



Annual Report and Financial Statements

2023

Head office: Barekese
P. O. Box B170
Tel: 03220 918 80/0277 872 833
Web: nwabiagyaruralbank.org
Email: nwabiagyarbb@yahoo.co.uk
Info@nwabiagyaruralbank.com

TABLE OF CONTENT

Contents	Pages
Table of Contents	i
Basic Information	ii
Notice of AGM	iv
Chairman's report for the 36 th AGM	1
Minutes of the 35 th AGM	5
Corporate Governance Report	12
Directors' Report to the Members	15
Statement of Director's responsibilities in relation to the Director;s report	17
Independent Auditors' Report to the Members	19
Statement of Financial Position	23
Statement of Comprehensive Income	24
Statement of Changes in Equity	25
Statement of Cash Flow	26
Notes to the Financial Statements	28

BASIC INFORMATION

Date of Incorporation	24-Jun-87
Certificate Number:	C-32,422
Date of Re-Registration	4-May-18
New Registration Number	C5100602018
Date of Commencement	13-Jul-95
Date Licence was Issued	3-Aug-87
Bank of Ghana Licence No.	123

Old Tin	931B000005
New Tin	C0008832803

Board of Directors

Chairman of the Board:	Mr. Kwame Appiagyei Antwi	1-Jan-23	17-Nov-23
Vice Chairman:	Prof. Samuel Adjei-Nsiah	12-Sep-23	31-Dec-23
Member:	Mr. Samuel Yaw Amoah	1-Jan-23	31-Dec-23
Member:	Mr. Simon Karikari Bonsu	12-Sep-23	31-Dec-23
Member:	Mr. Eric Nti	12-Sep-23	31-Dec-23

Senior Management	Mrs. Helen Adjei Yankey	Chief Executive Officer
	Mr. Edward Yeboah	Deputy Chief Executive Officer
	Mr. Ernest Owusu Fordjour	Chief Finance Officer
	Mr Emmanuel Yeboah Mensah	Chief Business Development Officer
	Mr. Emmanuel Yeboah Mensah	Chief Risk Officer
	Mr Emmanuel Kwame Asrifi	Chief Risk and Compliance Officer
	Mr. Emmanuel Kwame Asirifi	Ag Chief Finance Officer
	Mr. Richard Badu	Chief Operation Officer
	Mr Listowel Sagoe	Risk, Compliance and AML Manager
	Mr Listowel Sagoe	Finance and Central Accounts Manager
	Mr Charles Amofo	Chief Internal Auditor

Branches	Barekese (Head Office)	Sagoe Lane
	Bohyen	Bompata
	Abuakwa	Anwiam
	Offinso	Tech Junction
	Magazine	

Clearing Bank	ARB Apex Bank	Danyame -Kumasi
	Ecobank	Harper Road
	Cal Bank Plc	Nhyiaeso
	Consolidated Bank Ghana Ltd.	Harper Road
	GCB	Asafo

Registered Office	Nwabiagya Rural Bank Limited Building Barekese Branch P. O. Box B 170 Bantama-Kumasi
Email Address	nwabiagyarbb@yahoo.co.uk
Website	nwabiagyaruralbank.org/index.html
Auditors	asamoah bonsu & co chartered accountants hse. No. otb 169 odum kumasi near kataban house p. o. box ks 7909 tel. no. 03220 24914 Kumasi
Solicitors	Kwabena Gyamfi c/o Owusu Afriyie Chambers Adum Kumasi

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **36TH ANNUAL GENERAL MEETING** of Shareholders of **Nwabiagya Rural Bank Limited** will be held at the **Community Centre, Barekese** on **Friday, 6th September 2024 at 10 am** to transact the following business:

1. To read the Notice convening the meeting.
2. To confirm the minutes of the 35th Annual General Meeting.
3. To receive the Chairman's Report for the year ended 31st December, 2023.
4. To consider and adopt the financial statements of the Bank for the year ended 31st December, 2023 and the Report of the Directors.
5. ~~To receive the External Auditors' Report~~
6. To authorise the Directors to fix the remuneration of the Auditors.
7. To fix the remuneration of Directors.
8. To elect Directors in place of those retiring.
9. To transact any other business appropriate to be dealt with at an Annual General Meeting.

DATED THIS 1st Day of August, 2024

HELEN ADJEI YANKEY (MRS)
(CHIEF EXECUTIVE OFFICER)

NOTE

- Every member is entitled to attend and vote at the meeting or appoint a Proxy to attend and vote instead of him/her. A form of proxy has been deposited at the Bank's registered offices.
- Completed Proxy form should be lodged with the Board Secretary, Nwabiagya Rural Bank Plc. Barekese not less than Seventy-two (72) hours prior to the time of the meeting.

Shareholders attending the Annual General Meeting should come along with any of the following Identification Cards for voting:

1. Voter Identification Card,
2. Ghana Card,
3. Ghana Passport
4. ~~Driver's License~~

Shareholders can pick up copies of the 2023 Annual Report and Financial Statements at all branches of the Bank.

36TH ANNUAL GENERAL MEETING:

We announce for the information of all shareholders that the 36th Annual General Meeting of the Bank would be held at the Barekese Community Centre, on **Friday, 6th September 2024** at 10 hours in the forenoon

In accordance with the Constitution of the Bank and the Companies Act, 2019 (Act 992), the Director below shall retire from office by rotation at the end of the meeting:

NAME

ZONE

1. Mr Samuel Yaw Amoah

Barekese

The **Barekese, Abuakwa and Offinso Zones** are declared vacant and are expected to be filled in line with the Bank's Zonal System of electing Directors to the Board. **Female Shareholders in the Zones are encouraged to apply.**

Shareholders are hereby informed that under the Companies Act, 2019 (Act 992), they are at liberty to propose any person of their choice to contest the election to the Office of Director of the Bank. The elections will be held in accordance with the provision under the Section 53 (1) of the Companies Act, 2019 (Act 992).

A person seeking to hold office as a Director of the Bank shall be nominated by two (2) shareholders in good standing. The Applicant shall submit the nomination form together with his acceptance to the Bank. A Nominating Shareholder and a Secunder must have a minimum of **5,000 shares each** in the Bank pursuant to the Constitution of the Bank. The Nomination Form and the Acceptance with accompanying Curriculum Vitae should be deposited at the Bank's registered office during working hours from **Monday, 12th August, 2024 to Friday, 23rd August 2024.**

Eligibility for Directorship

1. Be a shareholder for not less than 1 year;
2. Own a minimum of **40,000 shares** in the Bank.
3. Females applicants with 20,000 shares will be considered
4. Have a minimum academic qualification in tertiary education and with experience in the area of Banking, Law, Finance, Accounting, Economics, Information Technology, Business Administration, Financial Analysis, Entrepreneurship, Risk Management, Strategic Planning, Corporate Governance and any other area the Bank deems fit; and
5. Satisfy other eligibility criteria set out in the Companies Act, 2019, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Constitution of the Bank.

NOTE: A prospective Director must attend and pass a vetting to be eligible for the elections.

Shareholders attending the Annual General Meeting should come along with any of the following Identification Cards for voting:

5. Voter Identification Card,
6. Ghana Card,
7. Ghana Passport
8. ~~Driver's License~~

By Order of the Board
HELEN ADJEI YANKEY (MRS)
(CHIEF EXECUTIVE OFFICER)

NWABIAGYA RURAL BANK LIMITED

Chairman's Report for the 36th Annual General Meeting

CHAIRMAN'S SPEECH

Distinguished shareholders, colleague board of Directors, Past and Present our regulators, Nananom, Invited guests, Ladies and Gentlemen.

It is a great pleasure and indeed an honour to welcome you all, on behalf of the Board of Directors, to the 36th Annual General Meeting (AGM) of Nwabiagya Rural Bank Plc and to present to you the performance of the bank for the year ended 31st December, 2023 in accordance with the Companies Act 2019 (Act 992).

Permit me to present highlight of some few developments that took place in our operating environment and the economy.

THE GLOBAL ECONOMY:

In 2023, the global economy experienced slow growth and high inflation. The IMF reported a decrease in global economic growth from 3.5% in 2022 to 3.0%, with a further slowdown to 2.9% expected in 2024. Advanced economies are anticipated to slow down due to policy tightening, with growth rates falling from 1.5% in 2023 to 1.4% in 2024. Emerging markets and developing economies are **also** expected to see a slight decline in growth from 4.1% in 2022 to 4.0% in 2023 and 2024.

On the other hand, developing countries, particularly in Africa, are projected to see a slight increase in growth from 3.3% in 2023 to 3.5% in 2024.

Global inflation, a key concern over the past two years, is showing signs of easing. Global headline inflation fell from 8.1% in 2022 to an estimated 5.7% in 2023 and is projected to decline to 3.9% in 2024. However, food price inflation remains a critical issue, exacerbating food security.

THE ECONOMY OF GHANA:

The Ghanaian economy was not left out from the impact of the happenings in the global economy. Even though Ghana witnessed some improvements in its economic conditions throughout the year, some challenges still persist, notably characterized by increasing inflation, subdued growth and substantial pressure on public finances and debt sustainability.

The government's invitation for a voluntary exchange of domestic bonds of Ghana for a package of new bonds as part of its public debt restructuring, which was launched in late 2022, materialized in the 1st quarter of the year 2023.

The initial GH¢137.3 billion worth of bonds was eventually revised to GH¢109.84 billion with the government realizing an actual exchange of GH¢87 billion. The exercise was however met with stiff resistance and negative reaction from investors who were not happy with the development.

THE BANKING INDUSTRY:

The banking industry recorded remarkable improvements as the adverse effects of the Domestic Debt Exchange Programme (DDEP) and macro-economic challenges started easing. The sector remained stable, very liquid and profitable. The growth of 224.6% in profitability from GH¢6.6 billion loss in 2022 to GH¢8.3 billion profit in 2023 is very remarkable.

Net interest income contributed a high growth rate of 41.5% compared to 18.7% in 2022.

THE RURAL BANKING INDUSTRY:

There were major improvement in the performance of rural banking sector during the year under review.

The sector recorded growth in profit-before-tax of 122.4% from GH¢164.0 million in December 2022 to GH¢364.8 million in December 2023.

Total Asset grew by 30.1% from GH¢8.4 billion at the end of December 2022 to GH¢11.0 billion as at December 2023.

Deposit increased by 31.1% from GH¢7.4 billion in December 2022 to GH¢9.7 billion in December 2023. Loans and advances grew by 26.9% from GH¢2.6 billion in 2022 to GH¢3.3 billion in 2023.

Capital Adequacy Ratio (CAR) increased marginally from 10.7% to 12.54%. Non-performing loans (NPL) declined from 11.2% in 2022 to 9.9%. This shows an improvement over the previous year.

NWABIAGYA RURAL BANK'S PERFORMANCE:

Distinguished shareholders, your bank Nwabiagya Rural Bank recorded remarkable performance in many key performance indicators during the year 2023. The bank recorded an impressive profit- before - tax of GH¢13,819,785 in 2023 compared with the previous year's results of GH¢3,798,086, and this gives hope that your bank will be able to reverse the adverse balance in the retained earnings from profits within a reasonable period of time.

Deposits recorded 22% growth from GH¢181,139,976 in 2022 to GH¢220,272,748 in 2023.

Total Assets increased from GH¢178,122,772 in 2022 to GH¢227,154,327 in 2023.

Capital Adequacy Ratio (CAR) increased from (17.11) in 2022 to (29.54) in 2023 due to write-offs. The 2023 year end recorded lock-up funds of GH¢32,153,928 representing 29.87% of the total investment of GH¢107,621,260 compared to 48.81% in 2022.

DIRECTORS OF THE BANK:

The directors who were in the helm of affairs of the bank in the year were:

	NAME	FROM	TO	ZONE
1.	Mr. Kwame Appiagyei Antwi	01 January 2023	17 November 2023	Kumasi
2.	Mr. Samuel Yaw Amoah	01 January 2023	31 December 2023	Barekese
3.	Prof. Samuel Adjei-Nsiah	14 September 2023	31 December 2023	Barekese
4.	Mr. Eric Nti	14 September 2023	31 December 2023	Fufuo
5.	Mr. Simon Karikari Bonsu	14 September 2023	31 December 2023	Adankwame

ZONAL SYSTEM:

Your bank, Nwabiagya Rural Bank Ltd, name has now been changed to Nwabiagya Rural Bank Plc in compliance with the Companies Act 2019(Act 1992) .

