2025
ANNUAL REPORT
& FINANCIAL STATEMENTS

MANYA KROBO COMMUNITY BANK

BOARD MEMBERS

MR PATRICK AMANOR BUCKOR

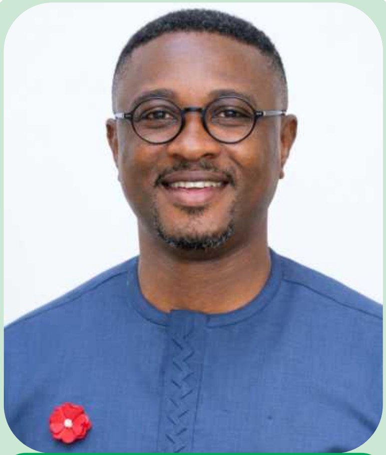
(Chairman)

MR RICHARD AZINA NARTEY

(Vice Chairman)

MR EMMANUEL OSEI OFOSU

(Member)

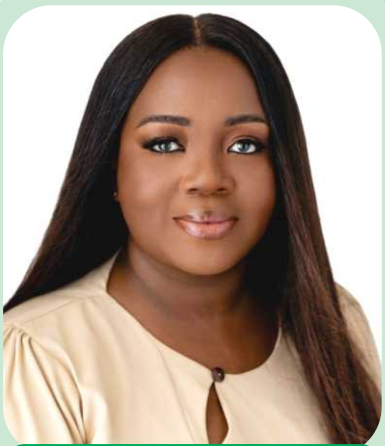


MR EDWARD NARTEY TETTEH

(Member)

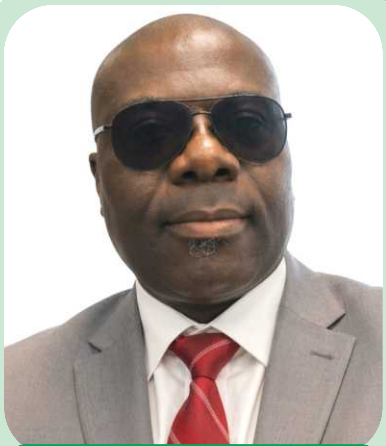
DR PARDIKOR MADJITEY

(Member)



MS BARBARA DEDE AMA OKAI-TETTEY, ESQ.

(Member)



MR AUGUSTUS LARTEY DJABATEY

(Member)

MANAGEMENT TEAM

MR GODFRED ASANTE HANSON

Chief Executive Officer

MR EBENEZER AKUMATEY

Deputy Chief Executive Officer

MR SOLOMON GODWIN KOOMSON

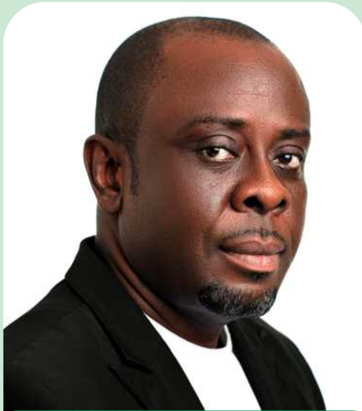
Head, Finance & Admin.

MRS MONICA A PADI

Head, Human Resource

MR ERNEST KPOGLI

Head, Internal Audit



MR EMILE DAWUTEY DOR

Head, Risk & Compliance and Anti-money Laundering

MR PHILIP TETTEH

Head of Credit

MR RAPHAEL KWAME TAWIAH

Head of Information Technology

MR ALVIN OMABOE

Head, Bus. Dev & Marketing

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 45th Annual General Meeting (AGM) of Shareholders of Manya Krobo Community Bank PLC will be held on Saturday, 29th August, 2026 at 10.00 am prompt. The venue is the Agormanya Roman Catholic Parish Hall, Agormanya, in Odumase-Krobo, near the Agormanya Market, to transact the following business:

1. To read the notice convening the meeting.
2. To receive the report of the chairman of the board of directors.
3. To receive and consider the reports of the directors for the year ended 31st December, 2025.
4. To receive and consider the auditor's report and the financial statements for the year ended 31st December, 2025.
5. To declare a dividend in respect of the 2025 financial year subject to the approval of the Bank of Ghana.
6. To fix the fees of directors.
7. To re-elect Directors retiring by rotation.
8. The ratification of the 2025 fees and authorization of the Directors to negotiate the fees for 2026.
9. To transact any other business appropriate to be dealt with at an Annual General Meeting.
10. To pass a resolution ratifying the change of name from Manya Krobo Rural Bank PLC to Manya Krobo Community Bank PLC in compliance with regulatory requirement.

