



# ANNUAL REPORTS

AND FINANCIAL  
STATEMENTS

FOR THE YEAR ENDED  
31ST DECEMBER, 2025



2025



**BAWJIASE**  
COMMUNITY BANK PLC.

# PROXY AUTHORIZATION

I/We.....being a

shareholder(s) of Bawjiase Area Rural Bank PLC hereby appoint

.....

As my/our proxy to vote on my/our behalf at the Annual General Meeting of the Bank to be held at the Wesley Methodist Church Bawjiase on Wednesday, 24th June, 2026 and at any adjournment thereof.

Signed on the..... day of.....2026.

.....

Signature of Shareholders(s)

# CONTENTS

	06	Board of Directors and Officials
Chairman's Report	07	
	14	Report of Directors
Statement Corporate Governance Report	19	
	26	Independent Auditor's Report
Statement of Profit or Loss and Other Comprehensive Income	29	
	30	Statement of Financial Position
Statement of Changes in Equity	31	
	33	Statement of Cash Flows
Notes to the Financial Statements	32	

## PROGRAMME

- |     |  |   |
|-----|--|---|
| 1.  | Opening Prayer   | Very Rev. Isaac Baah-Yanney                         |
| 2.  | Introduction of Invited Guest/Board Members                  | MC  |
| 3.  | Opening Remarks  | Board Chairman                                      |
| 4.  | Reading of Notice of AGM                                     | Secretary   |
| 5.  | Report of Chairman   | Board Chairman                                      |
| 6.  | Report of Directors  | Vice Chairman                                       |
| 7.  | Auditor's Report   | SMA and Associates                                  |
| 8.  | Motion to accept the Financial Statements / Reports          | Board Chairman                                      |
| 9.  | Discussion of Report   |   |
| 10. | Address by Invited Guest                                     | Rep. Apex Bank<br>President CB, Central.<br>Chapter |
| 11. | Resolutions:   |   |
|     | a) Dividend Payment  | - Cash Dividend                                     |
|     |  | - Bonus Shares                                      |
|     | b) Authorizing Directors to fix the Remuneration of Auditors |   |
|     | c) Remuneration of Directors                                 |   |
|     | d) Consideration and passing of the Special Resolution       |   |
| 12. | Closing Remarks  | Board Chairman                                      |
| 13. | Vote of Thanks   |   |
| 14. | Closing Prayer   | Imam Suleman Alhassan                               |

**MC:** Mrs. Bernice Otabil

# BAWJIASE AREA RURAL BANK PLC NOTICE OF 35TH ANNUAL GENERAL MEETING (AGM)

NOTICE IS HEREBY GIVEN THAT THE 35th Annual General Meeting (AGM) of Shareholders of Bawjiase Community Bank PLC ("the Company") will be held on 24th June, 2026 at 10.00 am prompt at the Wesley Methodist Church Auditorium to transact the following business.

## AGENDA

1. To receive the Chairman's Reports
2. To receive and consider the Financial Statements and reports of the Directors and External Auditors of the Company for the year ended 31st December 2025
3. To approve the payment for dividend
  - a) Cash dividend
  - b) Bonus Share

To authorize the Directors to determine the remuneration of the Auditors  
To determine the Directors' Remuneration  
To consider and pass the following resolution as a Special Resolution:

"That the maximum number of Directors be amended from five (5) to seven (7) as stated in Paragraph 57 of the Company's registered Constitution".

DATED IN AWUTU BAWJIASE THIS 26TH DAY OF MAY 2026  
BY ORDER OF THE BOARD OF DIRECTORS

*signed*  
ALLIANCE LAW UNLIMITED  
BOARD SECRETARY

# BOARD OF DIRECTORS AND OFFICIALS

## Board of Directors

Mr. Victor W. Dontwi - Non-Executive Chairman  
Mr. Michael Kofi Andoh - Non-Executive Member  
Mr. Christopher Kwaku Dadzie - Non-Executive Member  
Ms. Deborah Dodd - Non-Executive Member

## Secretary

Mr. Pascal Atta-Fynn

## Management

Stephen Kwamena Prah - Chief Operating Officer  
Moses Sankofi - Acting Head of Banking Operations  
Jane Afua Bruku - Acting Head of Risk and Compliance  
Nathaniel Narh - Head of IT  
Ernest Kaakoye - Acting Head of Finance  
Dumah Issaka Saani - Head of Internal Audit  
Gabriel Owusu - Head of Loans Recovery  
Yeenu-Prah Senior Kwesi Adu - Acting Head of HR & Admin  
Desmond Quarshie Tettey - Acting Head of Credit  
Evans Ackon - Head of Microfinance

## Registered Office

The Bank Premises  
P. O. Box BJ30, Bawjiase  
Central Region  
**Email:** bawjiase.ruralbank@yahoo.com  
**Email:** info@bawjiasecommunitybank.com  
**Website:** www.bawjiasecommunitybank.com

**Auditors** SMA and Associates  
Chartered Accountants  
P. O. Box AS 820  
Tema

**Solicitors** Alliance Law Unlimited  
H.No 4, Dzane Kofi Street  
GA-428-9188, Abeka-Lapaz Accra

**Bankers** ARB Apex Bank PLC

# CHAIRMAN'S REPORT

## 1.0 Introduction

Nananom, Distinguished Guests, Shareholders, Fellow Directors, the Press, Ladies and Gentleman, a very good morning to all of you.

It gives me immense pleasure in welcoming you all on behalf of the Board of Directors, Management, and Staff to the 35th Annual General Meeting of Bawjiase Area Rural Bank Plc (now Bawjiase Community Bank PLC).

The year 2025 presented several challenges. However, despite these challenges we were able to leverage inherent opportunities within the business environment to record a performance that further attests to our resilience as a bank, thanks to our turnaround strategy rolled out in December 2024.

The Director's Report and Audited Financial Statements for the year 31st December, 2025 have been shared with you and with your permission I take them as read.

Before I present the performance of your Bank, I would like to briefly reflect with you on the present macroeconomic and Banking scenarios.

## 2.0 THE GHANAIAN ECONOMY AND BANKING INDUSTRY OUTLOOK

The Ghanaian Economy continued to rebound, exceeding initial expectations. Provisional GDP data released by the Ghana Statistical Service in March, 2025, estimated real GDP growth at 5.8% in 2026 higher than the programmed growth of 3.2% for 2025 and the 3.1% recorded in 2025. Non- oil GDP grew at 7.6% in March, 2026 compared with 6.0% recorded in March, 2025. The growth out turn in March, 2025 was driven by the activities in the industry and service sectors. However, growth in the agricultural sector was stronger, driven by higher crop yield due to good weather conditions, among other factors.

Despite the growth rate of 6.0% in economic activity during the year 2025, inflation remained high in 2025 and sticky around 5.4%, significantly lower than expectations. The latest data released by Ghana Statistical Service indicates that headline inflation eased marginally from 5.4% in December, 2025 to 3.2% in March, 2026, due to easing, but still high non-food inflation of 3.9%. Food inflation also dropped to 2.3% on account of favorable climate conditions and other constraints.

The Banking Sector's performance continued to improve. Total Bank assets recorded 21.0% growth as at end of February, 2026 as against 19.0% growth in December, 2025. With regulatory reliefs, the Banking industry's Capital Adequacy was higher at 21.06% in December, 2025. The industry's Non-Performing Loans (NPL) ratio declined to 18.7% in February, 2026 from 22.6% in

February, 2025. This excluded loans in the loss category, which are fully provisioned, the NPL ratio as at end of February, 2026 was 18.7%. Bank of Ghana data showed that, the Banking Sector soundness indicators showed broad improvements in assets growth, solvency, liquidity, efficiency, and profitability, but facing credit risk and legacy non-performing loans.

The 91-Day and 182-day Treasury bill rates were maintained at 10.7 percent and 11.35 percent respectively in December 2025. In March, 2026, yield rose from 4.71% and 6.36% respectively. The rate on the 364-day instrument also fell from 9.76% in March 2026.

The Monetary Policy rate ended 2025 at 18.0% as compared to 14.0% in March, 2026.

### **3.0 THE RURAL BANKING AND MICROFINANCE SECTOR**

Data from the Efficiency Monitoring Unit (EMU) of the ARB Apex Bank showed that the Rural Banking Sector also followed the growth trajectory of the Banking Sector in 2025.

The Sector recorded profit growth of 40% from GH¢874.35 million in 2025 to GHs1,224.12 million in the same period. Total Assets witnessed a growth of 11.39% from GHs22,128.11 billion to GHs24,649.56 billion in 2025. Deposits grew by 12.75%, Loans and Advances also recorded a growth of 4.94% respectively in 2025. The Capital Adequacy Ratio (CAR) rose from 17.65% to 21.06% in December, 2025 showing improvement in the RCBs industry. During the year under review, the Bank of Ghana introduced a comprehensive reform of the microfinance and specialized deposit-taking sector, representing one of the most significant regulatory overhauls in recent years. These reforms are aimed at restoring confidence, strengthening financial stability, and enhancing the role of microfinance institutions in promoting financial inclusion across the country.

A key feature of the reform is the introduction of a revised and more structured regulatory framework, replacing the previously fragmented system with a model anchored on institutional classification, capital strength, and governance standards. This has resulted in a simplified sector structure comprising Community Banks, Microfinance Banks, Credit Unions, and Last-Mile Providers, thereby improving clarity and supervision.

