Statement		
Interest earned and operating income	16,578,560	11,616,959
Direct cost of services and other costs	(8,879,061)	(4,836,268)
Value added by banking services	7,699,500	6,780,691
Non-banking income	250,387	192,964
Impairments	(3,274,387)	(3,000,000)
Value added	4,675,500	3,973,655

Distributed as follows:

To employees

Directors	-	-
Other Employees	(5,462,886)	(4,620,637)
	(5,462,886)	(4,620,637)

To Government

Income Tax	(188,512)	(160,026)
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To providers of capital

Dividends to shareholders	-	-
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To expansion and growth

Depreciation and amortisation	(644,504)	(286,153)
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Retained Earnings	(1,620,402)	(1,093,161)
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Yaa Asantewaa Rural Bank PLC**Appendix ii****Tax Computation****Year of assessment - 2025****Basis Year (01/01/25 - 31/12/25)**

	2025	2024
	(GH¢)	(GH¢)
Profit before Tax	(1,431,891)	(933,135)
Add/(Less):		
Depreciation	644,504	286,153
Donation	19,110	8,600
Excess Repairs	155,212	-
Penalties	7,000	-
Impairment Charge	3,274,387	3,000,000
Adjusted Profit	2,668,323	2,361,618
Capital Allowances Utilised	(458,637)	(258,677)
Carry over Losses	(1,455,639)	(1,462,835)
Chargeable Income	754,046	640,106

Tax Thereon @ 25%	188,512	160,026
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The tax computation is subject to review by the Ghana Revenue Authority

Appendix iiiCapital Allowance ComputationYear of assessment - 2025Basis Year (01/01/25 - 31/12/25)

Pool of Asset	w.d.v. B/F	Additions/ Disposal	Excess Repairs	Total	Rate	Depreciation	W.D.V.C/F
Class 1 Pool	93,359	38,147		131,506	40%	52,602	78,904
Class 2 Pool		-		-	30%	-	-
Class 3 Pool	477,830	163,720	155,212	796,763	20%	159,353	637,410
	571,189	201,867	155,212	928,269		211,955	716,314

	w.d.v. B/F	Additions/ Disposal	Total	Rate	Depreciation	W.D.V.C/F
Class 4 Pool	125,530	-	125,530	10%	31,383	94,148
Class 4 Pool	64,593	-	64,593	10%	12,919	51,675
Class 4 Pool	51,865	-	51,865	10%	5,187	46,679
Class 4 Pool	-	1,702,780	1,702,780	10%	170,278	1,532,502
	241,988	1,702,780	1,944,768		219,766	1,725,003

	w.d.v. B/F	Additions/ Disposal	Total	Rate	Depreciation	W.D.V.C/F
Class 5 Pool	134,584	-	134,584	10%	26,917	107,667
Class 5 Pool	-	-	-	10%	-	-
Total	134,584	-	134,584		26,917	107,667

REPAIRS OR IMPROVEMENT ON FIXED ASSETS

	Per Income Statement	5% WDV Capital Allowance	Excess
Repairs & Maintenance	180,874	25,662	155,212

SUMMARY

Reducing Balance	211,955
Straight Line	246,682
	458,637