Being Public Limited Company (Plc.) means that the general public can purchase shares of the bank. As a result of this, the zonal system should be abolished.

Hence, from next year, shareholders from any of our operational areas after meeting the eligible criteria can apply to become a director of the bank.

DIVIDEND:

Distinguished shareholders, your bank has been making relentless efforts to deal with the negative income surplus in the books for the payments of dividend to resume. Even though the bank was able to make an impressive Profit-before-tax of GH¢13,819,785, it is unable to pay dividends for the year ended 31stDecember, 2023 due to the negative income surplus.

VACANCIES ON THE BOARD:

Mr. Samuel Yaw Amoah representing Barekese zone having served his nine (9) year term as a director of the bank, shall retire at the end of this Annual General Meeting in accordance with the Corporate Governance Directive.

RE-ELECTED DIRECTORS

The Bank of Ghana approved Mr. Kwame Appiagyei Antwi, who was re-elected at the last Annual General Meeting but was unable to approve Mr. Kwame Asamoah Agyapong as director.

Three vacancies exist for directors and these are the Barekese, Abuakwa and Offinso zones. As a result of that, there will be election to fill these vacancies.

ESTABLISHMENT OF A BRANCH AT ASUOFUA:

The bank has secured approval from the Bank of Ghana to establish a branch at Asuofua in the Atwima Nwabiagya North District, to serve customers at Asuofua, Asamang, Achiase, Amanfrom, Ohwim and Kokoben among others.

The branch would be opened for business before the end of the year.

The establishment of the branch will help bring banking services to the door steps of our cherished customers in these communities and to shore up the liquidity of the bank.

CORPORATE SOCIAL RESPONSIBILITY:

The bank continued its involvement in the communities in which we operate by supporting various communal projects. We scaled upon contributions to the annual farmers' day celebration among others by distributing various items to 8 districts within our operational areas.

We pray that the coming years would see a lot more in furtherance of our commitment to community developments well.

MERGER OF SAGOE LANE AND BOMPATA BRANCHES:

We informed you about relocation of Bompata branch due to its inability to make profit over a period of time.

The Bompata branch was therefore merged with the Sagoe Lane branch in May 2023.

APPRECIATION:

On behalf of the Board of Directors, I take pleasure in extending our profound gratitude to our esteemed Shareholders for their faith, continuous and generous support over the years. We do appreciate the confidence reposed in us to steer the affairs of your Bank. We pledge to work harder to reposition the Bank to its rightful place, as the pacesetter in the rural banking industry.

I also acknowledge the Management and staff of this Bank for their hard work, dedication, commitment and diligence in executing their work for the benefit and development of the Bank.

My most sincere thanks to our cherished customers for their untiring support and loyalty. Thank you for your attention, and may the Good Lord continue to bless us all.

NWABIAGYA RURAL BANK LIMITED

Minutes of the 35th Annual General Meeting of shareholders held at the Barekese Community Centre held on Friday 17th November, 2023

1.0 PRESENT

A. DIRECTORS

- | | | |
|------------------------------|---|-------------------------|
| 1. Mr. Kwame Appiagyei Antwi | - | Board Chairman |
| 2. Prof Samuel Adjei-Nsiah | - | Vice Chairman |
| 3. Mr. Samuel Yaw Amoah | - | Member |
| 4. Mr Eric Nti | - | Member |
| 5. Mr Simon Karikari Bonsu | - | Member |
| 6. Mrs. Helen Adjei Yankey | - | Chief Executive Officer |

B. INVITED GUESTS

A total of thirty nine (39) dignitaries invited by the Board of Directors attended the meeting.

C. SHAREHOLDERS

Shareholders attended the Annual General Meeting.

2.0 OPENING

Rev Father John Oppong (St. Peter's Catholic Church-Barekese) offered the opening prayer at 10.23am.

3.0 INTRODUCTION OF DIRECTORS AND DIGNITARIES

Mr Francis Agyei Bekoe was the Master of Ceremony for the occasion and he introduced the Directors, Dignitaries and Guests present.

4.0 NOTICE CONVENING THE AGM

The notice convening the 35th AGM was read by Mr Francis Agyei Bekoe.

5.0 MINUTES OF THE 34th AGM

Minutes of the Bank's 34th Annual General Meeting held on Friday, 2nd September, 2022 at the Centre for National Culture, Kumasi was read the by the Master of Ceremony.

Mr. Akwasi Adusei (Barekese) moved for the acceptance of the minutes of the previous meeting and was seconded by Mr Eric Kwaku Aboagye (Kumasi).

6.0 BOARD CHAIRMAN'S REPORT

Mr Kwame Appiagyei Antwi read the Board Chairman's Report. He welcomed the Guests, Shareholders, Directors and Nananom, to the 35th Annual General Meeting of the Bank.

The highlights of the Chairman's Report was as follows:

i. The Economy of Ghana

There was a significant rise in the annual rate of inflation more than two decades high to 54.1% in December, 2022 in Ghana.

The Government of Ghana Domestic Debt Exchange Programme (DDEP) in the last quarter of 2022 for the voluntary exchange of approximately GHS 137 Billion local notes and bonds of the Republic for a package of new bonds issued by the Government to support the objective of restoring public debt sustainability. This arrangement did not affect Treasury Bills holders, and for that reason our Bank's investment in Treasury Bill Holdings is intact.

ii. The Banking Industry

A number of key financial performance indicators recorded significant declines on account of the unfavourable macroeconomic conditions and the implementation of the DDEP, in which all affected universal banks and some RCBs.

Profitability levels in the industry declined, driven by the ripple effect of the DDEP, losses on investments, higher impairment of loans and rising operating costs.

iii. The Rural Banking Industry

There were some improvements in the performance of rural banking sub-sector during the year under review. Total assets grew by 25.6 % year-on-year from GHS 6.7 billion to GHS 8.4 billion at the end of December, 2022. Profit before Tax grew by 44.8 percent to GHS164.0 million as at December, 2022 from GHS 113.3 million recorded in the previous year.

Deposits increased by 25.4 % from GHS 5.9 billion in December, 2021 to GHS 7.4 billion.

Capital Adequacy Ratio improved marginally year-on-year to 10.7% from 9.9 percent.

Non- Performing Loans (NPL) also increased marginally from 10.8 percent in 2021 to 11.2 percent in 2022.

iv. Nwabiagya Rural Bank's Performance

According to the Chairman, the Bank recorded considerable improvement in many key performance indicators during the year under review and the breakdown was as follows:

SN	INDICATOR	2022	2021
1	Profit before Tax	GHS 3,798,086	GHS 2,389,155
2	Deposits	GHS 181,139,977	GHS 147,593,486
3	Total Assets	GHS 178, 122, 772	GHS 143,502,106
4	Capital Adequacy Ratio	(19.45)%	(21.26)%
5	Lockup Funds	GHS 32,954,836	

v. New Directors

Mr Appiagyei Antwi informed the Shareholders that in accordance with the Banks and Specialised Deposit-taking Institutions Act, 2016 Act 930, the particulars of the five persons elected as Directors at the 34th Annual General Meeting was sent to the Bank of Ghana for approval. Unfortunately, the Bank of Ghana was unable to approve Mr. Andrews Kwarteng Amaning and Ms. Diana Asiedu.

Prof. Samuel Yaw Adjei, Messrs. Eric Nti and Simon Karikari Bonsu were however later approved by the Bank of Ghana on September 12, 2023.

The Chairman retreated that it became a difficult task for the remaining two directors in the persons of Messrs. Kwame Appiagyei Antwi and Samuel Yaw Amoah to carry out their corporate oversight responsibilities as they had to refer decisions taken at the board level to ARB Apex Bank Plc for ratification.

vi. Legal Issues

According to Mr Appiagyei Antwi, in 2022 a legal suit was instituted against the Bank and its four directors in September, 2022 by two persons seeking for election as Directors to represent Offinso and Abuakwa Zones. The case was however resolved amicably with the intervention of ARB Apex Bank.

vii. Dividends

The Chairman announced that the Bank was making relentless efforts to deal with the negative Income Surplus in its books, so that payment of dividends will resume. Therefore the Bank was unable to pay dividends for the year ended 31st December, 2022.

viii. Corporate Social Responsibility Corporate Social Responsibility

The Bank committed only GHS 8,450 to Corporate Social Responsibility (CSR) as compared to GHS 26,940 spent on CSR in the previous year, a reflection of the bank's fragile financial position. He however pledged that when the situation improves, the Bank's commitment to community development assistance would increase substantially.

ix. Vacancies on The Board

On the vacancies on the Board, the Abuakwa and Offinso Zones' positions on the board were vacant and were to be filled by elections at the 35th AGM. Messrs Kwame Appiagyei Antwi and Kwame Asamoah Agyapong had been cleared unopposed for both for elections in both zones.

x. Outlook

The Chairman said the bank would adopt pragmatic measures to control cost and generate more income through introduction of new internet, digital and agency banking products. The Board shall ensure prudent lending activities as well as operating within targets set in the budget.

xi. Acknowledgement

Before resuming his seat, Mr Kwame Appiagyei Antwi acknowledged the pioneering roles played by the late Prof. Kwame Arhin (first Board Chairman), Mr. Yaw Agyei Marfo (a former Deputy manager), the late Mr. Yaw Sarpong, Mr. Ampofo Appiah-Menkah and Alhaji Moro, all pioneer directors of the bank for the distinguished roles they played in the establishment of the Bank.

He also thanked the current Board, Management and staff for their diverse efforts in uplifting the image of the Bank.

7.0 DIRECTORS' REPORT

Professor Samuel Adjei-Nsiah, the Vice Chairman of the Board of Directors, presented the Directors' Report for the year ended 31st December, 2022 on behalf of the Board of Directors.

He said the Directors are responsible for the preparation of the Financial Statements in accordance with International Financial Reporting Standards and ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the Financial Position of the Bank and which enable them to ensure that the Financial Statements comply with the Companies Act, 2019, (ACT 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act, 2020, (Act 1044) AML

On Bank's Corporate Social Responsibility, an amount of GHS 8,450 was spent in 2022 as against GH26,940 in 2021. He further announced steps taken to build the capacity of Directors.

The Audit fees payable amounted to Seventy-Four and Seven Hundred and Fifty Ghana Cedis (GHs74,750) in 2022 as against Fifty Seven Thousand, Five Hundred Ghana Cedis (GHs57,500) in 2021.

Again, it was reported that there was no Interest Register and no transaction with potential conflict of interest situation requiring entry in the interest register. No disclosure of these entries in the interest register was stated in the Financial Statements ended December 31, 2021.

The statement of Financial Position and its report of the Bank were signed by two Directors indicating the approval of the Financial Statements.

8.0 AUDITORS' REPORT

Ms. Deborah Cobbinah, from Asamoah Bonsu & Co (Chartered Accountants) read the Report of the Independent Auditor to the Shareholders. She said her firm audited the Financial Statements of the Bank, which comprised of Statement of Financial Position as at 31st December 2022, Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and a Statement of Cash Flows for 2022.

In the opinion of the Auditors, the Financial Statements showed a true and fair view of the Financial Position of the Bank as at 31st December 2022, and of its Financial Performance and

Cash Flows for the year then ended in accordance with the Companies' Act 2019, (Act 992), the Banks and Specialist Deposit-Taking Institutions, Act 2016, (Act 930), and the Anti-Money Laundering Act, 2020, (Act 1044) (AML), and International Reporting Standards.

On Key Audit Findings, Ms Cobbinah said the Bank's Retained Earnings adverse balance of GHs27,509,424 for 2022 (2021-GHs 30,512,957) is affecting negatively the growing concern status of the Bank, but the Directors have resolved to reverse the adverse balance within four (4) years from December 31, 2023.

9.0 DISCUSSION OF REPORTS

9.1 Mr Eric Kwaku Aboagye (Kumasi)

Referred to the high shareholding requirement for Directorship on the Bank's Board of Directors which was pegged at 40,000 shares. He requested for a review of the requirement and said he may resort to the law court to seek redress if the situation is not addressed.