The Bank of Ghana has also significantly increased minimum capital requirements across the sector, with clear timelines for compliance extending to December 2026. These measures are expected to promote consolidation, improve balance sheet strength, and ensure that only adequately capitalized institutions are permitted to operate within the industry.

Furthermore, the reform mandates the transition of all Rural Banks into Community Banks, accompanied by enhanced governance and prudential standards. This transition is designed to strengthen oversight, improve operational efficiency, and better align institutions with their evolving roles in local economic development.

As a Board, we recognize both the challenges and opportunities presented by these reforms.

While the new requirements may exert short-term pressure on institutions, they ultimately provide a solid foundation for long-term stability, improved governance, and increased public confidence in the financial sector

Distinguished Shareholders, these measures are intended to safeguard depositors' funds, reduce systemic risks, and build a more resilient financial ecosystem capable of supporting sustainable economic growth.

#### **4.0 PERFORMANCE OF BARB PLC**

Dear Shareholders, ladies, and gentlemen, I am pleased to inform you that our Bank recorded impressive growth in all the performance indicators in the year under review.

The key objective of the Transformation Strategies rolled out in December 2024 were to strengthen the Financials, Risk Management and Control Systems, enhancing Competition Position, Profitability and Compliance. Key financial highlights for the year 2025 summed up below clearly demonstrates that, the objectives have substantially been realized. Let me now place before you the position of your Bank on leading indicators;

- Profit before tax increased by 24.1% from GH¢7,534,051 in 2024 to GH¢9,348,071 in 2025
- Total Assets of the Bank increased from GH¢129,639,073 in 2024 to GH¢161,984,450 in 2025, an increase of 24.95%
- Total Deposits rose from GH¢94,308,622 in 2024 to GH¢124,052,878 in 2025, an increase of 31.54%,
- Loans and advances also increased from GH¢33,690,351 in 2024 to GH¢35,016,289 in 2025, an increase of 3.94%,
- Cost to income ratio however increased very slightly from 73.74 percent in 2024 to 74.94 percent in 2025, which is above the industry benchmark of 70%, and
- Return on equity increased from GHS29,275,462 in 2024 to GHS34,433,227 in 2025.

#### **5.0 CORPORATE GOVERNANCE AND SOCIAL RESPONSIBILITY**

Distinguished Shareholders, ladies and gentlemen, as a responsible Corporate citizen, we recognize the importance of Governance and Social considerations in shaping our business practices. We firmly believe that the long term success of our Bank is intrinsically linked to the wellbeing of the Communities we serve. We are committed to fostering Social inclusivity and upholding robust Governance practices that promote Ethical conduct and sound Decision-making.

The Board remains firmly committed to upholding the highest standards of integrity, accountability, and transparency in the management of the Bank's affairs, recognizing that sound governance is fundamental to sustaining stakeholder confidence and long-term institutional stability.

The Board of Directors provided strategic guidance and effective oversight to Management, ensuring that the Bank's operations were aligned with its vision, mission, and regulatory obligations. In discharging its responsibilities, the Board operated within a clearly defined governance framework, guided by applicable laws, directives from the Bank of Ghana, and established internal policies.

During the year, the Board convened regular meetings to deliberate on key matters, including financial performance, risk management, credit administration, and compliance. Attendance and participation of Directors remained strong, reflecting their dedication to the Bank's growth and sustainability.

The Board maintained a clear distinction between its oversight role and Management's operational responsibilities, thereby promoting efficiency and accountability.

The Bank also considers Corporate Social Responsibility(CSR) not merely as an obligation but as an internal part of our identity and purpose. Through our diverse and impactful CSR initiatives, we strive to make a positive difference in the lives of individuals, empower communities, and contribute to the sustainable development of Society at large. Institutions and activities supported by the Bank in 2025 included among others;

- Municipal/District Assemblies,
- District Education Directorates,
- District Police Commands,
- District Health Directorates,
- Festival/Traditional activities among others.

The Board is satisfied that Bawjiase Community Bank PLC maintained a strong corporate governance and social culture throughout the year. We will continue to enhance our governance structures and oversight mechanisms to support the Bank's strategic objectives and deliver sustainable value to our shareholders and the communities we serve.

## 6.0 EQUITY AND SHARES

The paid-up capital of the Bank increased from GH¢5,684,470 in 2024 to GH¢6,292,833 in 2025 representing an increase of 10.70 percent. Though the Bank has met the regulatory minimum capital of GH¢5,000,000, Shareholders are encouraged to continue to invest in the Bank to make more resources available for expansion and also to meet any future increase in the regulatory minimum paid-up capital by the Bank of Ghana.

## 7.0 DIVIDEND:

My fellow Shareholders, I am excited to inform you that, the Bank has secured approval from Bank of Ghana to declare and pay dividend for the year under review. The Board has subsequently proposed a dividend of 35% of PAT as follows;

- 25% Cash payment of GHs 0.047 per share amounting to GH¢1,635,912.25, and
- 10% bonus issue (non-cash) of Ghs 654,364.94 for transfer to Stated Capital, representing a total of Ghs 2,290,277.19 for the 2025 financial year.

The proposed cash dividend yields a return of 23.5% of the dividend on the Current share price of 20pesewas. We therefore urge Shareholders to still invest part of the cash dividend if not all in the Bank.

## 8.0 STRATEGIC DIRECTION AND DIGITAL TRANSFORMATION

Dear Shareholders, a key milestone in this direction is the establishment of a new branch at Amasaman in the Ga West Municipality. This initiative forms part of the Bank's deliberate strategy to extend its presence into high-potential communities and bring accessible banking services closer to individuals, small businesses, and underserved segments of the population.

The Amasaman branch project is progressing steadily, and upon completion, it is expected to significantly strengthen the Bank's market position while improving customer convenience and engagement. The Board is confident that this expansion will not only contribute to increased deposit mobilization and credit growth but also support local economic development within the Ga West municipality and surrounding communities.

Fellow Shareholders Bawjiase Community Bank made significant strides in advancing its digital transformation agenda, reinforcing our commitment to delivering convenient, efficient, and customer-centric financial services. Recognizing the evolving needs of our customers and the increasing role of technology in banking, our bank has strategically invested in a range of digital solutions to enhance service delivery and broaden financial inclusion.

A major stride has been the successful deployment of SMS Blast services, which has strengthened our communication with customers by enabling timely dissemination of important information, product updates, and promotional campaigns. This has improved customer engagement and awareness, ultimately supporting business growth.

The introduction of Ghana Pay has positioned the Bank within the national digital payment's ecosystem, allowing customers to perform seamless mobile transactions, including transfers, payments, and wallet services. This initiative aligns with our objective of promoting a cash-lite economy while offering secure and accessible financial services.

In furtherance of accessibility, the Bank has implemented USSD banking services with the help of ARB APEX BANK, enabling customers to access essential banking functions on any mobile phone without the need for internet connectivity.

The Bank has also expanded its footprint through Agency Banking and Third-Party Agency Banking models. These initiatives have brought banking services closer to customers by leveraging a network of agents to facilitate deposits and withdrawals.

Additionally, the rollout of SUSU Remote Deposit Entry using POS devices represents a significant innovation in our traditional savings mobilization approach.

Collectively, these digital initiatives underscore the Bank's commitment to innovation, operational excellence, and customer satisfaction. As we move forward, we will continue to invest in technology-driven solutions to remain competitive, improve service delivery, and create sustainable value for our stakeholders.

## **9.0 FUTURE ECONOMIC OUTLOOK**

The latest Statistical Service data showed a strong growth of the Ghanaian economy in the first quarter of 2026. The real GDP growth is projected to be 4.8% in 2026.

The latest release by the Bank of Ghana showed that, the performance of the Banking Sector for the first quarter of the year points to a continued improvement, though non-performing loans appear to be on the rise. The performance of our Bank in the first quarter of the year has also followed the growth trajectory in the Banking Sector.

Notwithstanding the above developments in the economy and the Banking Industry, inflation outlook appears to be uncertain given the recent exchange rate pressures, fuel prices, utility tariffs in the world prices due to US and Iran war. We have also witnessed significant declines in the Treasury Bill rates and the bank lending rate. These threaten the targeted growth in income from both investments and lending. The board is however implementing strategies to mitigate this threat.

Considering the vulnerabilities identified above, the Board and Management will continue to adopt prudent and innovative measures to sustain the growth achieved in the first half of the year.

Distinguished Shareholders ladies and gentlemen, even in the face of a very challenging operating environment, Bawjiase Community Bank plc maintained its culture of outstanding performance and Industry leadership. As a Community Bank, we will continue to monitor developments in the local and global economy, and adapt our strategies as appropriate.

## **10.0 ACKNOWLEDGMENT**

Fellow Shareholders, may I acknowledge the expertise and counsel that the Board of Directors contributed to the progress of the bank throughout the year as well as that of our Management team and Employees. Importantly on behalf of the Board, I would like to express our deep sense of gratitude to our valued Shareholders, cherished Customers and all our stakeholders.

## **11.0 CONCLUSION**

Dear Shareholders, our bank continues the 2026 financial year with confidence, and remains

committed to positively impact its current size and status, and our investments in the required areas will continue to ensure effective and efficient delivery of our stated goals.

Ladies and gentlemen, on behalf of the Board, I thank you most sincerely for your unqualified support and continued trust and confidence. The future though challenging remains bright indeed for us all.