DATED THIS 28TH DAY OF JULY, 2026
BY ORDER OF THE BOARD

IGNATIUS KUTU ACHEAMPONG & ASSOCIATES PRUC
COMPANY SECRETARY

NOTE: Notices will be dispatched to all Shareholders through their contact addresses via sms.

Shareholders who may not receive their copies due to postal challenges may contact any of our branches at Abanse, Somanya, Kpong, Akuse, Ashiyie, Madina, Ashaiman or Ashaley-Botwe for copies upon presentation of proof of shareholding.

The 2025 Financial Statements have been published on the Bank's website (www.manyakroboruralbank.com).

CORPORATE INFORMATION

Directors	Mr. Patrick Amanor Buckor	Chairman
	Mr. Richard Azina Nartey	Vice Chairman
	Mr. Emmanuel Osei Ofosu	Non-Executive Director
	Mr. Edward Nartey Tetteh	Non-Executive Director
	Mr. AugustusLartey Djabatey	Non-Executive Director
	Dr. Pardikor Madjitey	Non-Executive Director
	Ms. Barbara Dede Ama Okai-Tettey Esq.	Non-Executive Director
Chief Executive Officer	Mr. Godfred Asante Hanson	
Bank Secretary	Ignatius Kutu Acheampong & Associates	
Registered Office	Manya Krobo Rural Bank Plc Abanse, Kpong Road P. O. Box 176, Odumase-Krobo GPS:EL-0028-1828	
Independent Auditors	Intellisys No.15 Lardzeh Crescent North Dzorwulu P. O. Box KN 4169 Kaneshie-Accra	
Bankers	ARB Apex Bank Plc Ecobank Ghana Plc Zenith Bank (Ghana) Plc Consolidated Bank Ghana Plc GCB Bank Plc	
Solicitor	Peter Kornor Esq. Sure Law Offices House No. NCM44 New Combine Akosombo	

BOARD CHAIRMAN'S REPORT

1.0 Introduction

Dear Shareholders,
On behalf of the Board of Directors, it is my distinct honour and privilege to welcome you to the 45th Annual General Meeting of Manya Krobo Community Bank PLC and to present the Annual Report and Audited Financial Statements for the financial year ended 31st December 2025.

The year under review was one of exceptional achievements for our Bank. In an environment marked by significant economic and regulatory changes, Manya Krobo Community Bank demonstrated remarkable resilience, delivered outstanding financial results and strengthened its position as one of Ghana's leading community banking institutions. The impressive growth recorded across all key performance indicators is a testament to the confidence of our customers, the loyalty of our shareholders, the dedication of Management and staff, and the strategic oversight provided by the Board.

For more than four decades, our Bank has been guided by the principles of prudent leadership, sound financial management and an unwavering commitment to the communities we serve. These enduring values continue to shape our decisions as we pursue sustainable growth, create long-term value for shareholders and position the Bank for an even brighter future.

2.0 Operating Environment
Ghana's macroeconomic environment improved significantly during 2025 as coordinated fiscal and monetary policy measures restored confidence in the economy and strengthened macroeconomic stability. Real Gross Domestic Product (GDP) grew by 6.0%, supported largely by the agriculture and services sectors, while headline inflation declined sharply from 23.8% in December 2024 to 5.4% by the end of 2025.

The year also witnessed a remarkable recovery in the performance of the Ghana Cedi, which appreciated significantly against the major international currencies. This was supported by stronger foreign exchange inflows from gold and cocoa exports, prudent fiscal management and improved investor confidence. At the same time, declining inflation created the conditions for a gradual easing of monetary policy, resulting in lower Treasury bill yields, a reduction in the Monetary Policy Rate and a significant decline in commercial lending rates.

Collectively, these developments created a more stable operating environment for businesses and financial institutions, improved confidence within the financial sector and provided renewed opportunities for sustainable credit expansion and economic growth. While the economic outlook remains subject to both domestic and external risks, the Board believes that the improving macroeconomic fundamentals provide a stronger platform for the Bank to pursue its strategic objectives.