Response

The Board Chairman answered that the Board had begun a review of its Charter and their criterion for Directorship will surely be reviewed.

9.2 Mr. Johnson Osei Wusu (Adankwame)

He requested for a breakdown of the Bank's expenditure items -Other Donations/Contributions -GHs18,040 recorded in the Corporate Social Responsibility for 2021.

Response

The Chairman said the Bank's Corporate Social Responsibility is guided by a set of policies and assured that subsequent Final Accounts will give other breakdowns.

10.0 RESOLUTIONS

10.1 Authorise the Directors to fix the remuneration of the External Auditors

The Shareholders resolved to authorize the Board to fix the remuneration of the External Auditors.

The resolution was moved by Mr. Adam Sarpong (Barekese) and was seconded by Mr Eric Kwaku Aboagye (Kumasi)

10.2 Fix the remuneration of Directors

On the remuneration of Directors, the Board Chairman announced that the Board had resolved to maintain the current remuneration of Directors due to the current precarious situation of the Bank.

Details of the remunerations were follows;

i.	Chairman	-	GHs 1,850
ii.	Vice Chairman	-	GHs 1,650
iii.	Other Directors	-	GHs 1,650

Mr Kofi Agyekum (Barekese) moved for the acceptance of the Board Resolution on the Directors remuneration and was seconded by Madam Adwoa Manu (Fufuo).

10.3 To determine the Share Price of Treasury Shares formerly held by Goodwell Microfinance West African Limited

Mr Kwame Appiagyei Antwi the Board Chairman, informed Shareholders that the Bank had over three million Treasury Shares and these shares were previously held by Goodwell West Africa Microfinance. These Treasury Shares were sold at GHs 1 per share whilst the Bank's shares is also sold at GH0.50 p per share.

According to Mr Appiagyei Antwi, the different prices for the Bank's shares was not a healthy development, since every potential shareholder would prefer the normal share to the Treasury Shares due to its lower price, and eventually the Treasury Shares will not be sold.

In the light of the above, the Board Chairman moved that the Treasury Shares and the regular Shares of the Bank are sold to Shareholders at the same price (GH0.50p). Opanyin Kofi Amponsah (Barekese) seconded the motion. There was no counter motion.

11.0 Optional Speeches

11.1 Speech by Mr. Alex Kwasi Awuah MD of the ARB Apex Bank read by Mr Mark Odoi Adjei

Mr. Odoi Adjei apologized to Shareholders on behalf of the Managing Director of the ARB Apex Bank Plc, for his inability to attend the meeting of the shareholders of the Bank due to an equally pressing programme elsewhere. He was delighted that the Bank made some profits before tax in spite of the effect of the Government's Domestic Debt Exchange and the Banking cleanup exercises had taken a toll on banking sector.

He urged the Bank's Shareholders to remain calm in the face of the Bank of Ghana's directives to Financial Institutions not to pay dividends to Shareholders. He added that it was a policy to safeguard the Shareholders investments.

Mr Odoi Adjei called on Rural and Community Banks to invest more in its Corporate Social Responsibility Programmes within its catchment areas.

Finally, he extended the felicitations of the seasons to all Shareholders.

11.2 Address by Mr Kwame Osei Sekyere – President, Association of Rural Banks – Ghana

Mr Kwame Osei-Sekyere congratulated the Shareholders of the Bank on the occasion of the 35th Annual General Meeting of the Bank.

He said the Association of Rural Banks-Ghana has appealed to the Bank of Ghana to ensure payment of the lock up funds of all Rural Banks, in the various Fund Management Companies and he was expectant that the funds will be released on time.

Mr. Osei Sekyere admonished the Bank's Shareholders to do business with Rural Banks since it will ensure development within their catchment.

11.3 Address by Dr Adom-Attakora-Ashanti President, Association of Rural Bank, Ashanti Chapter

Dr. Adom-Attakora extended the felicitations of the season to the Shareholders of the Bank on the occasion of the Bank's 35th Annual General Meeting.

He made reference to the ARB Apex Bank Plc Monitoring Reports and said Nwabiagya Rural Bank performance was improving and urged the Board and Management to sustain the efforts put in place.

He reminded staff of Rural and Community Banks of their Oath of Secrecy and abide by it in all their endeavors. He announced that 2023 Rural Banking Week will be held in the last week of November and urged all Rural Banks to fully participate in the programmes lined up.

Finally, Dr. Attakora urged the Board of Directors of Rural and Community Banks to abolish the Zonal System on the Board membership, considering the Bank of Ghana's Corporate Governance Directives.

11.4 Address by Nana Amoapim Brenya (Barekesehene)

Nana Amoapim Brenya welcomed the Guests and Shareholders to Barekese and expressed his delight at the invitation to be part of the Bank's 35th Annual General Meeting of the Bank. Nana was thankful to the Bank for its Corporate Social Responsibility activities within the Barekese catchment. He appealed to the Shareholders of the Bank to continue purchasing shares in the Bank to ensure growth of the Bank.

Nana Brenya called on the general public to come and invest in the Barekese area because of the vast stretch of viable lands for commercial purpose. He also taunted the tourism potentials of the area.

12. Presentation of Award

On behalf of the Board and Management, a special citation and an undisclosed sum of money was presented to Ms. Charity Adubufour, a staff of the Bank. She had worked for 35 years. The citation and cash was presented by Madam Beatrice Appiah, a Director of Atwima Mponua Rural Bank Plc.

12. Acclamation of New Directors

Officials from the Atwima Nwabiagya North District Electoral Commission Office led by Ms. Mercy Oppong Afra led the acclamation of the two prospective Directors of the Board since they were nominated unopposed. They were in the persons of:

- i. Mr. Kwame Appiagyei Antwi - Kumasi Zone (re-elected)
- ii. Mr. Kwame Asamoah Agyapong - Abuakwa Zone

13. Closing

Ms. Harriet Osei Samaah said the vote of thanks and Rev Charles Sangmoah of the Good Shepherd Methodist Church, Barekese offered the closing prayer at 1.15pm

SIGNED

NWABIAGYA RURAL BANK LIMITED

Corporate Governance Report to the Members of Nwabiagya Rural Bank

Nwabiagya Rural Bank Limited upholds strong governance practices, placing governance at the core of its values. The bank diligently applies corporate governance principles throughout its operations. The Board oversees compliance with relevant laws such as the Banks and Specialized Deposit Taking Institutions Act (Act 930), the Companies Act (Act 992), and best practice standards. To foster transparency and accountability, the bank has established clear structures and processes outlined in its regulations and policies, including a Board Charter.

Responsibilities of the Board of Directors

The Board holds primary responsibility for ensuring adherence to legal and regulatory requirements regarding corporate governance. It is tasked with upholding the highest standards of governance within the bank. To ensure effective governance, the bank has implemented specific structures aligned with its corporate governance strategy, including:

1. Board of Directors
2. Board Committees
3. The Chief Executive Officer

As at 31 December 2023, Nwabiagya Rural bank Limited had 4 members of the Board of Directors as follows:

- | | | |
|---------------------------------|---|---------------|
| 1. Professor Samuel Adjei-Nsiah | - | Chairman |
| 2. Mr. Samuel Amoah | - | Vice Chairman |
| 3. Mr Eric Nti | - | Member |
| 4. Mr. Simon Karikari Bonsu | - | Member |

Primary Responsibility

The primary duty of the Board of Directors is to act in the best interests of the Bank, ensuring the fulfillment of its core objectives. This involves safeguarding the interests of shareholders and other stakeholders. The Board offers overarching guidance, sets policy direction, and oversees the Bank's strategic trajectory and policy formulation. It serves as the ultimate decision-making authority within the Bank.

Additionally, the roles of the Board Chairman, Non-Executive Directors, and Chief Executive Officer are distinct and clearly outlined.

The Chairman of the Board and the Directors bear primary responsibility for the Board's functioning, while the Chief Executive Officer oversees day-to-day business operations in alignment with the

Board's strategic plans and policies. The Board holds ultimate responsibility for the Bank's structure, operational domains, financial reporting, and ensuring the effectiveness of internal control, risk management, and compliance systems. It possesses the authority to delegate responsibilities to Directors, Committees, the Chief Executive Officer, and the Management Committee. The Board conducts regular reviews of the Bank's performance, strategic concerns,

and other significant matters it deems pertinent. Board meetings occur bi-monthly, with additional sessions convened as necessary, and the Board conducts an annual self-evaluation.

Directorship During the 2023 fiscal year, Mr. Kwame Appiagyei was re-elected at the 35th Annual General Meeting to serve his second term. Mr. Asamoah Agyapong Kwame was also as a director, representing Offinso zone, and is awaiting Bank of Ghana's approval.

Succession Strategy

1. Mr. Samuel Yaw Amoah, is currently in his final term in office and is expected to step down from the Board in September, 2024.

Attendance at Board Meetings

Membership and attendance at Board meetings during the year are set out below:

Name of Director	No. of meetings for the year	No. of times present	Remarks	Percentage of attendance
1. Mr. Kwame Appiagyei	19	18	Beginning of the financial year	95%
2. Mr. Samuel Yaw Amoah	19	19	Present at beginning of the financial year	100%
3. Prof. Samuel Adjei-Nsiah	19	10	Present from September, 2023	53%
4. Mr. Eric Nti	19	9	Present from September, 2023	47%
5. Mr. Simon Karikari Bonsu	19	13	Present from September, 2023	68%

Directors' Shareholdings

The shareholdings of Directors are as follows:

Name of Director	No. of Shares	Percentage shareholding
1. Mr. Kwame Appiagyei	40,163	0.21%
2. Mr. Samuel Yaw Amoah	40,255	0.21%
3. Prof. Samuel Adjei-Nsiah	40,344	0.21%
4. Mr. Eric Nti	43,384	0.23%
5. Mr. Simon Karikari Bonsu	44,233	0.23%

Financial Reporting

The Board has provided a comprehensive evaluation of the Bank's status and future prospects, ensuring it meets its obligations under the Board Charter and relevant legal regulations in preparing the Financial Report. Directors maintain accountability to shareholders by regularly releasing the Bank's Annual Financial Reports and convening Annual General Meetings (AGMs). The Board has modernized the Bank's reporting process to ensure precision, monitoring

performance throughout the financial year and reporting key indicators monthly. Asamoah Bonsu & Co. served as the Bank's external auditors during the 2023 fiscal year.

Internal Audit

Internal Control Recognizing: the significance of Internal Control in its operations, the Bank has established robust control systems to ensure safe, objective, and efficient operations. The Board monitors the system's effectiveness through regular reports and reviews presented at Committee and Board meetings.

1. **Anti-Money Laundering:** The Board and Management are dedicated to upholding compliance with the Anti-Money Laundering Act, 2020 (Act 1044), and relevant regulations and guidelines. Staff receive ongoing training on the Bank's anti-money laundering policies to ensure strict adherence.
2. **Conflicts of Interest:** The Bank maintains a comprehensive policy on conflicts of interest and disclosures, ensuring strict adherence to legal provisions. An Interests Register is in place for Directors and Key Management Personnel to disclose their interests. The Bank's established policies and procedures ensure strict compliance with the law to minimize conflicts of interest, with effective means of disclosing any conflicts that may arise.
3. **Shareholders' Rights:** The Board ensures regular general meetings are held in compliance with the law, providing shareholders with all necessary information regarding the Bank's operations. Shareholders are treated equally, given adequate time and opportunity to seek clarifications on the Bank's published Financial Statements during General Meetings.
4. **Annual Certification:** The Board certifies that for the financial year ending December 31, 2023, the Bank complied with Corporate Governance provisions outlined in Act 930 and Act 992, as well as best practices.

Additionally:

- a. Board qualification and composition
- b. Board size and structure
- c. Board Secretary
- d. Other Director engagements
- e. Board Committees.

Furthermore, the Board certifies that:

1. It independently assessed and confirmed the effectiveness of the Bank's corporate governance process in achieving its objectives.
2. Directors are cognizant of their responsibilities to the Bank as individuals entrusted with governance.

NWABIAGYA RURAL BANK PLC.