*Thank you and may God bless us all*

# REPORT OF THE DIRECTORS TO THE MEMBERS OF BAWJIASE AREA RURAL BANK PLC

FOR THE YEAR ENDED 31ST DECEMBER, 2025

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

## DIRECTORS' RESPONSIBILITY STATEMENT

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as the directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to

fraud or error. The directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the foreseeable future.

## NATURE OF BUSINESS

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

## FINANCIAL RESULTS

The results of operations for the year ended 31st December, 2025 are set out in the attached financial statements, highlights of which are as follows:

	2025 GH¢	2024 GH¢
The Bank recorded a net profit before taxation of	9,348,071	7,534,051
From which is deducted income tax expense of	(2,337,018)	(2,128,971)
From which is deducted a Growth & Sustainability Levy of	(467,404)	(376,703)
Giving a net profit after tax of	6,543,649	5,028,377
There was a transfer to statutory reserve fund of	(1,635,912)	(1,257,994)
Leaving a profit for the year after tax and transfer to statutory reserve of	4,907,737	3,770,383
When added to the opening balance on the Retained Earnings account as of 1 January	17,832,039	16,447,165
And adjusting it with Prior Year Adjustment of	(1,115,978)	(45,038)
And adjusting it with transfer to Stated Capital	-	(1,752,057)
From which is deducted final dividend paid of	(878,169)	(588,414)
Leaving a closing balance on the Retained Earnings account of	20,745,529	17,832,039

REPORT OF THE DIRECTORS CONT'D

**STATED CAPITAL**

The Bank's stated capital relating to ordinary shares issued increased from GH¢5,684,195 as at the end of the previous year to GH¢6,292,558 in 2025, recording an increase of GH¢609,363 as at close of the year 2025. The number of issued shares also increased from 31,742,516 to 34,776,309 showing an increase of 3,033,793. However, GH¢275 worth of preference shares from the previous year remained unchanged.

**DIVIDEND**

The Directors propose the payment of an amount of One Million, Six Hundred Thirty-Five Thousand, Nine Hundred and Twelve Ghana Cedis Twenty-Five Pesewas (1,635,912.25) being 25% of net profit after tax as cash dividend. The qualifying shares for dividend as at the 31st December 2025 was 34,776,309 ordinary shares held, per closure of Register notice dated 30th September, 2025. Dividends per share proposed is GH¢0.0470.

**BONUS SHARES**

The Directors propose for the transfer of an amount of Six Hundred and Fifty-Four Thousand, Three Hundred Sixty-Four Ghana Cedis, Ninety-Four Pesewas (GH¢654,364.94) being 10% of net profit after tax as non-cash dividend (bonus issue) to stated capital. These dividends are subject to Bank of Ghana's approval.

**RELATED COMPANIES**

Bawjiase Area Rural Bank PLC has no related companies to disclose.

**RELATED PARTY TRANSACTIONS**

The Board ensures that transactions with related parties including internal bank

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

**PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER**

There was no transaction with potential conflict of interest situation requiring entry in the Interest Register. Therefore, no disclosure of entries in the interest register is stated in the Financial Statements ended 31st December, 2025.

**DIRECTORS CAPACITY BUILDING**

The Directors of Bawjiase Area Rural Bank PLC have years of relevant experience in banking, finance and fund management. As part of discharging their duties, the Directors had training on Risk Management Framework for Board of Directors of Rural and Community Banks organized by ARB Apex Bank. The Bank ensures that only fit and proper persons are appointed to the board after obtaining the necessary approval from the regulator, Bank of Ghana.

**DIRECTORS**

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

## REPORT OF THE DIRECTORS CONT'D

**CORPORATE SOCIAL RESPONSIBILITY**

The Bank undertook corporate social responsibility activities during the year under review. Notable among them are:

DATE	COMMUNITY	PROJECT	AMOUNT
07-May-25	Bawjiase	Borehole repair	18,445
03-Jul-25	Bawjiase/Adeiso	GES	4,000
29-Oct-25	Bawjiase Polyclinic	Bedsheet	2,085
01-Dec-25	District Assemblies	Farmers Day	38,370
<b>TOTAL</b>			<b>62,900</b>

**AUDITORS**

The Auditors, SMA and Associates have expressed interest to continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992). We therefore recommend their continued appointment.

**AUDIT FEES**

Audit fees payable (inclusive of tax) amounts to Seventy-Nine Thousand Two Hundred Ghana Cedis (GH¢79,200) (2024: GH¢73,140).

**GOING CONCERN ASSESSMENT**

The Directors have assessed the budgets and cash flow projections of the Bank, evaluating their ability to continue as a going concern in light of current and expected economic conditions. As part of this evaluation, the Directors reviewed the adequacy of the Bank's financial resources. Managing these resources, which encompass capital, funding, liquidity, and risk capacity is crucial to achieving the Bank's growth and return objectives, aligning

with its overall risk appetite.

The anticipated growth in earnings and risk-weighted assets (RWA) is based on macroeconomic forecasts and is assessed against available financial resources, considering the expectations of capital providers and regulators. These projections and potential constraints are then subjected to stress testing, allowing the Bank to establish targets across various business cycles and scenarios.

**CONCLUSION ON GOING CONCERN ASSESSMENT**

The Bank has conducted a stress test on its capital in relation to its going concern status. The results indicate that the Bank's capital remains above the regulatory minimum. Given this outcome, the directors are confident that the Bank have sufficient resources to sustain operations in the foreseeable future. At the time of approving the financial statements, the directors reasonably expect that the Bank will continue to have adequate resources to maintain operational stability. Accordingly,

REPORT OF THE DIRECTORS CONT'D

they have adopted the going concern basis of accounting in preparing the financial statements.

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

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

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

effectiveness of its processes and management information systems.

**DIRECTORS REPRESENTATION**

The Directors confirm that no matters have arisen since 31st December, 2025 which materially affect the financial statements as presented.

**DIRECTORS CONFIRMATION AND ASSESSMENT OF THE STATE OF AFFAIRS**

The Directors confirm that to the best of their knowledge:

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

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

REPORT OF THE DIRECTORS CONT'D

**APPROVAL OF THE FINANCIAL STATEMENTS**

The Financial Statements were approved by the Board of Directors on.....,2026 and were signed on their behalf by the following:



# STATEMENT ON CORPORATE GOVERNANCE

## INTRODUCTION

Bawjiase Area Rural Bank PLC is a Regulated Financial Institution (RFI) under the aegis of the Bank of Ghana. Among other issues, the set of regulations bearing on the operations of the Bank flows from the Companies Act 2019 (Act 992), the Specialised Deposit-Taking Institution Act 2016 (Act 930), and the respective regulations made thereunder.

The Bank ensures that corporate governance is part of its core values and practices with the view of providing transparency in all of its activities to ensure that the rights and responsibilities of its stakeholders- the Bank's Shareholders, the Board and Executive Management that provide oversight and management of the Bank is carried out in a manner that enhances shareholders values through transparent and enhanced disclosures regarding its operational activities.

This statement on corporate governance disclosures is responsive to the corporate governance directive of the Bank of Ghana for Rural and Community Banks (RCBs) which became effective on 31st March 2022 and is issued pursuant to the activities compliance declaration.

## BOARD OF DIRECTORS

The Bank is managed by a board of directors. Under the licencing condition of the Bank however, a desirable size of the board should be at least five (5) and at most seven (7) directors who are ordinarily resident in Ghana. The Board as at 31st December 2025 was made up of four (4) Directors, who are independent Directors which is not in line with the Bank of Ghana Corporate Governance Directive 2021.

The following four (4) persons constitute the Board of Directors:

Name of Director	Date of Birth	Qualification/Profession	Date Appointed
Dontwi Victor Wellington	13/03/1965	CA(GH), CEMBA	19th August, 2022
Dadzie Christopher Kwaku	24/07/1972	MBA/Tax Auditor	19th August, 2022
Andoh Michael Kofi	16/01/1971	MBA/Insurer	19th August, 2022
Dodd Deborah	20/03/1987	MBA in Finance/Accounts Officer	19th August, 2022

## BOARD SECRETARY

Name	Qualification/Profession
Pascal Atta-Fynn	LLB, MBA Marketing/Private Legal Practitioner

## STATEMENT ON CORPORATE GOVERNANCE CONT'D

**BOARD RESPONSIBILITY**

Under the appropriate legislation including the Companies Act 2019 (Act 992) as well as the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), we the directors of the Bank acknowledge our responsibility for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the Bank, and of its profit or loss and other comprehensive income and cash flows for that period in accordance with the International Financial Reporting Standards (IFRS), and the Banks and Specialised Deposit- Taking Institutions Act, 2016 (Act 930).

In preparing these Financial Statements, we are required to keep proper books of accounts which disclose with reasonable accuracy at any time the financial position of the Bank, select suitable accounting policies and apply them consistently, make judgments and estimates that are reasonable and prudent.

As Directors, we are also responsible for such internal control as we determine is necessary for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularity.

In respect of the above, the directors act independently, honestly and in good faith to the benefit of the Bank and its shareholders.

Approval and acceptance of high –risk Loans and Overdraft and Investment portfolios is done by the whole Board at their meetings.

Below are some other mandates of the Board:

- The Board acts as the policy maker of the Bank.
- Approval of budgets i.e., corporate plans, annual budgets, quarterly budgets, etc.
- Approval and review of the remuneration and incentives for staff and their general welfare
- Handles disciplinary issues with recommendations from the Supervising Manager and the Disciplinary Committee
- Acquisition and disposal of all assets have to be approved by the Board
- Promotion of staff based upon the recommendations of the Supervising Manager
- Oversight of Supervising Manager and the Management team
- Policy formulation (the guidelines necessary for the Bank to operate efficiently)
- Policy formulation that encompasses all core functions e.g finance, audit, procurement, recruitment.