3.0 Operating results for 2025
The Bank delivered another year of strong financial performance in 2025, with significant improvements recorded across all key financial and operational indicators. The highlights of the Bank's performance for the year are presented below:

	Performance indicator	2025 (GH¢)	2024 (GH¢)	INCREASE
i.	Net Operating Income	59,798,269	41,339,267	45%
ii.	Operating Expenses	44,436,153	34,797,399	28%
iii.	Pre-Tax Profit	15,362,116	6,541,868	135%
iv.	Profit After Tax	9,311,799	4,038,167	131%
v.	Total Deposits	288,302,913	227,027,321	27%
vi.	Loans and Advances	99,554,831	73,882,966	35%
vii.	Total Investment	187,624,705	146,433,345	28%
viii.	Shareholders' Fund	27,478,442	18,748,272	47%
ix.	Total Assets	335,079,351	262,967,819	27%

Five-year financial performance summary

The comparative five-year performance summary presented in this Annual Report clearly illustrates the Bank's sustained progress and reinforces the Board's confidence in the institution's long-term strategic direction.

PERFORMANCE INDICATOR	2025 (GH¢)	2024 (GH¢)	2023 (GH¢)	2022 (GH¢)	2021 (GH¢)
Net Operating Income	59,798,269	41,339,267	29,127,502	24,928,801	21,429,543
Operating Expenses	44,436,153	34,797,399	25,118,312	21,485,106	17,568,350
Pre-Tax Profit	15,362,116	6,541,868	4,009,190	3,443,695	3,861,193
Profit After Tax	9,311,799	4,038,167	2,814,274	2,328,470	2,957,863
Total Deposit	288,302,913	227,027,321	150,654,502	116,095,078	107,818,794
Loans and Advances	99,554,831	73,882,966	42,407,967	33,027,172	31,583,815
Investments	187 624 705	146 433 345	109 468 168	86 114 487	73 657 601
Stated Capital	7,729,019	5,461,401	5,036,314	4,972,862	4,785,290
Shareholders' Fund	27,478,442	18,748,272	15,094,897	13,283,325	11,602,082
Total Assets	335,079,351	262,967,819	175,796,142	134,669,189	122,442,636

3.1 Financial Performance
The Bank delivered an exceptional financial performance in 2025, demonstrating the resilience of its business model. The Bank's income performance was quite impressive. Net operating income grew by 45.0% from GH¢41.3 million to GH¢59.8 million, driven primarily by higher interest income from loans and investments, complemented by a steady growth in fees and commission income. This strong revenue growth translated into a 135.0% increase in profit before tax, which increased from GH¢6.5 million in 2024 to GH¢15.4 million in 2025.

Although operating expenses increased during the year, largely due to higher credit impairment provisions, strategic investments in human capital, and rising operating costs, these expenditures were carefully managed to support the Bank's long-term growth objectives. The additional impairment provisions reflect prudent risk management in response to increased lending activities and emerging credit risks, while the increase in staff cost forms part of a deliberate strategy to strengthen staff retention and enhance operational capacity.

On the whole, the profit after tax more than doubled from GH¢4.0 million in 2024 to GH¢9.3 million in 2025, representing an increase of 131.0%. This outstanding performance further strengthened the Bank's capital base, enhanced shareholder value and positioned the institution to pursue its strategic priorities with greater confidence.

3.2 Financial position
Total assets increased by 27.4% from GH¢263.0 million in 2024 to GH¢335.1 million at the end of 2025, supported principally by strong growth in customer deposits and retained earnings. Customer deposits increased by 27.0% from GH¢227.0 million to GH¢288.3 million, reflecting growing customer confidence in the Bank and providing a strong funding base for future business expansion.

The Bank also recorded robust growth in its lending and investment activities. Gross loans and advances increased by 35.0% from GH¢73.9 million to GH¢99.6 million, while the investment portfolio expanded by 28.0% from GH¢146.4 million to GH¢187.6 million. Total credit disbursements in 2025 stood at GH¢150.8 million compared with GH¢114.7 million in 2024. These achievements reflect the Bank's continued commitment to supporting businesses, households and productive sectors of the economy through prudent and responsible financial intermediation.