Directors' Report to the Members of Nwabiagya Rural Bank

The Directors present herewith the audited Financial Statements of Nwabiagya Rural Bank Ltd, for the year ended 31st December, 2023 and report thereon as follows:

Principal Activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its Regulations and its Banking Licence and also consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

Financial Statements and Dividend	2023	2022
The results are summarised as follows:	Gh¢	Gh¢
Profit/Loss for the year ended 31st December, after Taxation is	10,141,219	2,511,357
Prior Period Error	-	1,457,920
Prior Period Overdrawn Balance	-	-
To which is added balance on (Income Surplus)		
Retained Earnings brought forward of	(27,031,957)	(30,035,490)
Giving a total of	(16,890,738)	(26,066,213)

Out of which the following declarations were paid and transfers made:

Transfer to Dividend or Dividend Paid	-	-
Transfer from Other Commitment Accounts	-	
Transfer to Credit Risk Reserve	345,791	(651,824)
Transfer to (Statutory) Reserve Fund	(1,267,652)	(313,920)
	(921,861)	(965,743)
Leaving an adverse balance on Retained Earnings Account carried forward of	(17,812,599)	(27,031,957)

Results and Dividend

The results of operations for the year ended 31st December, 2023 are set out in the Statement of Financial Position, Statement of Comprehensive Income, and Statement of Changes in Equity, Statement of Cash Flows and the Notes to the Financial Statements from page 11.

The Directors are unable to recommend the payment of dividend in respect of the year ended 31 December, 2023: (2022:GH¢ NIL)

Directors' Assessment of the State Of Affairs

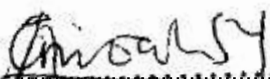

The Directors consider the Bank's State of Affairs to be satisfactory. The Directors through hard work and dedication; operationalization of strong internal control; and adherence to sound corporate governance principles have been successful in bringing the Bank to profitable levels resulting in profit before tax of GH¢13,833,427 compared to GH¢3,798,086 of year 2022 (increase of 249.5%).

The Directors have a reasonable expectation that the Bank's adverse Retained Earnings balance of GH¢ GH¢17 million for 2023, 37% reduction from (2022: GH¢27,031,957) will be reversed. Consequently, the Directors used the Going Concern basis in preparation of the Financial Statements.

Approval of the Financial Statements

The Statement of Financial Position and this Report of the Bank have been signed by two Directors indicating the Board's approval of the Financial Statements on 15th April, 2024.

By order of the Board


.....
Mr Samuel Yaw Amoah
Vice Chairman
.....
Professor Samuel Adjei-Nsiah
Board Chairman

NWABIAGYA RURAL BANK PLC.

Statement of Directors' Responsibilities In Relation To the Directors' Report and the Financial Statements

The Companies Act, 2019, (Act 992) requires the Directors to prepare Financial Statements for each year, which give a true and fair view of the state of affairs of the Bank and of their Profit or Loss for the year.

The Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) requires every bank to prepare annually as at 31st December of each year, Financial Statements and returns in accordance with that Act.

In preparing these Financial Statements, the Directors are required to:

- a) Select accounting policies, which comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), Anti-Money Laundering Act, 2020, (Act 1044) (AML) and in accordance with International Financial Reporting Standards and to apply them consistently.
- b) Make judgements and estimates that are reasonable and prudent.
- c) Ensure applicable accounting standards have been followed and any material departures disclosed.
- d) Ensure the Financial Statements are prepared on a Going Concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for the preparation of these Financial Statements in accordance with International Financial Reporting Standards and ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the Financial Position of the Bank and which enable them to ensure that the Financial Statements comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act, 2020, (Act 1044) (AML).

They are also responsible for safeguarding the assets of the Bank and hence taking steps for the prevention of fraud and other irregularities, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements.

The above Statement which should be read in conjunction with the Report of the Auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to these Financial Statements.

Corporate Social Responsibility

The following expenses were incurred in respect to corporate social responsibility in the course of the year:

	2023	2022
	GH¢	GH¢
COVID/Institutional Donation	-	3,900
Farmers Day/Public Relations	7,000	5,000
ICU Training	-	-
Bohyen Hemaa Anniversary	-	-
Other Donations/Contributions	-	18,040
TOTAL	7,000	26,940

Steps Taken To Build the Capacity of Directors

Directors attended these various training and capacity building programmes listed below:

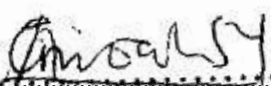
Course	Board member	Organisers
Corporate Governance Training on RCBS	All Directors	OFSID in Partnership with Ass of Rural Banks
CFL/AML Awareness Training	All Directors	Internal Training
Presentation on New Pension Act	All Directors	Internal Training
Risk Based Approach to AML/CFT and regulatory compliance	All Directors	Compliance Department

Audit Fees

Audit fees payable amounts to Eighty-Five Thousand and Nine Hundred and Sixty-Two Ghana Cedis Fifty Ghana Pesewas (GH¢85,962.50) (2022:GH¢74,750).

Particulars of Entries in the Interests Register

There was no entry in the Interest Register, as there was no transaction with potential conflict of interest situation requiring entry in the Interests Register, and therefore no disclosure of these entries in the interest register was stated in Financial Statements ended December 31, 2023: (2022, No Interest Register was kept and no transaction requiring an entry in the Interest Register was noted).



Mr. Samuel Yaw Amoah
Barekese

By order of the Board



Prof. Samuel Adjei-Nsiah
29th April 2024

NWABIAGYA RURAL BANK PLC.

Report of the Independent Auditor to the Members

Report on the Audit of the Financial Statements

We have audited the Financial Statements of Nwabiagya Rural Bank Ltd, which comprise the Statement of Financial Position as at 31st December, 2023, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, which include a summary of significant accounting policies as set on pages 15.

Opinion

In our opinion, the accompanying Financial Statements show a true and fair view of the Financial Position of the Bank as at 31st December, 2023, and of its Financial Performance and Cash Flows for the year then ended in accordance with the Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), and the Anti-Money Laundering Act, 2020, (Act 1044) (AML), and International Financial Reporting Standards.

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.

	2023	2022
	GH¢	GH¢
Retained Earnings Balance	(17,812,599)	(27,031,957)

Key Audit Finding

The Retained Earnings adverse balance of GH¢17,812,599 for 2023 (2022:GH¢27,031,957) is affecting negatively the Going Concern of the Bank, but the directors have resolved to reverse the adverse balance within three (3) years from December 31, 2023 and there is an improvement in the Retained Earning Balance GH¢10,141,219

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Financial Statements

As described on Pages 5, 6 and 7, the Bank's Directors are responsible for the preparation of these Financial Statements in accordance with Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Anti-Money Laundering Act, 2020, (Act 1044), (AML) and the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing, and maintaining internal control as Management determines is necessary and relevant to the preparation and fair presentation of the Financial Statements

that are free from material misstatements, whether due to fraud or error, and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, Management is 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 Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Management and Board of 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 management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a Going Concern

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity's or business activities within the Bank to express an opinion on the Financial Statements. We are responsible for the direction, supervision and performance of the
- Bank's audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a. We have obtained all the information and explanations which we considered necessary for the performance of the audit.
- b. In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- c. The Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit or Loss Account) of the Bank are in agreement with the books of account.
- d. In compliance with section 143 of the Companies Act. 2019, (Act 992), we are independent of the Bank.

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

- i. The Financial Statements give, a true and fair view of the State of Affairs as at 31st December, 2022 of the Bank and the results for the year ended on that date.
- ii. We have obtained all the information and explanation required for the efficient performance of our audit.
- iii. The Bank's transaction were within its powers; and
- iv. The Bank has generally complied with the provisions in the Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit Taking Institutions, Act 2016, (Act 930), the Anti-Money Laundering Act, 2021, Act (1044), (AML) and International Financial Reporting Standards.

Osei Asamoah Bonsu (ICAG/P/1013)

29th April
.....2024

Asamoah Bonsu & Co.(ICAG/F/2024/155)

Chartered Accountants

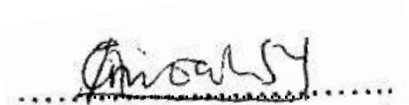
Otb 169, Odum, Near Kataban House

P. O. Box Ks 7909

NWABIAGYA RURAL BANK LTD.

Statement of Financial Position

ASSETS	NOTES	2023	2022
		GH¢	GH¢
<u>Current Assets</u>			
Cash and Short-Term Funds	17	69,357,400	64,902,933
Funds with Other Financial Institutions	18	32,153,928	32,954,836
Funds - 182-Day Treasury Bill	18.3	75,467,332	34,455,592
Loans and Advances to Customers	20	28,865,935	26,877,500
Current Tax Assets	15	-	-
Inventories ¹⁹		230,474	249,801
Other Assets	24	6,911,475	3,854,063
		212,986,544	163,294,724
<u>Non-Current Assets</u>			
Intangible Assets	21	27,354	46,955
Long-Term Investment	26	181,223	123,683
Property, Plant and Equipment	22	12,832,252	13,026,693
Right of Use-Office Rent	22.3	1,126,954	1,630,717
		14,167,782	14,828,047
TOTAL ASSETS		227,154,327	178,122,771
<u>Liabilities and shareholders' funds</u>			
Deposits and Current Accounts	27	220,272,749	181,139,976
Current Tax Liabilities	15	8,017	92,758
Deferred Tax Liabilities	15	1,095,375	1,095,375
Other Liabilities	28.8	9,726,537	7,677,418
Institutional Borrowings	29	315,789	736,842
Other Reserves		127,349	-
Provisions	28	7,061	1,957,556
TOTAL LIABILITIES		231,552,877	192,699,925
FINANCED AS FOLLOWS:			
Stated Capital	30	2,719,305	2,719,
Share Deals Account	30	276,785	239,400
Revaluation Reserve	31.1	4,371,657	4,371,657
Reserve Fund	31.2	5,487,763	4,220,110
Retained Earnings (Income Surplus)		(17,812,599)	(27,031,957)
Credit Risk Reserve	31.3	558,540	904,331
Total Shareholders' Funds		(4,398,550)	(14,577,154)
TOTAL LIABILITIES AND SHAREHOLDERS FUND		227,154,327	178,122,



Mr. Samuel Yaw Amoah
Director



Prof. Samuel Adjei-Nsiah
Director

NWABIAGYA RURAL BANK LTD.

Statement of Comprehensive Income

	NOTES	2023 GH¢	2022 GH¢
Interest Income	8	33,514,219	19,698,367
Interest Expenses	9	(4,915,214)	(4,095,496)
Net Interest Income		28,599,004	15,602,871
Commission and Fees	10	5,047,175	4,447,560
Commission and Fees Expense		(920,983)	(84,525)
Net Commission and Fees		4,126,191	4,363,036
Net Trading Income		-	-
Other Operating Income	16	-	-
Total Operating Income		32,725,195	19,965,907
Net Impairment Loss on Financial Assets	25	(84,581)	(383,367)
Personnel Expenses	12	(12,646,118)	(9,958,229)
Depreciation & Amortisation		(254,516)	(190,844)
Other Operating Cost	14	(5,920,195)	(5,635,381)
Total Operating Expenses		(18,905,411)	(16,167,821)
Profit Before Taxation		13,819,785	3,798,086
Tax Expense	15	(3,678,567)	(1,286,730)
Net Profit for the Year		10,141,219	2,511,357
OTHER COMPREHENSIVE INCOME		-	-
Revaluation of Property, Plant and Equipment		-	-
Defined Benefit Plan Actuarial Gain/(Loss)		-	-
Other Comprehensive Inc. for the Year (Net of Tax)		-	-
Total Comprehensive Income for the Year		10,141,219	2,511,357
Profit attributable to:			
Controlling Equity Holders of the Bank		10,141,219	2,511,357
Non-Controlling Interest		-	-
Profit for the Year		10,141,219	2,511,357
Basic Earnings per Share		0.65712	0.16352
Diluted Earnings per Share GH¢		0.65712	0.16352

NWABIAGYA RURAL BANK PLC.