To do these, the board operates through two (2) standing board sub-committees and ad hoc committees. The two standing board committees which were operational in the year under review were:

**a) The Credit Committee**

This committee consist of two (2) directors appointed from amongst the board. They are mandated to review all appraisals arising from applications for loans and overdrafts submitted to the credit department of the

STATEMENT ON CORPORATE **GOVERNANCE** CONT'D

Bank and make recommendations for their approval or otherwise.

The committee is also responsible for issues concerning the quality of the assets of the Bank, exposure concentration, and assessing credit risks statistics such as credit/deposit ratio and non-performing loans ratio.

Some specific issues handled by the Committee during the year include:

- Reviewed the credit portfolio of the Bank.
- Reviewed the analysis of the loan portfolio of the Bank.
- Discussed the approval of loans during the year under review
- Discussed and reviewed the monthly financial statement of the Bank.

Reviewed the indenture for new Head Office

b) **Audit, Risk & Compliance Committee**

This committee also consists of two (2) directors and is responsible for issues pertaining to the financial standing of the Bank, auditing, information communication technology, risk and compliance/AML & CFT and has oversight over the Bank's internal and financial controls including administrative controls. During the year the following engaged the attention of the committee.

- Discussed issues relating to budgetary control.
- Discussed issues arising from lapses in account opening forms.
- Discussed issues with respect to Debt Recovery exercise.
- Reviewed and discussed the monthly

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**...and of its profit or loss and other comprehensive income and cash flows for that period in accordance with the International Financial Reporting Standards (IFRS), and the Banks and Specialised Deposit- Taking Institutions Act, 2016 (Act 930).**

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report of the internal auditor.

- Review of Policies and Operational Manual.

**BOARD MEETINGS**

The Board holds scheduled meetings in closed sessions and the COO makes presentations to the Board on material issues for the board's consideration. Directors are also provided with access to management and company information, as well as resources required to carry out their responsibilities. The Board holds an average of Four (4) meetings every year, and its sub-committees also hold a minimum of Four (4) meetings every year. Meetings of the Board are held every quarter, and among other things, considers the various recommendations embodied in the reports from the sub committees. Below is a schedule showing the meeting attendance of members during the year.

## STATEMENT ON CORPORATE GOVERNANCE CONT'D

Name of Director	Board Meetings	Credit Committee Meetings	Audit Risk & Compliance Committee Meetings
Dontwi Victor Wellington	4/4	4/4	NOT A MEMBER
Dadzie Christopher Kwaku	4/4	4/4	NOT A MEMBER
Andoh Michael Kofi	4/4	NOT A MEMBE	4/4
Dodd Deborah	4/4	NOT A MEMBE	4/4

**DIRECTORS' SHAREHOLDING**

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

Name of Directors	Quantity	% Share
Dodd Deborah	168,417	0.48
Dadzie Christopher Kwaku	75,000	0.21
Andoh Michael Kofi	63,122	0.18
Dontwi Victor Wellington	36,585	0.10

**TRAINING, DEVELOPMENT & CERTIFICATION**

The Bank ensures that each director undergoes appropriate training relevant to the charge as a director of the Bank. Specific areas of emphasis include corporate governance, strategic planning, financial literacy, and cyber security.

STATEMENT ON CORPORATE GOVERNANCE CONT'D

**TRAININGS ATTENDED BY BOARD OF DIRECTORS IN 2025**

Training Topic	Directors Attended	Organizing Entity
Psychological Safety in the Workplace	Ms Deborah Dodd, Mr. Michael Kofi Andoh, Mr. Christopher Andoh & Mr. Victor Dontwi Wellington	Association of Rural Banks
Corporate Governance Certification Training	Ms Deborah Dodd, Mr. Michael Kofi Andoh, Mr. Christopher Andoh & Mr. Victor Dontwi Wellington	Association of Rural Banks
Risk Management Framework for Board of Directors of Rural and Community Banks	Ms Deborah Dodd, Mr. Michael Kofi Andoh, Mr. Christopher Andoh & Mr. Victor Dontwi Wellington	ARB Apex
Sustainable Financing for Rural and Community Banks in Ghana	Ms Deborah Dodd, Mr. Michael Kofi Andoh, Mr. Christopher Andoh & Mr. Victor Dontwi Wellington	Association of Rural Banks
Driving Financial Inclusion and Good Governance in Rural and Community Banks through ESG Principles	Mr. Victor Wellington Dontwi	ARB Apex
Board Governance Summit	Mr. Victor Wellington Dontwi	Institute of Directors Ghana

**INTERNAL CONTROLS**

a. **Conflict of Interest and Ethics**  
 In compliance with company law and practice, the directors, as agents of shareholders, are held in fiduciary relationship and are expected to act in absolute good faith with clarity of conscience and mind in the supreme interest of the Bank and its shareholders.

b. **Shareholding Rights**  
 The Board ensures that general meetings are held regularly in accordance with law and the shareholders are provided with all information as required by statute in respect of the Bank's general operations. Shareholders who are the Rural and Community Banks are treated equally and provided adequate time and equal opportunity to seek clarifications on the Bank's published Financial Statements at General Meetings.

STATEMENT ON CORPORATE **GOVERNANCE** CONT'D**c. Succession Plan**

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

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

**ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

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

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

Our ESG management strategy is built on strong governance systems, risk management, and controls. It also includes a commitment to providing transparent and

exceptional customer service, investing in our employees, and fostering a diverse and inclusive workplace while enhancing the well-being of the communities we serve.

**1. Environmental:** We strive to minimize our environmental impact by efficiently managing natural resources, addressing climate-related risks, and implementing sustainable energy solutions. This is evident in our internal efforts to adopt renewable energy sources and our initiative to establish an ESG Unit, ensuring sustainability is embedded in our financing practices.

**2. Social:** We prioritize meaningful engagement with our key stakeholders, including clients, employees, regulators, suppliers, and the communities we serve.

**3. Governance:** We uphold the highest standards of ethical business practices, fair and equitable compensation, and board diversity while ensuring strict compliance with local, international, and regulatory governance standards. At Bawjiase, governance goes beyond compliance—it is a fundamental part of our corporate identity and commitment to public service.

**ESG Risk Management:**

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

**ESG Reporting:**

We aim to maintain transparent ESG reporting that is not only aligned with

STATEMENT ON CORPORATE **GOVERNANCE** CONT'D

regulatory requirements but also serves the interests of our stakeholders. Our reporting framework is designed to highlight key ESG priorities, track our progress, and provide meaningful insights into our performance and commitments in each area. This enables us to remain accountable and continuously improve our sustainability efforts.

# INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF BAWJIASE AREA RURAL BANK PLC *FOR THE YEAR ENDED 31ST DECEMBER, 2025*

## **Our Opinion**

In our opinion, the financial statements give a true and fair view of the financial position of Bawjiase Area Rural Bank PLC as at 31st December, 2025 and of its financial performance, changes in equity and its Cash Flows for the year ended in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

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

## **Other Information**

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

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.

## **Responsibilities of the Directors for the Financial Statements**

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the

STATEMENT ON INDEPENDENT AUDITOR'S REPORT CONT'D

Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

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 the Directors.

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

**STATEMENT ON INDEPENDENT AUDITOR'S REPORT CONT'D**

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

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

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

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

The Statement of Financial Position and the

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

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

The Bank's transactions were within their powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the *Anti-Terrorism Act, 2008 (Act 762)* and all relevant Amendments and Regulations governing the Acts.

*The Engagement Partner on the audit resulting in this independent auditor's report is Alex Isaac Darko (ICAG/P/1668)*



**SMA & ASSOCIATES (ICAG/P/2026/338)**  
**CHARTERED ACCOUNTANTS**  
**COMMUNITY 4**

**TEMA.....29th April 2026**

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2025

	(NOTES)	2025 GH¢	2024 GH¢
Interest Income	(6)	34,244,093	29,850,810
Interest Expense	(6)	(5,550,787)	(4,269,940)
<b>Net Interest Income</b>		<b>28,693,306</b>	<b>25,580,870</b>
Fees & Commission Income	(7)	3,249,287	1,704,981
Fees & Commission Expense	(7)	(50,160)	(19,381)
<b>Net Fees &amp; Commission Income</b>		<b>3,199,127</b>	<b>1,685,600</b>
Other Income/(Expense)	(8)	-	(26,133)
<b>Net Other Income/(Expense)</b>		<b>-</b>	<b>(26,133)</b>
<b>Total Operating Income</b>		<b>31,892,433</b>	<b>27,240,337</b>
Net Impairment Loss on Financial Assets	(19)	(793,034)	(919,981)
Personnel Expenses	(9)	(12,952,058)	(11,144,285)
Depreciation & Amortization	(10)	(1,294,213)	(1,152,040)
Other Expenses	(11)	(7,505,058)	(6,489,980)
<b>Total Operating Expenses</b>		<b>(22,544,362)</b>	<b>(19,706,286)</b>
<b>Profit Before Tax</b>		<b>9,348,071</b>	<b>7,534,051</b>
Growth and Sustainability Levy		(467,404)	(376,703)
Income Tax Expense	(12)	(2,337,018)	(2,128,971)
<b>Profit For The Year</b>		<b>6,543,649</b>	<b>5,028,377</b>
Other Comprehensive Income		-	-
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>		<b>6,543,649</b>	<b>5,028,377</b>
<b>Basic Earnings Per Share (Cedis)</b>	(13)	<b>0.1881</b>	<b>0.1578</b>

The notes form an integral part of these financial statements.