The Net Worth of the bank also remained sound throughout the year. Shareholders' Funds increased by 46.6% from GH¢18.7 million to GH¢27.5 million, while the Capital Adequacy Ratio improved from 14.36% to 16.92%, significantly exceeding the Bank of Ghana's minimum regulatory requirement of 10%. These improvements reinforce the Bank's financial resilience and provide a solid platform for sustainable future growth.

4.0 Dividend Recommendation
In view of the Bank's strong financial performance and healthy capital position, the Board is pleased to recommend the payment of a dividend of GH¢0.0504 per share, subject to the approval of shareholders at this Annual General Meeting and the requisite regulatory approval from the Bank of Ghana.

The proposed dividend amounts to GH¢2.33 million (2024: GH¢1.53 million), representing 25% of the Bank's profit after tax for the year ended 31st December 2025. This recommendation reflects the Board's commitment to delivering attractive returns to shareholders while maintaining adequate capital to support future growth, regulatory compliance and the successful implementation of the Bank's 2026–2028 Strategic Plan.

The Board remains committed to maintaining a prudent balance between rewarding shareholders and retaining sufficient earnings to strengthen the Bank's capital base, finance business expansion and enhance long-term shareholder value.

5.0 Corporate Social Responsibility
Beyond delivering strong financial results, the Bank remains committed to creating sustainable value for the communities it serves. During the year under review, the Bank invested GH¢393,313 in Corporate Social Responsibility initiatives, supporting education, health, community development and other social interventions across its catchment areas. Among these initiatives was the award of scholarships amounting to GH¢103,000 to brilliant but financially disadvantaged students, reaffirming the Bank's long-standing commitment to expanding educational opportunities and promoting community development.

6.0 Corporate Governance
The Board remains steadfast in its commitment to the highest standards of corporate governance, recognising that sound governance is fundamental to the Bank's long-term success and sustainability. Throughout the year, the Board provided strategic leadership and effective oversight, while maintaining a clear distinction between governance and the day-to-day management of the Bank.

In discharging its responsibilities, the Board continued to operate in accordance with the Bank of Ghana's Corporate Governance Directive and Fit and Proper Persons Directive, while aligning its practices with internationally recognised corporate governance principles, including those of the Basel Committee on Banking Supervision. During the year, the Board also completed a comprehensive review of the Bank's governance and operational policies to ensure continued compliance with evolving regulatory requirements and industry best practices.

In accordance with the Bank of Ghana’s Corporate Governance Directive, the Directors retiring by rotation at this Annual General Meeting, being eligible, have offered themselves for re-election. Respectfully, I present them as follows:

1. Mr. Patrick Amanor Buckor – Board Chairman
2. Mr. Richard Azina Nartey – Vice Chairman
3. Mr. Augustus Lartey Djabatey – Director
4. Dr. Padikor Madjitey – Director
5. Ms. Barbara Dede Ama Okai-Tettey Esq. – Director

The Board continues to maintain an appropriate balance of skills, experience, independence and diversity, enabling it to provide effective oversight and strategic direction.

7.0 Environmental, Social and Governance (ESG)
The Bank also made significant progress in strengthening its sustainability agenda. With technical support from CapPlus and CDC Consult, local partners of the Mastercard Foundation, the Bank conducted its first self-assessment and subsequently developed a comprehensive ESG Policy to guide the integration of sustainability principles into its governance, operations and business strategy.

The Policy aligns with the Bank of Ghana's Sustainable Banking Principles and supports the objectives of the Ghana National Financial Inclusion and Development Strategy. It provides a framework for integrating environmental and social risk considerations into lending decisions, promoting financial inclusion, strengthening corporate governance and enhancing transparency, while ensuring that the Bank continues to deliver sustainable value to all stakeholders.

8.0 A New Chapter: Transition to a Community Bank
As part of the Bank of Ghana's reform of the rural banking sector, the Board is seeking shareholder approval for the change of the Bank's name from Manya Krobo Rural Bank PLC to Manya Krobo Community Bank PLC.

According to the Bank of Ghana, this transition represents far more than a change of name. It reflects a strategic transformation designed to reposition Community Banks as modern, inclusive and resilient financial institutions capable of serving both rural and urban communities while contributing more effectively to national economic development and financial inclusion. The Board views this transition as a significant opportunity to expand the Bank's reach, strengthen its competitive position and diversify its products and services in line with the changing needs of customers.