Statement of Changes in Equity

2023	Stated Capital/ Share deals	Revaluation Reserve	Reserve fund	Inc. surp./ Retained Earnings	Credit Risk Reserve	Shareholders Fund
Balance b/f	2,719,305	4,371,657	4,220,110	(27,031,957)	904,331	(14,816,554)
Prior Period Error	-	-	-	-	-	-
Preferences Shares	-	-	-	-	-	-
Reversal of Int. on Fixed Dep.	-	-	-	-	-	-
Total Comp. Income	-	-	-	10,141,219	-	10,141,219
	2,719,305	4,371,657	4,220,110	(16,890,738)	904,331	(4,675,335)
Transactions with Equity Holders						
Issue Treas. Shares Share deals	37,385					37,385
Balance brought forward	239,401					239,401
Addition	-	-	-	-	-	-
	276,785	-	-	-	-	276,785
Transfer to Reserve Fund	-	-	1,267,652	(1,267,652)		-
Transfer to Credit Reserve	-	-	-	345,791	(345,791)	-
Dividend Paid	-	-	-	-	-	-
Share Acquisition	-	-	1,267,652	(921,861)	(345,791)	-
	2,996,090	4,371,657	5,487,763	(17,812,599)	558,540	(4,398,550)
2022	Stated Capital/ Share deals	Revaluation Reserve	Reserve fund	Inc. surp./ Retained Earnings	Credit Risk Reserve	Shareholders Fund
Balance b/f	2,719,305	4,371,657	3,906,191	(30,035,490)	252,507	(18,785,830)
Prior Period Error	-	-	-	1,457,920	-	1,457,920
Preferences Shares	-	-	-	-	-	-
Reversal of Int. on Fixed Dep.	-	-	-	-	-	-
Total Comp. Income	-	-	-	2,511,357	-	2,511,357
	2,719,305	4,371,657	3,906,191	(26,066,213)	252,507	(14,816,554)
Transactions with Equity Holders						
Issue Treas. Shares (Share deals)	174,839	-	-	-	-	174,839
Addition for year	64,562	-	-	-	-	64,562
	239,401	-	-	-	-	239,401
Dividend paid	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	313,920	(313,920)	-	-
Transfer to Credit Reserve	-	-	-	(651,824)	651,824	-
Dividend Paid	-	-	-	-	-	-
Share Acquisition	-	-	-	-	-	-
	-	-	313,920	(965,743)	651,824	-
	2,958,705	4,371,657	4,220,110	(27,031,957)	904,331	(14,577,153)

NWABIAGYA RURAL BANK PLC.

Statement of Cashflows

	2023	2022
	GH¢	GH¢
Cash Flow from Operating Activities		
Net Profit Before Tax	13,819,785	3,798,086
Adjustment for:		
Prior Period Adjustments	-	1,457,920
Profit on Disposal - Motor Vehicles	-	(17,100)
Adjustments to Cost/Values of PPEs	-	-
Adjustments to Depreciation Cost/Values of PPEs	240,000	-
Impairment on Financial Assets	198,540	330,000
Depreciation and Amortisation	254,416	190,844
	295,876	1,961,664
Operating Profit before Working Capital Changes	14,115,661	5,759,750
Change in Funds with Other Financial Institution	800,908	569,069
Change in 182-Day Treasury Bills	41,011,740	(12,891,618)
Change in Loans and Advances to Customers	1,789,836	1,048,227
Inventories	19,327	(53,029)
Change in Other Assets	3,057,412	(2,587,283)
Right of use of office (Rent)	503,763	-
Change in Deposits from Customers	39,132,772	27,460,933
Change in Other Liabilities	2,049,119	3,675,616
Change in other reseves	127,349	-
Change in Provisions	1,950,494	-
	5,176,305	17,221,915
Net cash from operating activities	8,939,356	22,981,665
Income Taxes Paid	3,763,308	(1,193,972)

Cash Flows from Investing activities

Purchase of Property, Plant & Equipment	(280,375)	(259,030)
Purchase of Intangible Assets	-	(29,632)
Refund from HFC on Automated Teller Machines	-	-
Revaluation Reserve	-	-
Proceeds from Disposal - Motor Vehicles		40,000
Net Cash used in Investing Activities	(280,375)	(248,662)

Cash flows from financing activities

Dividend Paid	-	-
Increase in staff pension fund	-	-
Repayment of Borrowings	(421,053)	(642,479)
Long term Investment	(57,540)	-
Increase in credit risk reserve	-	-
Reversal of Interest on Investments & Tax Charges	-	
Issue of Ordinary Shares in Treasury	37,385	64,562
Net Cash used in Financing Activities	(441,208)	(577,918)

Net (Decrease)/Increase in Cash and Cash Equivalents	4,454,467	20,961,114
Cash and Cash Equivalents at 1 January	64,902,933	43,941,819
Cash and Cash Equivalents at 31 December	69,357,400	64,902,933
Represented by Cash and Cash Equivalents as at 31 December	69,357,400	64,902,933

NWABIAGYA RURAL BANK PLC.

Notes to the Financial Statements

1. NATURE OF OWNERSHIP AND OPERATIONS

The Bank was incorporated as a Private Limited Liability Company on 24th June, 1987 with Registration No. C-32,422 now re-registered with number CS100602018 on 10th May, 2018 under the Companies' Act 2019 (Act 992) in Ghana. The Bank was issued with a licence on 3rd August, 1987, with Licence No. 123 by Bank of Ghana to operate a business of Banking.

1.1 Functional and Presentational Currency

The Financial Statements are presented in Ghana Cedis (GH¢) which is the Company's functional currency.

2.0 ACCOUNTING POLICIES

The significant Accounting Policies adopted by the Bank and which have been applied in preparing these Financial Statements are stated below:

2.1 Basis of Accounting

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis in compliance with International Financial Reporting Standards, IFRS, and requirements, as for Investments and Financial Assets and Financial Liabilities measured at Fair Value.

The Bank of Ghana Guideline 'Guide for Financial Publication for Banks and BOG Licensed Financial Institutions' for 2016 and 2018 require certain disclosures to be completely complied with in applicable areas. These guidelines have not been so completely complied with and to this extent, the Financial Statements are not in compliance with International Financial Reporting Standards, IFRS.

2.2 Revenue Recognition

Revenue is recognised on accrual basis and to the extent of the economic benefits expected to flow to the Bank and that the Revenue can be reliably measured as provided hereunder.

2.3 Interest Income and Expense

Interest income and expense are recognised in the Statement of Comprehensive Income in respect of interest bearing Financial Instruments including Loans and Advances as interest accrues using the Effective Interest Rate method. This method calculates the amortised cost of a Financial Asset or Liability and allocates the Interest Income or Interest Expense also the discount rate applicable to future cash flows (receipts or payments), over the life of the Financial Asset or Liability to its net carrying amount.

2.4 Non-Interest Income

Commission and Fees are earned on accrual basis on services such as Funds Transfer on completion of the transaction.

2.5 Dividend

Interest calculated using the effective interest method is recognised in the Statement of Comprehensive Income. Dividends on equity instruments are recognised in the income statement when the Bank's right to receive payment is established.

2.6 Income Tax

2.6.1 Income Tax comprises Current Tax and Deferred Tax

Current Tax relates to determination of expected payable tax from the Profits of the Financial Statements in relations to Tax obligations imposed from by legislation of Ghana.

Deferred Income Tax relates to Tax Provision on all Temporary differences at the Financial Position date arising from Tax bases of assets and liabilities and their carrying amounts. Deferred Tax Assets are the recoverable taxes of future periods which include deductible Temporary differences. Deferred Tax Liabilities are the recognised payable Taxable Temporary differences on future taxable profits. Deferred taxes (Assets or Liabilities) are calculated using the enacted rate expected to be applicable in the period when the asset is realised or the liabilities settled.

Deferred Tax Assets and Liabilities are offset when they arise in the same tax reporting entities and relate to income taxes of the same taxation authority, and when a legal right to set-off exists.

The carrying amounts of Deferred Tax Assets or Liabilities are reviewed at the end of each reporting date and adjusted to reflect the new values through the Profit or Loss.

2.7 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

2.7.1 Categorisation

The Bank classifies its Financial Assets into those measured at Fair Value through Profit or Loss and those measured at Amortised Cost; and Financial Assets measured at Fair Value through Other Comprehensive Income.

2.7.2 Date of Recognition

Purchases and Sale of Financial Assets are recognised on the Transaction date.

2.7.3 Initial Recognition of Financial Instruments

Financial Instruments are initially recognised at their fair value plus, in the case of Financial Assets or Financial Liabilities not at Fair Value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the Financial Asset or Financial Liability.

2.7.4 Subsequent Measurement of Financial

a. Financial Assets at Fair Value through Profit or Loss

Financial Asset at fair value through Profit or Loss is that which meets either of the following conditions.

- **Held for Trading**

A Financial Asset is classified as Held for Trading if it is acquired principally for the purpose of selling in the near future, or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking

- **Designated at Fair Value through Profit or Loss**

Upon initial recognition as Financial Asset, it is designated at fair value through Profit or Loss. Financial Assets at fair value through Profit or Loss are measured at fair value subsequent to initial recognition. Gains or Losses upon subsequent measurement are treated in Profit or Loss.

All equity instruments are measured at fair value.

b. Financial Assets Measured at Amortised Cost

A Financial Asset is measured at amortised cost if the following conditions are met:

- i. The Asset is held within a business model whose objective is to hold assets in order to collect contractual Cash Flows.
- ii. The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

c. Financial Assets Measured at Fair Value through Other Comprehensive Income

Securities including investments in money market and equity shares, other than those classified as trading securities, or at fair value through Profit or Loss, are classified and recognised in the Statement of Financial Position at their fair value. Other Financial Assets that are neither cash nor categorised under any other category also come under this classification.

Financial Assets measured at fair value through Other Comprehensive Income are measured at Fair Value with gains and losses arising from changes in Fair Value recognised directly in Other Comprehensive Income until the Financial Asset is either sold, becomes impaired, or matures, at which time the cumulative gain or loss previously recognised in equity is recognised in Profit or Loss.

d. Financial Liabilities

Financial Liabilities are classified as non-trading, held for trading or designated as at fair value through Profit and Loss. Non-Trading Liabilities are measured subsequent to initial recognition at Amortised Cost applying the effective interest method. Held for Trading Liabilities or Liabilities designated as at fair value through Profit or Loss, are measured at fair value. All Financial Liabilities shown in the Statement of Financial Position are non-trading liabilities.

2.8 Determination of Fair Value of Financial Instruments

i. Availability of Active Market

The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the reporting date is based on its quoted market price without any deduction of transaction costs.

ii. Non-Availability of Active Market

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

iii. Short-Term Receivables

The fair value of short term receivables approximate book value and are measured as such.

2.9 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset when there is a legally enforceable right to do so and the net amount stated in the Statement of Financial Position. This happens when there is the intention settle on net basis or realise the Financial Asset and redeem the Financial Liability.

2.10 Derecognition of Financial Assets and Liabilities

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

2.11 Impairment of Financial Assets

a. Framework for measuring impairment of Financial Assets.

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a Financial Asset or group of Financial Assets has become impaired.

Evidence of impairment may include indications that the borrower or a group of borrowers is/are experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the income statement.

b. Loans and Advances and Amounts due from Banks & other Financial Institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists for Financial Assets that are individually significant, or collectively for Financial Assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed Financial Asset, whether significant or not, it includes the asset in a group of Financial Assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognised in the Profit or Loss.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the Allowance Account. If a write-off is later recovered, the recovery is credited to the Profit or Loss and charged to the Allowance Account ('Credit Loss Expense').

The present value of the estimated future cash flows is determined using the Financial Asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, Financial Assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

c. Other Financial Assets

The Bank assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

In the case of other debt instruments, impairment is assessed based on the same criteria as Financial Assets carried at amortised cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

3. REGULATORY CREDIT RISK RESERVE

To cater for any difference between the Bank of Ghana's Credit Loss Provision requirements and Loans and Advances Impairments based on IFRS Principles, a charge or credit is made to Income Surplus in respect of the difference required to bring up the cumulative provision to the level required under the Bank of Ghana regulations.

Under current regulations the Credit Risk Reserve does not qualify as Tier 1 Capital for the computation of Capital Adequacy.

4. PROPERTY, PLANT AND EQUIPMENT

The Bank recognises an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materiality threshold set by the Bank.

Property, Plant and Equipment are stated at Cost or revalued amount less Accumulated Depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset which is determined in percentages. The depreciable amount of each asset is the difference between the cost/revaluation and the residual value which is set to zero of the asset. No depreciation is provided on Land.