**STATEMENT OF FINANCIAL POSITION**

AS AT 31ST DECEMBER, 2025

	(NOTES)	2025 GH¢	2024 GH¢
<b>ASSETS</b>			
Cash and Cash Equivalents	(14)	12,030,897	8,775,001
Non-Pledged Trading Assets (Other Institutions)	(15)	9,304,885	9,109,164
Non-Pledged Trading Assets (Government of Ghana)	(16)	86,000,000	72,000,000
Loans and Advances to Customers	(17)	48,533,610	33,690,351
Other Assets	(18)	1,751,088	1,453,949
Investment in Securities	(19)	264,391	206,659
Property, Plant & Equipment	(20)	4,099,579	4,403,949
<b>Total Assets</b>		<b>161,984,450</b>	<b>129,639,073</b>
<b>LIABILITIES</b>			
Deposits from Customers	(21)	124,052,878	94,308,622
Deferred Tax Liability	(12)	-	272,484
Growth and Sustainability Levy	(12)	7,404	688,546
Taxation	(12)	162,654	37,090
Other Liabilities	(22)	3,328,287	5,056,869
<b>Total Liabilities</b>		<b>127,551,223</b>	<b>100,363,611</b>
Stated Capital	(23)	6,292,833	5,684,470
Retained Earnings		20,745,529	17,832,039
Statutory Reserve	(24)	7,394,865	5,758,953
<b>Total Equity and Reserves</b>		<b>34,433,227</b>	<b>29,275,462</b>
<b>Total Liabilities and Equity</b>		<b>161,984,450</b>	<b>129,639,073</b>

**EQUITY AND RESERVES**

The financial statements were approved by the Directors on .....,  
2026 and were signed on their behalf by:



DIRECTOR



DIRECTOR

The notes form an integral part of these financial statements.

## BAWJIASE AREA RURAL BANK PLC STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Stated Capital GH¢	Retained Earnings GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Risk Reserve GH¢	Total Equity GH¢
<b>2025</b>						
Balance as at 1 January, 2025	5,684,470	17,832,039 #	- #	5,758,953 #	-	29,275,462
Prior Year Adjustment	-	(1,115,978)	-	-	-	(1,115,978)
Restated Balance	<b>5,684,470</b>	<b>16,716,061</b>	-	<b>5,758,953</b>	-	<b>28,159,484</b>
Total Comprehensive Income	-	6,543,649	-	-	-	6,543,649
Net Profit for the Year	-	<b>6,543,649</b>	-	-	-	-
Transactions with Equity Holders						
Issue of Shares - Normal	608,363	-	-	-	-	608,363
Issue of Shares - Transfer from Retained Earnings	-	-	-	-	-	-
Dividend Paid	-	(878,269)	-	-	-	(878,269)
<b>Total Transactions with Equity Holders</b>	<b>608,363</b>	<b>(878,269)</b>	- #	-	- #	<b>(269,906)</b>
Regulatory Transfers						
Transfer to Statutory Reserve Fund	-	(1,635,912)	-	1,635,912	-	-
Transfer to Credit Reserve	-	-	-	-	-	-
<b>Total Regulatory Transfers</b>	-	<b>(1,635,912)</b>	- #	<b>1,635,912</b>	- #	-
<b>Balance as at 31 December, 2025</b>	<b>6,292,833</b>	<b>20,745,529</b>	-	<b>7,394,865</b>	-	<b>27,889,578</b>

The notes form an integral part of these financial statements.

## BAWJIASE AREA RURAL BANK PLC STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Stated Capital GH¢	Retained Earnings GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Risk Reserve GH¢	Total Equity GH¢
<b>2024</b>						
Balance as at 1 January, 2024	3,635,834	16,447,165	-	4,500,959	-	24,583,958
Prior Year Adjustment	-	(45,038)	-	-	-	(45,038)
Restated Balance	<b>3,635,834</b>	<b>16,402,127</b>	-	<b>4,500,959</b>	-	<b>24,538,920</b>
Total Comprehensive Income	-	-	-	-	-	-
Net Profit for the Year	-	5,028,377	-	-	-	5,028,377
<b>Total Comprehensive Income</b>	<b>-</b>	<b>5,028,377</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,028,377</b>
Transactions with Equity Holders						
Issue of Shares - Normal	296,579	-	-	-	-	296,579
Issue of Shares - Transfer from Retained Earnings	1,752,057	(1,752,057)	-	-	-	-
Dividend Paid	-	(588,414)	-	-	-	(588,414)
<b>Total Transactions with Equity Holders</b>	<b>2,048,636</b>	<b>(2,340,471)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(291,835)</b>
Regulatory Transfers						
Transfer to Statutory Reserve Funds	-	(1,257,994)	-	1,257,994	-	-
Transfer to Credit Reserve	-	-	-	-	-	-
<b>Total Regulatory Transfers</b>	<b>-</b>	<b>(1,257,994)</b>	<b>-</b>	<b>1,257,994</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 December, 2024</b>	<b>5,684,470</b>	<b>17,832,039</b>	<b>-</b>	<b>5,758,953</b>	<b>-</b>	<b>29,275,462</b>

# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2025

	(NOTES)	2025 GH¢	2024 GH¢
<b>Cash Flows from Operating Activities</b>			
Profit before Tax		9,348,071	7,534,051
Adjustments for:			
Depreciation		1,294,213	1,152,040
Impairment on Financial Assets		-	919,981
Loss on Disposal		-	26,133
Prior Year Adjustment		(1,222,152)	(45,038)
Change in Non-Pledged Trading Assets (Other Institutions)		(195,721)	4,700,001
Change in Non-Pledged Trading Assets (Bank of Ghana)		(14,000,000)	(24,600,000)
Change in Loans and Advances to Customers		(14,843,259)	(7,436,170)
Change in Other Assets		(297,139)	(520,461)
Change in Deposits from Customers		29,744,256	24,158,174
Change in Other Liabilities		(1,728,582)	1,740,511
		<b>8,099,686</b>	7,629,222
Income Tax Paid		(2,211,454)	(3,181,675)
Growth & Sustainability Levy		(1,148,546)	-
<b>Net Cash Generated from Operating Activities</b>		<b>4,739,686</b>	4,447,547
<b>Cash Flows from Investing Activities</b>			
The notes form an integral part of these financial statements.			
Purchase of Property, Plant & Equipment		(1,156,152)	(1,889,223)
Purchase of Additional Apex Shares		(57,732)	(57,732)
Proceeds from Sale of Assets		-	37,420
<b>Net Cash used in Investing Activities</b>		<b>(1,213,884)</b>	(1,909,535)
<b>Cash Flows from Financing Activities</b>			
Dividend Paid		(878,269)	(588,414)
Issue of Ordinary Shares		608,363	296,579
<b>Net Cash used in Financing Activities</b>		<b>(269,906)</b>	(291,835)
<b>Net Increase in Cash and Cash Equivalents</b>		3,255,896	2,246,177
Cash and Cash Equivalents at 1 January		8,775,001	6,528,824
<b>Cash and Cash Equivalents at 31 December</b>	<b>(14)</b>	<b>12,030,897</b>	8,775,001

# NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2025

## 1. Reporting Entity

Bawjiase Area Rural Bank PLC is a limited liability company incorporated in Ghana under the Companies Act, 2019 (Act 992). The address of the registered office of the Bank is:

The Bank Premises  
BAWJIASE AREA RURALBANK PLC  
Awutu Bawjiase  
The Bank is authorised and licensed to provide Rural Banking services.

## 2. Basis of Preparation

### a) Statement of Compliance

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

### b) Basis of Measurement

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

### c) Functional and Presentational Currency

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

### d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and

assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes.

## 3. Significant Accounting Treatments

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

### a) Interest

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the organisation and it can be reliably measured. It is income derived from use of an entity's assets and hence the interest is mostly dependent on the underlying agreement. Interest income and expense are however generally recognised in the income statement on straight-line basis using the effective interest rate method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the

NOTES TO THE FINANCIAL STATEMENTS CONT'D

financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

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

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

**b) Fees and Commissions**

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

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

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

**c) Other Income**

Other income comprises profit on disposal of assets.

**d) Income Tax Expense**

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the P&L/ OCI except to the extent that it relates to items recognized directly in equity, in which case it is recognised in equity. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit to the extent that they probably will not reverse in the foreseeable future.

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

## e) Financial Assets and Liabilities

### i) Recognition

The Bank initially recognises loans and advances, deposits and debt securities issued on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

### ii) De-recognition

The Bank de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the Bank is recognised as a separate asset or liability. The Bank de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired. The Bank enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not de-recognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include,

for example, securities lending and repurchase transactions.

### iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when, and only when, the Bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.

### iv) Amortised Cost Measurement

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

### v) Fair Value Measurement

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

**vi) Identification and Measurement of Impairment**

At each reporting date the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably. The Bank considers evidence of impairment at both an individual and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics. Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter Bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the group. In assessing collective impairment the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to

whether current economic and credit conditions are such that the actual losses are likely to future recoveries be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of are regularly benchmarked against actual outcomes to ensure that they remain appropriate. Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate.

Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised on the unimpaired portion through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss. Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost net of any principal repayment and amortisation and current fair value less any impairment loss previously recognised in profit or loss out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairment loss on an available-for-sale- debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognised through OCI. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

value are reflected as a component of interest income.