I am pleased to report that the Bank has completed all the necessary regulatory processes required for the conversion and is well positioned to meet the enhanced prudential requirements applicable to Community Banks. As at 31st December 2025, the Bank's stated capital stood at GH¢7.7 million, comfortably above the Bank of Ghana's minimum capital requirement of GH¢5.0 million. Within the Bank’s medium-term strategy, the intention is to increase the Bank’s capital base further to approximately GH¢11.9 million by the end of 2028 to support future expansion and strengthen its financial resilience.

The Board is confident that this transition will position the Bank to take advantage of emerging opportunities within Ghana's evolving financial landscape while continuing to deliver sustainable value to shareholders, customers and the communities we serve.

9.0 Towards Our Golden Jubilee

As we look ahead, we do so with great anticipation as the Bank approaches its Golden Jubilee in September 2028. Since its incorporation on 5th September 1978, Manya Krobo Community Bank has evolved from a visionary community initiative into a respected and nationally recognised financial institution.

Over the past 48 years, the Bank has remained true to the vision of its founding fathers, who believed that Krobo land deserved a strong and enduring financial institution capable of transforming lives, supporting businesses and promoting economic development. Today, that vision has become a reality. With a shareholder base exceeding 2,600, a growing national presence and strategic partnerships that extend beyond Ghana's borders, the Bank stands as a symbol of resilience, innovation and community empowerment.

Our achievements have earned both national and international recognition, including our ranking among the Ghana Club 100 and the prestigious award for Best Rural Bank in Asset Quality and Recovery Management received in Kuala Lumpur, Malaysia, in 2025. These accomplishments reflect the trust placed in us by our stakeholders and the dedication of generations of Directors, Management and staff.
The Board has constituted a planning committee to coordinate activities for what will be a modest but memorable Golden Jubilee celebration in 2028. Beyond commemorating our history, the anniversary will provide an opportunity to reflect on our achievements, celebrate our stakeholders and chart a bold course for the future.

10.0 Outlook: 2026 and Beyond

As we look ahead, the Board is optimistic about the future of Manya Krobo Community Bank PLC. The strong financial performance achieved in 2025, coupled with improving macroeconomic conditions and the successful implementation of our strategic initiatives, has positioned the Bank to enter a new phase of growth, innovation and value creation.

The year 2026 marks the commencement of the Bank's 2026–2028 Strategic Plan, which provides a clear roadmap for transforming the Bank into a stronger, more competitive and customer-focused financial institution. The Plan is built around strategic priorities that include expanding our market presence, deepening customer relationships, accelerating digital transformation, strengthening risk management, enhancing operational efficiency and improving shareholder returns.

The Board recognises that the banking landscape is changing rapidly, driven by technological advancement, evolving customer expectations and increasing competition. To remain ahead of these developments, the Bank will continue to invest in modern banking technology, digital service delivery channels and process automation. These investments will enable us to improve service quality, increase convenience for customers and enhance operational productivity while maintaining robust security and risk controls.

The transition from a Rural Bank to a Community Bank represents one of the most significant milestones in our history. This transformation provides an opportunity to broaden our geographical reach, diversify our customer base and introduce innovative products and services tailored to the needs of individuals, micro, small and medium-sized enterprises, and emerging business sectors. We believe this transition will strengthen our competitive advantage and position the Bank as a leading Community Bank within Ghana's financial sector.

A key pillar of our growth agenda is the proposed development of a modern Banking Complex on the Bank's property at Ashiyie in Accra. This strategic investment will enhance our operational capacity, strengthen our visibility within one of the fastest-growing commercial corridors in Greater Accra and support the Bank's long-term expansion objectives. Together with our ongoing investments in digital banking infrastructure, the project will create a platform for sustainable growth and improved customer experience.

The Board will also continue to focus on strengthening the Bank's capital base to support future business growth and meet evolving regulatory requirements. We remain committed to prudent capital management, maintaining strong liquidity and preserving the financial resilience that has become a hallmark of the Bank's operations. In line with our medium-term strategy, we expect to progressively increase the Bank's stated capital and shareholders' funds while sustaining healthy profitability and asset quality.

Beyond financial performance, we remain committed to creating lasting value for our stakeholders through responsible banking, environmental stewardship, social impact and sound corporate governance. We will continue to support financial inclusion, promote sustainable business practices and contribute meaningfully to the economic development of the communities we serve.