The residual value is the estimated amount, net of disposal costs that the Bank would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. In the last year or period of the charge of depreciation to Profit or Loss, the depreciation amount is reduced by GH¢1 so that the asset has GH¢1 value to give an indication of the existence of the item of Property, Plant and Equipment.

The current Annual Depreciation rates for each class of Property, Plant and Equipment are as follows:

Building	5.0%
Bank Development	5.0%
Motor Vehicles	12.5%
Office Equipment	25.0%
ATM Equipment	10.0%
Electrical Installation	25.0%
Office Bungalow Furniture	20.0%
Computer & Accessories	25.0%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. 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.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

Residual values, useful lives and methods of depreciation for Property, Plant and Equipment are reviewed and adjusted if appropriate, at each financial year end.

5. USE OF ESTIMATES AND JUDGEMENT

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 Notes 4.

6. RISK MANAGEMENT

The Bank's operations come with these risks: Credit, Market, Liquidity and Operational.

6.1 Credit Risk

To the Bank, Credit Risk is the likelihood that a receivable from a financial instrument issued by the Bank to a borrower is unlikely to be received regarding the principal with or the interest according to the terms contained in the financial instrument. This will result in economic loss to the Bank.

The Credit Risk arises from largely Loans and Advances to customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensures that periodic review of the status of the receivable at every stage from application to completion of the repayment of the advance by the borrower. The Credit Department submits reports of the performance of the Loans and Overdrafts to a Credit Committee which takes appropriate actions for recovery. Credit facilities are monitored for early warning signals of non-performance. The maximum amount of Credit Risk emanating from these sources is as follows:

6.2 Market Risk

Market Risk is the potential of losses arising from movements in market prices such as Interest Rates, Exchange Rates, and Equity and Commodity Prices. Currently, the Bank's activities expose it to Interest Rate risks with no exposure to exchange rate, equity or commodity price risks. The Interest Rate risk is inherent in the Bank's Financial Assets and Liabilities such as Loans, Customer Deposits and Borrowings.

6.3 Liquidity Risk

Liquidity Risk is the potential loss to the Bank arising from either its inability to meet its maturing Short-Term obligations as they fall due or to fund increases in assets without incurring unacceptable costs. The management of this risk enables the Bank to minimise the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the Primary Reserve requirement of 13% of Total Deposits as required by Bank of Ghana and ARB Apex Bank.

6.4 Operational Risk

Operational Risk is direct or indirect loss resulting from inadequate or failed internal and processes, staff and systems. These are managed by well-designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

7. CAPITAL

7.1 The Objectives of Capital Management

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

The objective is also to ensure that, at any time, the Stated Capital requirement by Bank of Ghana could be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This is achieved by maintaining the appreciable level of profits to meet the expected Capital increases by Bank of Ghana.

7.2 Capital Description

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

7.3 The Level of Capital Adequacy		2023	2022
		GH¢	GH¢
1	Paid Capital	2,996,077	2,958,692
2	Permanent Non-Cumulative Preference Shares	13	13
4	Disclosed Reserves	(7,676,394)	(17,535,859)
5	Sub-Total Tier 1 Capital (1+2.3+4)	(4,680,304)	(14,577,154)
Less			
6	Goodwill/Intangibles/Preliminary Expenses	27,354	3,901,018
7	Losses not provided for	-	-
8	Investments In Subsidiaries	10	10
9	Invest. In Capital of Other Banks & Fin. Inst.	17,340,531	(4,247,985)
10	Capitalised Revaluation Reserve	4,371,657	4,371,657
11	Connected Lending of Long-Term Nature	-	-
12	Net Tier 1 Capital(5-6-7-8-9-10-11)	(26,419,857)	(18,601,854)
Add			
13	Revaluation Reserves	4,371,657	4,371,657
14	Subordinated Term Debt (Limited to 50% of 4)	-	-
15	Hybrid Capital	-	-
16	Tier 2 Capital (12+14+15)(Limited to 100% of 5)	4,371,657	4,371,657

15	Adjusted Capital Base (12 + 16)	(22,048,200)	(14,230,197)
16	Total Assets	227,154,327	178,122,771
	Less		
17	Cash on Hand	5,736,583	4,336,764
18	Claims on Bank of Ghana/ARB Apex Bank	16,680,238	
	v. 5% Placement with ARB Apex Bank-Special Deposits	10,576,497	8,272,605
19	Claims on Government		
	i. Treasury Securities (Bills and Bonds)	107,811,191	64,580,115
	ii. Stocks	-	-
28	80% of Cheques drawn on Other Banks	-	-
29	Goodwill/Intangibles	27,354	3,901,018
30	Investments in Subsidiaries	10	10
31	Investments in the Capital of Other Banks & Fin. Insts	17,340,531	(4,247,985)
34	80% of claims on Other Banks {Cedis/Forex}	3,216,179	17,735,233
35	50% of claims on Other Fin Insts. (Public Sector)	7,497,310	16,477,418
38	50% of Residential Mortgage Loans	1,931,132	966,664
40	Adjusted Total Assets (16-17-18-19.....-39)	56,337,303	66,100,929
52	TOTAL OFF- BAL SHEET ITEMS (40+41+.....48)	-	-
53	Less:		
54	50% of class 1 Risk Weighted Off-Bal Sheet Items	-	-
55	80% of Class 2 Risk Weighted Off-Bal Sheet Items	-	-
56	Net Contingent Liabilities (40+41-48)	-	-
57	Add:		
58	100% of 3yrs Average Annual Gross Income	18,295,723	17,081,046
59	ADJUSTED ASSET BASE (40+52+56+59)	74,633,026	83,181,975
	Adjusted Capital Base as %age of Adjusted Asset Base	(29.54)	(17.11)
	CAPITAL SURPLUS/(DEFICIT)	(28,018,842)	(20,884,755)

I) Dividend

Dividend payable is recognised as a liability in the period in which they are approved at the AGM.

		2023	2022
		<u>GH¢</u>	<u>GH¢</u>
8	INTEREST INCOME		
	Advances	8,941,369	8,650,458
	Investment	24,572,850	11,047,910
		33,514,219	19,698,367
9	INTEREST EXPENSES		
	Deposit Liabilities	4,727,143	3,903,835
	On Borrowing	188,072	191,661
		4,915,214	4,095,496
10	COMMISSIONS AND FEES		
	Retail Banking Customer	4,867,886.1	4,201,627
	Sundry	179,289	245,933
		5,047,175	4,447,561
11	COMMISSIONS AND FEES EXPENSES		
	Bank Charges/Clearing	111,186	84,525
	Susu /Savings Mobilisation	800,089	-
	Specie Movement	9,708	-
		920,983	84,525
	Net fees and commission income	4,126,191	4,363,036
12	PERSONNEL EXPENSES		
	Salaries	10,003,458	8,074,196
	Contributions to Defined Benefit Plans - SSF	724,668	700,804
	Contributions to Defined Contribution Plans - Provident Fund	238,645	260,935
	Other Staff Costs	1,451,479	809,654
	Medical	72,463	49,403
	Staff Training	155,405	63,237
		12,646,118	9,958,229

13 DEPRECIATION AND AMORTISATION

Depreciation of Property & Equipment	234,915	160,342
Amortisation of Purchased Software	19,602	30,502
	254,516	190,844

14 OTHER EXPENSES

Directors Fees	134,950	168,190
Board Meeting	134,950	146,511
Software Licensing and Support	696,621	-
Audit Fees	85,963	70,244
Right of Use (Rent)	583,038	293,670
Other Operating	2,336,749	2,718,663
Electricity & Water	530,031	350,282
Social Responsibility	7,000	8,450
Other Administrative	1,410,895	1,879,371
	5,920,195	5,635,381

15 TAXATION

15a	BANK Tax Years	Balance 1-Jan-22 GH¢	Charges for Year GH¢	Payments GH¢	Balance 31-Dec-22 GH¢	Charge for year GH¢	Payments GH¢	Balance 31-Dec-23 GH¢
	Up to 2017	(46,646)	-	-	(46,646)	46,646	-	-
	2018	(1,173,461)	-	-	(1,173,461)	1,173,461	-	-
	2019	(593,983)	-	-	(593,983)	593,983	-	-
	2020	1,861,161	-	(156,654)	1,704,507	(1,704,507)	-	-
	2021	-	112,318	(112,318)	-	(109,585)	-	(109,585)
		47,070	112,318	(268,972)	(109,585)	-	-	(109,585)
	2022	(47,070)	1,174,412	(925,000)	202,343	-	-	202,343
		-	1,286,730	(1,193,972)	92,758	-	(92,758)	-
	2023	-	-	-	-	3,217,908	(3,216,842)	1,066
	G & Sus. Levy	-	-	-	-	460,659	(453,708)	6,951
	Deffered Tax	1,095,375	-	-	1,095,375	-	-	1,095,375
		1,095,375	1,286,730	(1,193,972)	1,188,132	3,678,567	(3,763,308)	1,103,392
	Dividend Tax							
	Up to '21	-	-	-	-	-	-	-
	2022	-	-	-	-	-	-	-
	2023	-	-	-	-	-	-	-
		-	-	-	-	-	-	-

15b DEFERRED TAX AND COMPUTATION

	2023	2022
	GH¢	GH¢
Profit Before Tax	13,819,785	3,798,086
Income Tax Using Applicable Tax Rate 25/30%	3,678,567	1,286,730
Deferred Tax		
Balance 31-Dec		
Adjustments for Deferred Tax		
Balance 31-Dec	-	-
Profit Before Tax Expense	13,819,785	13,274,888
Deferred Tax	-	-
Total	3,678,567	1,286,730
Effective Tax Rate %	27	34

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Deferred income tax is calculated using the enacted income tax rate of 30%. Deferred income tax liabilities and deferred income tax charge in the profit or Loss are attributable to the following items:

Income tax expense

Current Income Tax (a)	3,678,567	1,286,730
Deferred Income Tax (b)	-	-
	3,678,567	1,286,730

16 OTHER INCOME

Interest Recovered on Investments	-	-
Other	-	-
Profit on Disposal of Asset	-	-
	-	-

17 CASH AND SHORT TERM FUNDS

Cash on Hand	5,736,583	4,336,764
Balances with Other Banks	4,020,224	3,123,905
Unrestricted Balance with ARB	6,680,238	3,045,136
Apex bank		
Restricted Balance with ARB Apex Bank- 5%		8,272,605
Placement	10,576,497	
ARB Apex Bank ACOD 7	10,000,000	16,000,000
91 Day Government of Ghana Treasury Bills	32,343,858	30,124,523
	69,357,400	64,902,933
Interest Receivable on Investment	-	-
	69,357,400	64,902,933

18	FUNDS WITH OTHER FINANCIAL INSTITUTIONS		
18.1	<i>(a) Investments - Receiver for Defunct Financial Institutions</i>		
	Gold Coast Fund Management	9,983,629	9,983,629
	Apex Capital Partners	629,447	629,447
	Unisecurities Ghana Limited	2,862,689	2,862,689
	McOttley Capital Limited	956,526	956,526
	Heritage Securities Limited	562,329	562,329
		14,994,620	14,994,620
18.2	<i>(b) Other Investments:</i>		
	SIC Financial Services	11,598,775	12,081,562
	National Trust Holding Company	5,560,533	5,595,533
	Prestige Capital Limited	-	283,121
		17,159,308	17,960,216
		32,153,928	32,954,836
18.3	182-Day Treasury Bill		
	182 Days Government of Ghana Treasury Bill	75,467,332	34,455,592
		75,467,332	34,455,592
		2023	2022
		GH¢	GH¢
19	INVENTORIES	230,474	249,801
20	LOANS AND ADVANCES		
	Loans and Advances to Customers	34,490,320	33,636,274
	SMS Charges	-	(935,850)
	Impairment Loss	(5,624,385)	(5,822,924)
		28,865,935	26,877,500
20.1	Allowances for impairment		
	Balance b/fwd	5,822,924	5,492,924
	Written off Reversed (Written off)		
	Loan Impairment Charges (BoG) 20.3	360,000	1,234,331
	Total BOG Impairment	6,182,924	6,727,255
	Credit Risk Reserve balance to be C. Forw.	(558,539)	(904,331)
	Loan Impairment Charges	5,624,385	5,822,924