### vii) Designation at Fair Value through Profit or Loss

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

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

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

### g) Cash and Cash Equivalents

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

managing the asset or the cash flow characteristics of the asset.

### h) Trading Assets and Liabilities

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

### i) Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term. When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the financial asset is recognised within loans and advances. 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 rate method, except when the Bank chooses to carry the loans and advances at fair value through profit or loss.

### j) Investment Securities

Investment securities are initially measured

NOTES TO THE FINANCIAL STATEMENTS CONT'D

at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity, fair value through profit or loss, or available-for-sale.

**k) Held-to-Maturity**

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method.

It must be noted that IFRS 9 only considers fair value and amortised cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus all held-to-maturity assets are classified as amortised cost.

**ii) Fair Value through Profit or Loss**

The Bank carries some investment securities at fair value, with fair value changes recognised immediately in profit or loss.

**iii) Available-for-Sale**

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost.

All other available-for-sale investments are carried at fair value.

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

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

**l) Property, Plant and Equipment  
i) Recognition and Measurement**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When components of an item of

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

property or equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment.

**ii) Subsequent Costs**

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

**iii) Revaluation Model**

After recognition of an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

**iv) Depreciation**

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

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Motor Vehicles	3 years

Office Equipment	4 years
Furniture and Fittings	5 years
Computers & Accessories	4 years

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

**m) Leased Assets – Lessee**

Leases in terms of which the Bank assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments.

Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Other leases are operating leases and the leased assets are not recognised on the Bank statement of financial position at its fair value.

**n) Lease Payments made**

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

Minimum lease payments made under finance lease are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments are accounted for by revising the minimum lease

NOTES TO THE FINANCIAL STATEMENTS CONT'D

payments over the remaining term of the lease when the lease adjustment is confirmed.

**o) Impairment of Non-Financial Assets**

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An

impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

**p) Provisions**

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established the Bank recognises any impairment loss on the assets associated with that contract.

**q) Employee Benefits**

The Bank contributes to two defined contribution schemes (Social Security Fund and Provident Fund) on monthly basis on behalf of employees.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

**i) Social Security and National Insurance Trust (SSNIT)**

Under a National Deferred Benefit Pension Scheme, the Bank contributes 13% of employees' basic salary in addition to 5.5% deduction from employees' basic salary to SSNIT and Enterprise Trustees for employee pensions.

The Bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT and Enterprise Trustees.

**ii) Provident Fund**

The Bank has a provident fund scheme for all employees who have completed probation with the Bank. Employees contribute 9% of their basic salary to the fund whilst the Bank contributes 12%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates.

**(iii) Termination Benefits**

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

**(iv) Short-Term Benefits**

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

the obligation can be estimated reliably.

**r) Share Capital and Reserves****i) Ordinary Shares**

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

**ii) Share Issue Costs**

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

**s) Earnings Per Share**

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

**t) Offsetting of Financial Assets and Liabilities**

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

**u) Acceptances, Letters of Credit, Financial Guarantees and Commitments**

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

**v) Borrowings (Liabilities to Banks and**

NOTES TO THE FINANCIAL STATEMENTS CONT'D

	2025 GH¢	2024 GH¢
Agriculture	242,570	143,478
Transport	297,979	89,236
Trading	39,635,659	28,095,739
Others	10,476,374	6,687,836
<b>Total</b>	<b>50,652,582</b>	<b>35,016,289</b>
Credit impairment loss	(2,118,972)	(1,325,938)
	<b>48,533,610</b>	<b>33,690,351</b>

**a) Liquidity Risk**

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

**Management of Liquidity Risk**

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

The Head Office receives information from branches regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. The Head Office then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to Banks and other Bank facilities, to ensure that sufficient liquidity is maintained within the Bank as a whole. The liquidity requirements of branches are met through funds from Head Office to cover any short-term fluctuations and longer term

funding to address any structural liquidity requirements. When an operating branch is subject to a liquidity limit, it manages its liquidity within the regulatory limit in coordination with Head Office. Head Office monitors compliance of all operating branches with local regulatory limits on a daily basis. The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the finance committee. Daily reports cover the liquidity position of the Bank. A summary report including any exceptions and remedial action taken, is submitted regularly to the Board's Sub-Committee.

**b) Market Risk**

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

acceptable parameters, while optimising the return on risk.

### Management of Market Risk

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

### c) Operational risks

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

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of

controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Bank standards for the management of operational risk in the following areas:

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

Compliance with the Bank's standards is supported by a programme of periodic reviews undertaken by the Internal Audit, and Compliance units. The results of the reviews are discussed with Management, with summaries submitted to the Finance and Audit Committees.

### d) Capital management Regulatory Capital

The Bank of Ghana sets and monitors capital requirement for the Bank.

In implementing current capital requirement,

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets. The Bank is also required to maintain a credible capital plan to ensure that capital level of the Bank is maintained in consonance with the Bank's risk appetite.

The Bank's regulatory capital is analysed into two tiers:

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

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

Various limits are applied to elements of the capital base. Qualifying tier 2 capital cannot exceed tier 1 capital; and qualifying term subordinated loan capital may not exceed 50% of tier 1 capital. Other deductions from

consideration, capital include the carrying amounts of investments in subsidiaries that are not included in the regulatory investments in the capital of Banks and certain other regulatory items. Banking operations are categorised as either trading book or Banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures. The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The Bank has complied with all externally imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period.

The Bank's regulatory capital position at 31 December are as follows:

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

	2025 GH¢	2024 GH¢
<b>Adjusted Capital Base</b>		
<b>Tier 1 Capital</b>		
Ordinary share capital	6,292,833	5,684,470
Disclosed Reserve	28,140,394	23,590,992
Less: Investments in the Capital of other Financial Institutions	(4,569,276)	(4,815,823)
Intangible Assets	(47,708)	(74,212)
	29,816,243	24,385,427
<b>Tier 2 Capital</b>		
Other Reserves (Revaluation)	-	-
	-	-
<b>Total Adjusted Capital Base (Tier 1 and Tier 2)</b>	<b>29,816,243</b>	<b>24,385,427</b>
<b>Adjusted Asset Base</b>		
Total assets	161,984,450	129,639,073
Less: Cash on hand	(4,939,397)	(3,008,137)
Claims on ARB Apex Bank (clearing)	(720,461)	(754,806)
Claims on ARB Apex Bank (5% Deposit)	(6,371,039)	(5,012,058)
Claims on government	(86,000,000)	(72,000,000)
Intangible Assets	(47,708)	(74,212)
Investment in the Capital of other Financial Institutions	(4,569,276)	(4,815,823)
80% of Claims on other Banks	-	-
50% Claims on other Financial Institutions	-	-
Adjusted Total Assets	59,336,569	43,974,037
100% of 3 years average annual gross income	25,013,258	24,838,158
<b>Total Adjusted Asset Base</b>	<b>84,349,827</b>	<b>68,812,195</b>
Capital adequacy ratio (adjusted capital base/adjusted asset base *100)	<b>35.35%</b>	<b>35.44%</b>

**Capital Allocation**

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different

activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the finance and operation and is subject to

NOTES TO THE FINANCIAL STATEMENTS CONT'D

review by the Bank as appropriate.

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

**5. Use of Estimates and Judgements**

Management will discuss with the Board the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

**Key Sources of Estimation Uncertainty Allowances for Credit Losses**

Assets accounted for at amortised cost are evaluated for impairment on a basis described in the accounting policy. The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of

cashflows considered recoverable are independently approved by the credit risk function. Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar characteristics when there is objective evidence to suggest that they contain impaired claims, but the individual impaired items cannot yet be identified.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

**Determining Fair Values**

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

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Critical Accounting Judgements in Applying the Bank's Accounting Policies**

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

**Financial Asset and Liability Classification**

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

In classifying financial assets or liabilities as

“trading”, the Bank has determined that it meets the description of trading assets and liabilities set out in the accounting policy.

In designating financial assets or liabilities at fair value through profit or loss, the Bank has determined that it has met one of the criteria for this designation set out in the accounting policy.

In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by the accounting policy.