As we move closer to our Golden Jubilee in 2028, we do so with confidence, ambition and a renewed sense of purpose. The Board firmly believes that the foundations laid over the past four decades, combined with our strategic vision for the future, position Manya Krobo Community Bank PLC for even greater success in the years ahead.

While uncertainties may persist within the global and domestic economic environment, we are confident that our strong capital base, sound governance framework, dedicated workforce, loyal customer base and supportive shareholders provide the resilience required to navigate challenges and seize emerging opportunities.

The future of Manya Krobo Community Bank PLC is bright. Together, we will continue to build a stronger institution, deepen our impact on communities and create sustainable value for generations of shareholders to come.

11.0 Conclusion and Acknowledgements

As I conclude, I wish, on behalf of the Board of Directors, to express our sincere appreciation to everyone whose support and commitment contributed to the Bank's achievements during the year.

To our valued shareholders, thank you for your continued confidence and investment in the Bank. Your unwavering support remains the foundation of our growth and success.

To my fellow Directors, I extend my sincere appreciation for your dedication, sound judgment and steadfast commitment to the highest standards of corporate governance. Your collective leadership has been instrumental in guiding the Bank through another successful year.

I also express the Board's profound gratitude to Management and the entire staff for their professionalism, commitment and hard work. Their dedication to excellence continues to strengthen the Bank's performance and reputation.

To our cherished customers, the Bank of Ghana, ARB Apex Bank PLC, Association of Community Banks, National and Eastern Region Chapter, our traditional authorities and business partners, we thank you for your enduring trust and partnership. Your confidence inspires us to continually improve our services and remain worthy of your support.

As we stand at the threshold of a new chapter in our history, we do so with gratitude for our achievements and confidence in our future. The transformation into a Community Bank, the commencement of our new Strategic Plan and the approach of our Golden Jubilee present exciting opportunities for growth and impact.

The Board remains firmly committed to safeguarding the interests of shareholders, strengthening the Bank's financial position and ensuring that Manya Krobo Community Bank Plc continues to be a trusted partner in the economic development of our communities.

Together, we have built a strong institution. Together, we will build an even stronger future.
May God bless Manya Krobo Community Bank PLC, and may God bless us all.

PATRICK AMANOR BUCKOR
BOARD CHAIRMAN

DIRECTORS' REPORT

FOR THE YEAR ENDED 31st DECEMBER 2024

Directors' Responsibilities and Approval

The Directors are required by the Companies Act, 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. These annual financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and it is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards with regards to form and content and present fairly the statement of financial position, results of operations and business of the Bank, and explain the transactions and financial position of the business of the Bank at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Bank and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Directors set standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the bank is on identifying, assessing, managing and monitoring all known forms of risk across the bank. While operating risk cannot be fully eliminated, the bank endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss. The going concern basis has been adopted in preparing the financial statements. Based on forecasts and available cash resources the Directors have no reason to believe that the bank will not be a going concern in the foreseeable future. The annual financial statements support the viability of the bank.

The annual financial statements have been audited by the independent auditing firm, Intellisys, who have been given unrestricted access to all financial records and related data, including minutes of all meetings of the Shareholders", the Directors and committees of the Directors. The Directors believe that all representations made to the independent auditor during the audit were valid and appropriate. The external auditor's audit report is presented on pages 16 to 20.

REPORT OF THE DIRECTORS CONTD.

In accordance with the requirements of section 136 of the Companies Act, 2019 (Act 992), we the Board of Directors of Manya Krobo Rural Bank Plc submit our report together with the audited financial statements of the Bank for the year ended 31 December 2025.

Principal activity
The Bank is licensed to carry out the business of rural banking in Ghana under the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). There were no change in the nature of the Bank's business during the year.

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

	2025	2024
Profit for the year	**9,311,799**	4,038,167
To which is added the balance brought forward on retained earnings	**5,594,269**	4,495,065
	14,906,068	8,533,232
Out of which is transfered:		
Statutory reserves	**(2,327,950)**	(1,009,542)
Regulatory credit risk reserve	**(423,049)**	95,313
Bonus shares	**-**	(1,316,554)
Dividend declared	**(1,531,438)**	(708,180)
Leaving a balance to be carried forward on retained earningsof	**10,623,632**	5,594,269

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

Events after reporting date
The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Bank.