Impairment as per IFRS 9

PROVISION

	STAGE 1	PROVISION	STAGE 2	PROVISION	STAGE 3	PROVISION	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Agriculture							
Cottage Industries	227,742	-	14,578	6,191	123,162	123,162	365,482
Transport	2,893,133	5,667	12,497	2,771	1,044,901	1,044,901	3,950,531
Commercial	426,717	-	9,103	10,523	142,344	142,344	578,164
Others	4,454,614	5,151	10,794	10,224	1,250,075	1,250,075	5,715,483
Total	20,307,521	9,175	52,446	51,910	3,520,693	2,962,289	23,880,660
	28,309,726	19,993	99,418	81,620	6,081,176	5,522,772	34,490,320

Total Impairment Charged 19,993 81,620 5,522,772 5,624,385

Impairment as per Bank of Ghana Classification

	CURRENT	OLEM	SUB-STANDARD	DOUBTFUL	LOSS	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Agriculture	227,742	14,578	7,216	13,403	102,544	365,482
Cottage Industries	2,893,133	12,497	12,497	18,167	1,014,237	3,950,531
Transport	426,717	9,103	18,197	15,721	108,426	578,164
Commercial	4,454,614	10,794	23,908	12,408	1,213,759	5,715,483
Others	20,307,521	52,446	83,048	121,668	3,315,977	23,880,660
Total	28,309,726	99,418	144,866	181,367	5,754,943	34,490,320

Impairment Rate	1%	10%	25%	50%	100%	
Impairment Charged	283,097	9,942	36,216	90,684	5,754,943	6,174,882

Difference Between Computed BOG Impairment and ledger	8,042
BOG Total Impairment Balance as per Ledger	6,182,924
IFRS Impairment	(5,624,385)
Credit Risk Reserve Balance to be Carried Forward	558,539
Credit Risk Reserve Balance Brought Forward	904,331
Net Transfer of Credit Risk Reserve/Reversed to Retained Earnings	(345,791)

20.2 Loans and advances to customers at amortised cost-

Loans by business segment to customers:

Agriculture (Individual)	365,482	502,423
Cottage Industries (Private Enterprise)	3,945,711	4,482,162
Transport (Others)	578,164	618,096
Commerce	5,715,483	5,107,397
Susu and Other Credit Lines	23,885,480	22,926,198
	34,490,320	33,636,276

20.3 Allowances for Impairment - Bank of Ghana
Individual and Collective Allowances for Impairment

Balance at 1 January	5,822,924	5,492,924
Written off Reversed (Written off)	-	-
Charge for the Year	360,000	330,000
Balance at 31 December	6,182,924	5,822,924

20.4 Loan statistics

i) Twenty (20) largest exposures to total exposures	4.19%	4.67%
ii) Loan Loss Provision Ratio	16.31%	17.31%
iii) Non-Performing Ratio	17.63%	13.31%

21 INTANGIBLE ASSETS

Cost

Balance at 1 January	621,980	592,348
Acquisitions	-	29,632
Balance at 31 December	621,980	621,980

Amortisation

Balance at 1 January	575,025	544,523
Amortisation for the year	19,601	30,502
Balance at 31 December	594,626	575,025

Carrying amounts

Balance at 1 January	46,955	46,955
Balance at 31 December	27,354	46,955

22	PROPERTY, PLANT & EQUIP.	BALANCE				BALANCE
22.1	2023		DISPOSSAL OR TRANSFERS	REVALUATION	ADDITIONS/TFERS	
a	<u>COST</u>	1-Jan-23				31-Dec-23
Land and Building		7,385,519	-	-	-	7,385,519
Agency Development		772,467	-	-	72,440	844,907
Motor Vehicle		670,187	-	-	-	670,187
Office Equipment		2,114,573	-	-	180,067	2,294,640
ATM Equipment and Installation		606,533	-	-	-	606,533
Electrical Installation		121,539	-	-	-	121,539
Office Bungalow Furniture & Fittings		411,867	-	-	3,070	414,937
Computers and Accessories		1,258,623	-	-	24,800	1,283,423
Capital WIP/Branch Development		4,274,557	(240,000)	-	-	4,034,557
		17,615,866	(240,000)	-	280,376	17,656,242

BALANCE 01/01/2023	PROVISION REVERSED	OVER PROVISION REVERSED	CHARGED FOR YEAR	BALANCE 31/12/2023
-----------------------	-----------------------	-------------------------------	---------------------	-----------------------

b	DEPRECIATION				
Land and Building	305,027	-	-	55,381	360,408
Agency Development	97,140	-	-	19,612	116,752
Motor Vehicle	625,972	-	-	15,043	641,015
Office Equipment & Installation	1,979,387	-	-	81,549	2,060,936
ATM Equipment and Installation	-	-	-	-	-
Electrical Installation	87,448	-	-	11,336	98,785
Office Bungalow Furniture & Fittings	341,515	-	-	9,554	351,069
Computers and Accessories	1,152,687	-	-	42,339	1,195,026
Capital WIP/Branch Development	-	-	-	-	-
	4,589,175	-	-	234,814	4,823,990
c	NET BOOK VALUE	13,026,690			12,832,252

22.2	2022	BALANCE		REFUND		BALANCE
a	COST	1-Jan-22	DISPOSAL	ATM	ADDITIONS	31-Dec-22
Land and Building	7,385,521	-	-	-	-	7,385,521
Agency Development	657,327	-	-	-	115,140	772,467
Motor Vehicle	707,537	(47,380)	-	-	10,030	670,187
Office Equipment	2,108,573	-	-	-	6,000	2,114,573
ATM Equipment and Installation	606,533	-	-	-	-	606,533
Electrical Installation	121,539	-	-	-	-	121,539
Office Bungalow Furniture & Fittings	411,867	-	-	-	-	411,867
Computers and Accessories	1,258,623	-	-	-	-	1,258,623
Capital WIP/Branch Development	4,146,697	-	-	-	127,860	4,274,557
	17,404,217	(47,380)	-	-	259,030	17,615,867
b	DEPRECIATION	BALANCE	DISPOSAL		CHARGED	BALANCE
		1-Jan-22			FOR	31-Dec-22
					YEAR	
Land and Building	232,403	-	-	-	72,624	305,027
Agency Development	89,991	-	-	-	7,149	97,140
Motor Vehicle	649,470	(24,480)	-	-	1,506	626,496
Office Equipment & Electrical Installation	1,527,892	-	-	-	48,330	1,576,222
ATM Equipment and Installation	413,804	-	-	-	-	413,804
Electrical Installation	53,450	-	-	-	17,804	71,254
Office Bungalow Furniture & Fittings	345,607	-	-	-	939	346,546
Computers and Accessories	1,140,697	-	-	-	11,990	1,152,687
Capital WIP/Branch Development	-	-	-	-	-	-
	4,453,314	(24,480)	-	-	160,342	4,589,175
c	NET BOOK VALUE	12,950,903				13,026,692

22.3	RIGHT OF USE-OFFICE RENT	2023	2022
	Non-Cancellable Operating Lease Rental Payable as follows:	GH¢	GH¢

Between One and Five Years	632,754	583,038
More than Five Years	494,200	1,047,679
	<u>1,126,954</u>	<u>1,630,717</u>

	2023 GH¢	2022 GH¢
23 DISPOSAL OF PPEs-MOTOR VEHICLES		
Proceeds	-	40,000
Cost	-	47,380
Accumulated Depreciation	-	(24,480)
Net Book Value	-	22,900
Profit on Disposal	-	17,100

	2023 GH¢	2022 GH¢
24 OTHER ASSETS		
Office Account	878,153	203,172.00
Accrued Interest	1,303,754	847,639.00
Inter-Agency Account	2,243,355	270,824.00
Insurance Prepaid	14,677	16,976.00
Others	571,937	484,429.00
Uncleared Effect	1,899,599	2,031,023.00
	<u>6,911,475</u>	<u>3,854,063.00</u>

25 IMPAIRMENT OF FINANCIAL ASSETS		
Loans and Advances/Expected Credit Loss	<u>84,581</u>	<u>383,367</u>

26 INVESTMENT SECURITIES		
Investment in ordinary shares of ARB Apex bank	123,673	123,673
Addition	57,540	-
	<u>181,213</u>	<u>123,673</u>
Investment in Rural Services	10	10
	<u>181,223</u>	<u>123,683</u>

27 DEPOSITS FROM CUSTOMERS		
-----------------------------------	--	--

Retail customers:

Demand deposits	48,649,070	41,602,793
Savings deposits	87,157,634	70,631,162
Time deposits	35,304,770	31,566,406
Instalment deposits - Susu	49,161,275	37,339,615
	220,272,749	181,139,976

Deposit statistics

i) Ten (10) largest depositors to total deposit ratio	7.38%	5.32%
---	-------	-------

28 PROVISIONS

28.1 (a) Shares Redemption

Balance at Beginning	-	-
Transfer from Income Surplus	-	-
Payments to Goodwell MF Development	-	-
Balance at End	-	-

This is in respect of repurchase of shares by the Bank for the ordinary/equity shares of Goodwell MF Development Company Limited. Goodwell exited in the year 2018 and was paid off by the Bank and these shares are treated as Treasury Shares.

28.2 (b) Others Development Reserve

Balance at Beginning	195,995	195,995
Transfer to/(from) Income Surplus	(195,995)	-
Balance at End	-	195,995

28.3 Scholarship Reserve

Balance at Beginning	191,721	191,721
Provision for Scholarship	(191,721)	-
Transfer to Other Commitments Fund	-	-
Balance at End	-	191,721

28.4 Staff Pension Reserve

Balance at Beginning	369,312	369,312
Payments to Retired Staff	(842,251)	-
Transfer from Profit or Loss	480,000	-
Balance at End	7,061	369,312

The fund is to cater for staff who retires from active service.

28.5 Community Development Reserve

	Balance at Beginning	600,528	600,528
	Transfer to Income Surplus	(600,528)	-
	Transfer to Other Commitments Fund	-	-
	Balance at End	-	600,528
		2023	2022
		GH¢	GH¢
28.6	ICT Development Fund		
	Balance at Beginning	600,000	600,000
	Transfer to Income Surplus	(600,000)	-
	Payments	-	-
	Balance at End	-	600,000
28.7	Other Commitments Fund		
	Balance at Beginning	-	-
	Additions for the Year	-	-
	Transfer to Scholarship Fund	-	-
	Transfer to Community Development Reserve	-	-
	Transfer to Profit or Loss	-	-
	Payments of Expenses	-	-
	Balance at End	-	-
	Total	7,061	1,957,556
28.8	Other liabilities		
	Dividend Account	172,387	173,250
	Creditors and Accruals	540,665	201,852
	Managed Funds - SEED Fund	-	-
	Office Account	2,222,989	572,215
	Payment Order	240,175	133,524
	Inter-branch account	875,717	-
	ACH and Others - Suspense	-	437,797
	E-Zwich Operations	-	378,823
	Inter-Agency/E-Zwich Operation	809,605	-
	Accrued/Unearned Interest on Deposits	3,174,861	3,802,730
	Unearned interest on treasury bills	-	-
	Others - Uncleared Effects - CCC	-	-
	Loan Insurance Fund	1,690,139	1,977,227
		9,726,537	7,677,418

28.9 The Loan Insurance Risk summary account is as follows:

Balance at Beginning	1,977,227	1,419,586
Transfer from Customers Account	287,088	557,641
Balance at End	<u>1,690,139</u>	<u>1,977,227</u>

28.10 Creditors and Accruals

Audit Fees	46,886	33,244
Police Guard/Scholarship and Others	493,779	160,829
AGM/ 25th Annivesary	-	7,780
	<u>540,665</u>	<u>201,853</u>

29 INSTITUTIONAL BORROWINGS

RDF GHANA	315,789	736,842
ARB Apex Bank Limited	-	-
KFW (ERBB)	-	-
	<u>315,789</u>	<u>736,842</u>

30 STATED CAPITAL

2023

2022

Authorised:

Ordinary Share of no par value	50,000,000	50,000,000
Preference Share of no par value	-	-