**Financial Assets and Liabilities Accounting Classifications and Fair Values**

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

<b>2025</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<b>Assets as at 31 December, 2025</b>	<b>GHC</b>	<b>GHC</b>
Cash and cash equivalents	12,030,897	12,030,897
Non-pledged assets-other institutions	9,304,885	9,304,885
Non-pledged assets-Government of Ghana	86,000,000	86,000,000
Loans & advances to customers	50,652,582	48,533,610
Other assets	1,751,088	1,751,088
Investment securities	264,391	264,391
	<b>160,003,843</b>	<b>157,884,871</b>
	<b>Carrying Value</b>	<b>Fair Value</b>
	<b>GHC</b>	<b>GHC</b>
<b>Liabilities as at 31 December, 2025</b>		
Deposits from customers	124,052,878	124,052,878
Other liabilities	3,328,287	3,328,287
	<b>127,381,165</b>	<b>127,381,165</b>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

Loans & Advances to Customers	35,016,289	33,690,351
Other Assets	1,453,949	1,453,949
Investment Securities	206,659	206,659
	<b>126,561,062</b>	<b>125,235,124</b>
	<b>Carrying Value GH¢</b>	<b>Fair Value GH¢</b>
<b>Liabilities AS AT 31 DECEMBER, 2024</b>		
Deposits from Customers	94,308,622	94,308,622
Other Liabilities	5,056,869	5,056,869
	<b>99,365,491</b>	<b>99,365,491</b>
	<b>2025 GH¢</b>	<b>2024 GH¢</b>
<b>6. Net Interest Income</b>		
<b>Interest Income</b>		
Loans and Advances to Customers	18,335,325	13,901,998
Investment (Trading)	15,908,768	15,948,812
<b>Total Interest Income</b>	<b>34,244,093</b>	<b>29,850,810</b>
	<b>2025 GH¢</b>	<b>2024 GH¢</b>
<b>Interest Expense</b>		
Deposits from Customers	1,796,529	1,357,364
Debt Securities Issued	3,754,258	2,912,576
<b>Total Interest Expense</b>	<b>5,550,787</b>	<b>4,269,940</b>
<b>Net Interest Income</b>	<b>28,693,306</b>	<b>25,580,870</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>7. Net Fees and Commission Income</b>		
<b>Fees and Commission Income</b>		
Retail Banking Customer Fees	1,872,751	1,395,094
Sundry Income	1,376,536	309,887
<b>Total Fees and Commission Income</b>	<b>3,249,287</b>	<b>1,704,981</b>
<b>Fees and Commission Expenses</b>		
Susu/ Mobilisation Expenses	50,160	19,381
<b>Total Fees and Commission Expenses</b>	<b>50,160</b>	<b>19,381</b>
<b>Net Fees and Commission Income</b>	<b>3,199,127</b>	<b>1,685,600</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

	2025 GH¢	2024 GH¢
<b>8. Other Income/(Expense)</b>		
Loss on Disposal	-	(63,553)
Gain on Disposal	-	37,420
	-	<b>(26,133)</b>
<b>9. Personnel Expenses</b>		
Salaries	6,634,418	6,034,357
Other Staff Costs	6,172,120	4,601,566
Medical Expenses	145,520	115,518
Staff Training	613,851	392,844
	<b>13,565,909</b>	<b>11,144,285</b>
<b>10. Depreciation &amp; Amortisation</b>		
Amortisation	12,722	12,722
Depreciation of Property & Equipment	1,296,744	1,139,318
Adjustment	(15,253)	-
	<b>1,294,213</b>	<b>1,152,040</b>
<b>11. Other Expenses</b>		
Directors fees & Meeting Expenses	347,419	1,063,030
Directors' Training	368,913	219,000
Auditors' Remuneration & Expenses	106,200	88,140
Electricity & Water	360,501	318,853
Other Administrative Expenses	5,708,174	4,800,957
	<b>6,891,207</b>	<b>6,489,980</b>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

<b>12. Income Tax Expense</b>	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Current Income Tax (a)	2,337,018	2,137,688
Deferred Income Tax (b)	-	(8,717)
	<b>2,337,018</b>	<b>2,128,971</b>

**(a) Current Income Tax**

Year of Assessment	<b>Opening Balance GH¢</b>	<b>Advance Payment GH¢</b>	<b>Charged to P&amp;L GH¢</b>	<b>Closing Balance GH¢</b>
2024	1,081,077	(3,181,675)	2,137,688	37,090
2025	37,090	(2,211,454)	2,337,018	162,654

**(b) Growth and Sustainability Levy**

	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Balance at 1 January	688,546	311,843
Current Year	467,404	376,703
Advance Payment	(1,148,546)	-
	<b>7,404</b>	<b>688,546</b>

All tax liabilities are subject to the agreement with the Ghana Revenue Authority. Income tax rate is 25% per the Income Tax Act, 2015 (Act 896) and Growth and sustainability levy is 5% on income before tax.

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

**(c) Deferred income tax**

	<b>Assets GH¢</b>	<b>Liabilities GH¢</b>	<b>Net GH¢</b>
<b>2025</b>			
Property, Plant & Equipment	-	-	-
Impairment Allowances for Loan Losses	-	-	-
<b>Net Tax (Assets)/Liabilities</b>	-	-	-
	<b>Assets GH¢</b>	<b>Liabilities GH¢</b>	<b>Net GH¢</b>
<b>2024</b>			
Property and Equipment	-	272,484	272,484
Impairment Allowances for Loan Losses	-	-	-
<b>Net Tax (Assets)/Liabilities</b>	-	<b>272,484</b>	<b>272,484</b>

**13. Earnings Per Share****Basic Earnings Per Share**

The calculation of basic earnings per share at 31 December 2025 was based on the profit attributable to ordinary shareholders of GH¢6,543,649 (2024: GH 5,028,377) and number of ordinary shares of 34,901,309 (2024: 31,867,516) existing as at 31 December, calculated as follows:

	<b>2025 GH¢</b>	<b>2024 GH¢</b>
<b>Profit Attributable to Ordinary Shareholders</b>		
Net profit for the period attributable to equity holders of the Bank	6,543,649	5,028,377
<b>Weighted Average Number of Ordinary Shares</b>		
Issued Ordinary Shares at 1 January	31,867,516	28,647,296
Effect of Share Issued as at 31 December	3,046,815	1,482,895
Adjusting for Prior Year bonus Issues	-	1,737,325
Adjustment	(133,022)	-
<b>Number of Ordinary Shares at 31 December</b>	<b>34,781,309</b>	<b>31,867,516</b>

**14. Cash and Cash Equivalents**

	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Cash Balance	4,939,397	3,008,137
Unrestricted Balance with ARB Apex Bank & Others	720,461	754,806
Restricted Balance with ARB Apex Bank- 5% Placement	6,371,039	5,012,058
	<b>12,030,897</b>	<b>8,775,001</b>

NOTES TO THE FINANCIAL STATEMENTS CONT'D

<b>15. Non-pledged trading assets(other institutions)</b>	<b>2025</b>	<b>2024</b>
Fixed Deposits and Call Accounts:	<b>GH¢</b>	<b>GH¢</b>
Gold Coast Securities	1,775,289	1,943,608
First Banc	2,529,596	2,529,596
Databank	-	135,960
ACOD 7	5,000,000	4,500,000
	<b>9,304,885</b>	<b>9,109,164</b>
<b>16. Non-Pledged Trading Assets(Government of Ghana)</b>	<b>2025</b>	<b>2024</b>
Bank of Ghana Treasury Bills Held by:	<b>GH¢</b>	<b>GH¢</b>
ARB Apex Bank	86,000,000	72,000,000
	<b>86,000,000</b>	<b>72,000,000</b>
<b>17. Loans and Advances to Customers</b>	<b>2025</b>	<b>2024</b>
Loans and Advances to Customers at Fair Value through Profit or Loss	<b>GH¢</b>	<b>GH¢</b>
	50,652,582	35,016,289
Allowance for Impairment	50,652,582 (2,118,972)	35,016,289 (1,325,938)
	<b>48,533,610</b>	<b>33,690,351</b>
<b>Loans and Advances to Customers at Amortised Cost-</b>	<b>2025</b>	<b>2024</b>
Loans by Business Segment to Customers:	<b>GH¢</b>	<b>GH¢</b>
Agriculture	242,570	143,478
Transport	297,979	89,236
Commerce	39,635,659	28,095,739
Other Credit Lines	10,476,374	6,687,836
	<b>50,652,582</b>	<b>35,016,289</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

<b>Allowance for Impairment</b>	<b>GH¢</b>	<b>GH¢</b>
<b>Individual allowances for impairment</b>		
Balance at 1 January	1,325,938	405,957
Impairment Loss for the Year:		
Charge for the year	793,034	919,981
<b>Balance at 31 December</b>	<b>2,118,972</b>	<b>1,325,938</b>

**Loans and Advances to Customers at Fair Value through Profit or Loss**

At 31 December 2025 the maximum exposure to credit risk on loans and advances at fair value through profit or loss was GH¢50.65 million (2024:GH¢35.01 million).

<b>Loan Statistics</b>	<b>2025</b>	<b>2024</b>
i) Twenty (20) largest exposures to total exposures	14.16%	12.21%

<b>18. Other Assets</b>	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Office Account	-	29,565
Accrued Interest - Investments	988,256	778,028
Stationery Stocks	193,673	125,252
Uncleared Effect	-	187,724
Others	373,629	100,681
Prepayments	195,530	143,507
E-ZWICH Cash Control	-	87,073
Ghana Pay	-	2,119
	<b>1,751,088</b>	<b>1,453,949</b>

<b>19. Investment in Securities</b>	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Investment in Ordinary Shares of ARB Apex Bank	264,391	206,659
	<b>264,391</b>	<b>206,659</b>

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

20(a). PROPERTY, PLANT & EQUIPMENT

COST	Land & Buildings	Motor Vehicles	Furniture & Fittings	Office Equipment	Computers & Accessories	Motor Bikes	Plant and Generator	Leasehold Building	Right of Use Lease Assets		Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1/1/2025	2,272,659	2,866,883	201,182	891,647	509,824	612,058	113,289	-	-	381,000	7,846,826
Additions	-	320,000	157,229	130,220	143,836	252,340	-	152,528	-	-	1,156,152
Adjustment	-	-	-	-	-	-	-	(152,528)	-	-	(152,528)
Balance at 31/12/2025	2,272,659	3,186,883	358,411	1,021,867	653,660	864,398	113,289	-	-	381,000	8,852,167
<b>DEPRECIATION</b>											
Balance at 1/1/2025	656,716	1,286,573	113,734	483,438	233,487	427,569	113,288	-	-	204,000	3,518,805
Charge for the year	41,950	788,728	65,823	159,905	95,015	77,569	-	15,253	-	52,500	1,296,744
Adjustment	-	-	-	-	-	-	-	(15,253)	-	-	(15,253)
Balance at 31/12/2025	698,666	2,075,301	179,557	643,343	328,502	505,138	113,288	-	-	256,500	4,800,296
<b>CARRYING AMOUNT</b>											
31/12/2025	1,573,993	1,111,581	178,854	378,524	325,158	359,260	1	-	-	124,500	4,051,871
<b>CARRYING AMOUNT</b>											
31/12/2024	1,615,943	1,580,310	87,448	408,209	276,337	184,489	1	-	-	177,000	4,329,737

23(b). INTANGIBLE ASSETS- 2025

2025  
GH¢



NOTES TO THE FINANCIAL STATEMENTS CONT'D

<b>21. Deposits from Customers</b>	<b>2025 GH¢</b>	<b>2024 GH¢</b>
<b>Retail Customers:</b>		
Demand Deposits	23,311,741	16,548,543
Savings Deposits	74,411,978	55,180,982
Time Deposits	26,329,159	22,579,097
	124,052,878	94,308,622
<b>Deposit Statistics</b>		
i) Ten (10) largest depositors to total deposit ratio	<b>4.96%</b>	<b>6.88%</b>
<b>22. Other liabilities</b>	<b>2025 GH¢</b>	<b>2024 GH¢</b>
Audit Fee	74,250	73,140
Office Account	223,031	385,939
Bills Payable	-	141,137
Accrued Charges/Interest	496,776	375,946
Provision for Withholding Tax	349,668	3,590
Provision for AGM	250,068	150,294
Provision for Bonus	316,792	331,189
Provision for Legal Fees	160,073	74,000
Police Guard	35,000	12,600
Unearned Discount on T/Bills	1,017,731	3,010,824
Managed Funds	51,717	59,097
Interest Suspense	163,891	332,653
Others	3,226	10,391
Other Provisions	65,530	96,069
Dividend Withholding Tax	120,535	-
	3,328,287	5,056,869

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

## 23. a) Stated capital - 2025

Ordinary shares	Number of Shares		Proceeds	
	2025	2024	2025 GH¢	2024 GH¢
Authorised:				
Ordinary Shares of no				
Par Value	1,000,000,000	1,000,000,000		
Preference Shares	250,000	250,000		
Issued and Fully Paid:				
Balance at 1.1	31,867,516	28,647,296	5,684,195	3,635,834
For Cash	3,033,793	1,468,163	608,363	296,304
Capitalisation Issues	-	1,752,057	-	1,752,057
Adjustment (Preference Shares)	(125,000)	-	-	-
	34,776,309	31,867,516	6,292,558	5,684,195
Preference Shares	125,000	125,000	275	275
<b>Balance at 31.12</b>	<b>34,901,309</b>		<b>6,292,833</b>	<b>5,684,470</b>

## b) Stated Capital - 2024

Ordinary Shares	Number of Shares		Proceeds	
	2024	2023	2024 GH¢	2023 GH¢
Authorised:				
Ordinary Shares of no				
Par Value	1,000,000,000	1,000,000,000		
Preference Shares	250,000	250,000		
Issued and Fully Paid:				
Balance at 1.1	28,647,296	16,742,094	3,635,834	2,998,703
For Cash	1,468,163	677,605	296,304	135,521
Capitalisation Issues	1,752,057	2,506,675	1,752,057	501,610
Adjustment	-	8,720,922	-	-
	31,867,516	28,647,296	5,684,195	3,635,834
Preference Shares	125,000	125,000	275	275
<b>Balance at 31.12</b>			<b>5,684,470</b>	<b>3,636,109</b>

The shares are of no par value. All issued shares are fully paid.

NOTES TO THE FINANCIAL STATEMENTS CONT'D

<b>Statement of Changes in Issued Number of Shares</b>	<b>Ordinary Shares 2025</b>	<b>Ordinary Shares 2024</b>
On Issue at 1st January	31,867,516	28,647,296
Adjustment (Preference Shares)	(125,000)	-
Number of Shares Issued during the Year	3,033,793	3,220,220
<b>On Issue at 31st December</b>	<b>34,776,309</b>	<b>31,867,516</b>

**c) Shares in Treasury**

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

**d) Retained Earnings**

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

	<b>2025 GH¢</b>	<b>2024 GH¢</b>
<b>24. Statutory Reserve</b>		
Balance at Begin	5,758,953	4,500,959
Transfer from Retained Earnings	1,635,912	1,257,994
<b>Balance at End</b>	<b>7,394,866</b>	<b>5,758,953</b>

This is a non-distributable reserve. The transfer to Statutory Reserve Fund represents 25% (2024:25%) of the net profit after tax and before dividend for the year. The transfer is in compliance with section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

**25. Contingencies**

**Claims and Litigation/Legal Proceedings**

There was no legal opinion on the amount of claim, if any that the Bank could be made to suffer.

**26. Directors**

**Transactions with Directors Loan Balances**

The outstanding loan balances and deposits for the year were as follows:

	<b>2025 GH¢</b>	<b>2024 GH¢</b>
	Closing balance	Closing balance
Loans and Advances to Directors	101,792	-

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

**c. Short-term Directors' Benefits**

The bank does not have any share options policy in place for its Directors.

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

**e. Directors' Shareholding**

Name of Directors	As At 01/01/25	Additions	As At 31/12/25	%Share
DODD DEBORAH	138,167.00	30,250.00	168,417.00	0.48
DADZIE CHRISTOPHER KWAKU	75,000.00	-	75,000.00	0.21
ANDOH MICHAEL KOFI	63,122.00	-	63,122.00	0.18
DONTWI VICTOR WELLINGTON	36,585.00	-	36,585.00	0.10
<b>Totals</b>	<b>312,874.00</b>	<b>30,250.00</b>	<b>343,124.00</b>	<b>0.97</b>

**27. Transactions with Key Management Personnel**

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

	2025 GH¢	2024 GH¢
	Closing balance	Closing balance
Loans and Advances to Key Management Personnel	353,079	541,685
Key Management Personnel Compensation for the Year Comprised	506,268	1,080,117

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

NOTES TO THE FINANCIAL STATEMENTS CONT'D

**b. Short-term Employee Benefits**

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

<b>Loans and Advances to Employees</b>	<b>2025</b>	<b>2024</b>
	<b>GH¢</b>	<b>GH¢</b>
Blance at 1 January	1,805,406	1,366,630
Loans Advanced during the Year	4,272,400	1,548,406
Interest Charged	(213,620)	(241,630)
Loans Prepayments	(3,415,654)	(868,000)
<b>Blance at 31 December</b>	<b>2,448,532</b>	<b>1,805,406</b>

All the loans granted to staff are priced lower as would have been entered into in the normal course of business.

**Country Analysis**

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

**Comparative Figures**

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

**Analysis of Shareholdings as at 31st December, 2025**

**30. Number of Shareholders**

The Bank has two thousand, three hundred and forty nine (2,349) ordinary shareholders at 31 December, 2025 distributed as follows:

<b>Category</b>	<b>Shareholders</b>	<b>Shares</b>	<b>Holding (%)</b>
1-1,000	449	214,151	0.61%
1,001-5,000	919	2,268,689	6.50%
5,001-10,000	367	2,535,060	7.26%
Over 10,000	614	29,883,409	85.62%
<b>Total</b>	<b>2,349</b>	<b>34,901,309</b>	<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS CONT'D

**Twenty (20) Largest Shareholders**

	<b>Name of Shareholder</b>	<b>Total Shares</b>	<b>Consideration</b>	<b>(%) Holding</b>
1.	PONKU ISHMAEL	1,900,000.00	342,000	5.44%
2.	DADZIE SAMUEL	1,778,017.00	320,043	5.09%
3.	APO BENJAMIN TETTEH	1,339,242.00	241,064	3.84%
4.	TETTEH NYAMEYE NOAH	618,098.00	111,258	1.77%
5.	NELLY MIREKU	523,387.00	94,210	1.50%
6.	MIREKU PROVIDENCE BOATENG	526,073.00	94,693	1.51%
7.	ESSEL SABINA	482,254.00	86,806	1.38%
8.	KWAKU BONSU	459,709.00	82,748	1.32%
9.	FIAGBE SETH	401,419.00	72,255	1.15%
10.	YANKEY AUGUSTUS G.A	382,959.00	68,933	1.10%
11.	ABRAHAM OTOO	337,868.00	60,816	0.97%
12.	KPAKUDI KWEKU	315,611.00	56,810	0.90%
13.	FIAGBE KWASI	302,987.00	54,538	0.87%
14.	ACME FIN AND INVEST TRUST	252,488.00	45,448	0.72%
15.	J.K ANKUMANYI	244,473.00	44,005	0.70%
16.	GENUKPATI KWAME ALBERT	241,307.00	43,435	0.69%
17.	APPIAH ALBERT VINCENT	206,771.00	37,219	0.59%
18.	ADDO BAMPO NELSON	193,231.00	34,782	0.55%
19.	PRAH-YEENU JUDITH AMA	180,150.00	32,427	0.52%
20.	QUAYE JOANA E.	176,740.00	31,813	0.51%
	<b>Reported Totals</b>	10,862,784.00	<b>1,955,301</b>	31.12%
	Unreported Totals	24,038,525.00	<b>4,337,257</b>	68.88%
	<b>Total</b>	34,901,309.00	<b>6,292,558</b>	<b>100.00%</b>