<u>DETAILS</u>		ISSUED NO. OF SHARES	Amount	ISSUED NO. OF OF SHARES	Amount
		2023	GH¢	2022	GH¢
		<u>Number</u>		<u>Number</u>	
Ordinary Shares		<u>CONSIDERATION</u>			
Opening Balance	Cash	14,879,199	2,719,292	14,879,199	2,719,292
Addition	Cash	-	-	-	-
		<u>14,879,199</u>	<u>2,719,292</u>	<u>14,879,199</u>	<u>2,719,292</u>
Share Deals					
Opening Balance		478,801	239,401	349,678	174,839
Addition		74,769	37,385	129,123	64,562
		<u>553,570</u>	<u>276,785</u>	<u>478,801</u>	<u>239,401</u>
		<u>15,432,769</u>	<u>2,996,077</u>	<u>15,358,000</u>	<u>2,958,693</u>

Transfer from Reserves/Retained Earnings

Opening Balance	-	-	-	-
Addition	-	-	-	-
	-	-	-	-
Total - Ordinary Shares				
Opening Balance	14,879,199	2,719,292	14,879,199	2,719,292
Addition-Share Deals	553,570	276,785	478,801	239,401
	15,432,769	2,996,077	15,358,000	2,958,693
Preference Shares				
Opening Balance	125,000	13	125,000	13
Addition	-	-	-	-
	125,000	13	125,000	13
TOTAL	15,557,769	2,996,090	15,483,000	2,958,706

Shares in Treasury

ISSUED NO. OF SHARES

This is made up as follows:

Opening Balance	2,646,173	2,720,942
Issues to Share Deals	(553,570)	(74,769)
Closing Balance	2,092,603	2,646,173

31 RESERVES

2023

2022

31.1 REVALUATION

GH¢

GH¢

31.1.1 Revaluation reserve on Investment in ARB Apex Bank

Balance at the Beginning	120,604	120,604
Addition	-	-
Deduction/Reversal	-	-
Balance at End	120,604	120,604

This represents the value of shares with ARB Apex Bank Limited

31.1.2 Revaluation Reserve on Land and Buildings

Balance at the Beginning	4,251,053	4,251,053
Addition	-	-
Deduction/Reversal	-	-
Balance at End	4,251,053	4,251,053

This represents the value of shares with ARB Apex Bank Limited

Total Revaluation Reserves

4,371,657

4,371,657

31.2 (STATUTORY) RESERVE FUND

Balance at the Beginning	4,220,109	3,906,191
Transfer from Income Surplus	1,267,652	313,918
Balance at End	5,487,762	4,220,109

31.3 CREDIT RISK RESERVE

Balance at Begin	904,331	516,684
Transfer from Reserve Fund (Income Surplus) - Additions	(345,791)	387,647
	345,791	558,540
Transfer to Reserve Fund (Income Surplus) - Reversals	-	-
Balance at End	558,540	904,331

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

32 Legal Proceedings

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

Nwabiagya Rural Bank Ltd Vs Baffour Apraku	Case about recovery of the sum of GH21,707.77 being outstanding balance of facility granted by the plaintiff.	Case Ongoing
Nwabiagya Rural Bank Ltd Vs Evans Yeboah	Misappropriating a sum GH380,324.91 belonging to the Bank.	Case Ongoing
Nwabiagya Rural Bank Ltd V Nana Owusu Sarfo Anwona II	Case filed against his indebtedness to the Bank	Case Ongoing
Joseph Bright Amoh V Nwabiagya Rural Bank	Plaintiff filed case for "Unfair termination"	Adjourned sine die

33 RELATED PARTIES

Transactions with Directors

Loan Balances

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

33.01 Loan and Advances to Directors and their Associates

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

	2023 GH¢	2022 GH¢
Gross Amount at 1 January	3,667	160,052
Brought in Loan as a new Director	21,375	-
Loans Disbursed	-	-
Interest Charged	5,963	12,541
	31,004	172,593
Cash Received	(11,588)	(168,926)
Net Movement in Overdraft Balances	-	-
Net Amount at 31 December	19,417	3,667

Included in Loans and Advances is GH¢19,417 (2022: GH¢3,667) advanced to companies in which some of the Board of Directors have interest with interest charges of GH¢5,963 (2022: GH¢12,541.).

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.

33.02	Maximum Amount of Loans granted to directors during the year	Max. Balance	Max. Balance
	Mortgage Lending and Other Secured Loans	-	-
	Other Loans	-	5,000
	Directors Remuneration During the Year	134,950	168,190

33.03 Short-Term Directors' Benefits

The Bank does not have any share options policy in place for its Directors. There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

No impairment losses have been recorded against balances outstanding during the period with Directors, and no specific allowance has been made for impairment losses on balances with Directors and their immediate relatives at the period end.

33.04 Directors' shareholding

2023	31-Dec-22	During Year	31-Dec-23	
Name of Director	Number of Shares			Percentage Holding (%)
Kwame Appiagyei Antwi	40,163	-	40,163	0.26
Samuel Yaw Amoah	40,255	-	40,255	0.26
Eric Nti	43,384	-	43,384	0.28
Simon Karikari Bonsu	44,233	-	44,233	0.29
Prof Samuel Adjei-Nsiah	40,334	-	40,334	0.26
	208,369		208,369	1.35

2022	31-Dec-21	During Year	31-Dec-22	
Name of Director	Number of Shares			Percentage Holding (%)
Kwame Appiagyei Antwi	40,163	-	40,163	0.22
Samuel Yaw Amoah	40,255	-	40,255	0.22
Total	80,418	-	80,418	0.43

33.05 Transactions with key management personnel

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

	2023	2022
	Closing Balance	Closing Balance
Loans and advances to key management personnel	558,674	584,400
Fixed deposits from key management personnel	-	-
	558,674	584,400

33.06 Maximum Amount of Loans Granted to Key Management During the Year

	Max. Balance GH¢	Max. Balance GH¢
Mortgage Lending and Other Secured Loans	395,743	211,806
Other Loans	30,165	372,594
	425,908	584,400

33.07 Key Management Remuneration During the Year

Key management personnel compensation for the year comprised

2023 GH¢	2022 GH¢
609,318	510,835

33.08 Related Party Income

Income earned on Key Management Personnel

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.

33.09 Short-Term Employee Benefits

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

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

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with Key Management Personnel and their immediate relatives at the period end.

33.10 Loans and Advances to Employees

	2023 GH¢	2022 GH¢
Balance at 1 January	3,549,214	6,378,123
Loans Advanced during the Year		
Additions	2,424,566	-
Interest Charged		
Loans Repayments/Interest Received	(745,333)	(2,828,909)
Balance at 31 December	5,228,447	3,549,214

Included in Loans and Advances is GH¢5,228,447 (2022: GH¢3,549,214) advanced to companies and/or some of Key Management Personnel and other staff.

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.

Period

33.11 List of Related Parties	Designation	From	To/From	To
Samuel Yaw Amoah	Director	1-Jan-21	31-Dec-23	3-Sep-23
Diana Asiedu	Director	1-Jan-20	31-Dec-22	3-Sep-22
Andrew Amaning Kwarteng	Director	1-Jan-20	31-Dec-22	3-Sep-22
Mr. Kwame Antwi Appiagyei	Director	1-Jan-20	31-Dec-20	3-Sep-23
Investment in Rural Services	100% Subsidiary			
	Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20
	Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20
	Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20

33.12 Key Management Personnel		Period		
Name	Designation	From	To	
Mrs. Helen Asafo-Adjei	Chief Executive Officer	1-Jan-22	31-Dec-22	31-Dec-23
Mr. Edward Yeboah	Deputy Chief Executive Officer	1-Jan-22	31-Dec-22	31-Dec-23
Emmanuel Yeboah-Mensah	Chief Risk/Legal Officer	1-Jan-22	31-Dec-22	31-Dec-23
Richard Badu	Chief Operating Officer	1-Jan-22	31-Dec-22	31-Dec-23
Ernest Owusu Fordjour	Chief Finance Officer	1-Jan-22	31-Dec-22	31-Dec-23
Emmanuel Kwame Asirifi	Internal Auditor	1-Jan-22	31-Dec-22	31-Dec-23
Ofori Amanfo	Compliance Officer	1-Jan-22	31-Dec-22	31-Dec-23
Jemima Boateng(Mrs)	Ag Compliance Officer	11-Jan-22	31-Dec-22	31-Dec-23

a. Number of Shareholders	2023	2022
	6,083	6,076

NAME	No. of Shares	%age to Total Shareholding	No. of Shares	%age to Total Shareholding
		2023		2022
	Number of Shares	Percentage Holding (%)	Number of Shares	Percentage Holding (%)
	1-Jan-23	Add.	31-Dec-23	
Vida Larbi	1,000,000	-	1,000,000	6.4797
RBF Limited	800,000	-	800,000	5.1838
				6.5113
				5.2090

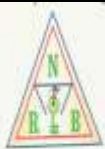
Rev. Solomon Sambo Zangu	500,200	-	500,200	3.2412	500,200	3.2569
Gloria Larbi	350,198	-	350,198	2.2692	350,198	2.2802
Kofi Osei Arhin	347,163	-	347,163	2.2495	347,163	2.2605
Ernest Owusu Fordjour	292,592	-	292,592	1.8959	292,592	1.9051
Dickson Osei Asibey	283,339	-	283,339	1.8360	283,339	1.8449
David Boakye Boateng	275,261	-	275,261	1.7836	275,261	1.7923
Anthony Appiah Kusi	273,505	-	273,505	1.7722	273,505	1.7809
Mary Osei Frimpong	237,101	-	237,101	1.5363	237,101	1.5438
David Agyeman Duah	205,769	-	205,769	1.3333	205,769	1.3398
Anthony Kwaku Edusei (Prof)	160,016	-	160,016	1.0369	160,016	1.0419
Joseph Bright Amo	171,958	-	171,958	1.1142	171,958	1.1197
Paul Yeboah Mensah	148,739	-	148,739	0.9638	148,739	0.9685
Paul Godfred Nti	136,876	-	136,876	0.8869	136,876	0.8912
Ernest Antwi Agyei	135,869	-	135,869	0.8804	135,869	0.8847
Kofi Nyamekye Manu	134,844	-	134,844	0.8738	134,844	0.8780
Samuel Nuamah Dankwa	130,557	-	130,557	0.8460	130,557	0.8501
Theresa Abebrese	127,113	-	127,113	0.8237	127,113	0.8277
Esther Osei Wusu	123,113	-	123,113	0.7977	123,113	0.8016
	5,834,213	-	5,834,213	37.8041	5,834,213	37.9881

33.13 Analysis of shareholdings as at 31 December, 2023 and 2022

Number of shareholders

The Bank had 6,083 individual ordinary shareholders at 31 December, 2023 distributed (2022: 6,076) as follows:

	2023			2022		
	Number of Shareholders	Number of Shares	Percentage Holding (%)	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	4,926	1,120,011	7.26	4,922	1,118,561	7.28
1,001-5,000	821	1,633,032	10.58	819	1,627,932	10.60
5,001-10,000	130	905,050	5.86	130	905,050	5.89
Over 10,000	206	11,774,676	76.30	205	11,706,457	76.22
	6,083	15,432,769	100.00	6,076	15,358,000	100.00

**NWABIAGYA RURAL BANK LTD- BAREKESE****PROXY FORM**

36TH ANNUAL GENERAL MEETING of Nwabiagya Rural Bank PLC to be held on Friday, September 6th, 2024, at the Barekese Community Centre, Barekese, at 10am prompt.

I/We.....Share ID/No..... being member(s) of
Nwabiagya Rural Bank Limited hereby appoint Dr./Hon./Mr./Mrs./Ms./Rev
.....Phone Nos

with a duly sealed proxy form to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on September 6th, 2024

Dated this.....day of 2024

.....
Signature

.....
Phone No

	RESOLUTIONS FROM THE BOARD	FOR	AGAINST
11	To consider the Chairman's statement and Director's report for the year ended 31 st December, 2023		
22	To consider and adopt the Financial Statements of the Company for the year ended 31 st December, 2023 together with the report of the Directors and Auditors thereon		
33	To authorise the Directors to fix the remuneration of the external Auditors		
44	To fix the remuneration of Directors		
55	To consider the abolishing the Bank's zonal system of Directors		

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

NOTE:

Completed Proxy Form should reach the Chief Executive Officer, Nwabiagya Rural Bank PLC, not less than Seventy-two (72) hours prior to the time of the meeting.