Directors' interest in contracts
To our knowledge, none of the Directors had any interest in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the Interests Register as required by 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

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

Authorised and issued share capital
During the current financial year, the total number of ordinary shares issued for cash was 3,820,371 (GHS951,064) 2024. The ordinary shares issued in 2024 were 1,943,077 (GHS63,452). A further 5,012,579 were issued as bonus shares in 2025. These are regularised at the Registrar of Companies and approved by Bank of Ghana.

Borrowing limitations
In terms of the Regulations of the Bank, the Directors may exercise all the powers of the bank to borrow money, as they consider appropriate.

Dividend
Dividend of GHS1,531,438 was declared and approval by Bank of Ghana for the year 2024.

Directors
The Directors of the Bank during the year and up to the date of this report are as follows:

Mr. Patrick Amanor Buckor	Chairman
Mr. Richard Azina Nartey	Vice Chairman
Mr. Emmanuel Osei Ofosu	Non-Executive Director
Mr. Edward Nartey Tetteh	Non-Executive Director
Mr. Augustus Lartey Djabatey	Non-Executive Director
Dr. Pardikor Madjitey	Non-Executive Director
Ms. Barbara Dede Ama Okai-Tettey Esq.	Non-Executive Director

Appointment, retirement and re-election of Board Members
There were no changes during the year.

Secretary
The Bank's designated secretary is Ignatius Kutu Acheampong & Associates.

Capacity of Directors
Relevant training and capacity building programmes are put in place to enable the Directors to discharge their duties. During the year the Directors undertook training as detailed in the Statement of Corporate Governance.

Independent Auditors and audit fees
In accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) the auditors, Intellisys, were the independent auditors for the year under review. The audit fee payable for the year ended 2025 is GHS90,000 (2024: GHS70,000) (exclusive of taxes).

Approval of financial statements
The annual financial statements as set out on pages 16 to 45 were approved by the Board of Directors and signed on their behalf by:

Mr. Patrick Amanor Buckor	**Mr. Emmanuel Osei Ofosu**
Date: **27th April, 2026**	Date: **27th April, 2026**

STATEMENT OF CORPORATE GOVERNANCE

Introduction
Manya Krobo Rural Bank Plc is licenced by the Bank of Ghana as a deposit-taking institution and operates under the umbrella of the ARB Apex Bank of Ghana. It is accordingly a creation of law and guided by the Companies Act, 2019 (Act 992), the Banks and Specialised Deposit-Taking Institution Act, 2016 (Act 930) and the respective regulations and directives made there under.

Manya Krobo Rural Bank Plc has a commitment to strong corporate governance practices that allocate rights and responsibilities among its shareholders, the Board of Directors, and the Executive Management to provide effective oversight and management of the Bank in a manner that enhances shareholders' value and promotes investors' confidence. The Bank's corporate governance principles are contained in a number of corporate documents. The Board oversees the conduct of the Bank's business and is primarily responsible for providing effective governance over its key affairs, including the appointment of the Executive Management, approval of business strategies, performance evaluation, and assessment of its major risks.

In discharging its obligations, the Board exercises judgement in the best interest of the Bank and relies on the Executive Management to implement approved business strategies, resolve day to day operational issues, keep the Board informed, as well as maintain and promote high ethical standards. The Board delegates authority related to management matters to the Executive Management, subject to clear instructions in relation to such delegation of authority and the circumstances in which Executive Management shall be required to obtain Board approval prior to taking a decision on behalf of the Bank. This corporate governance disclosure report is in response to the Corporate Governance Directive of the Bank of Ghana.

Board structure, size, composition and qualification
At year end 31 December 2025, the Board of Directors of Manya Krobo Rural Bank Plc consisted of seven (7) members, all of whom are independent Non-Executive Directors who are ordinarily residents in Ghana.

The Board has a rich blend of skills and knowledge combined with extensive work and industry experience required to strategically guide the Bank's business in governance, banking and finance, law, marketing, entrepreneurship and management as listed below.

Name of Director	Qualification/Profession	Date appointed
Mr. Patrick Amanor Buckor	Msc Business Administration, BSc Business Administration (Accounting Option), Chartered Accountant, Chartered Banker.	19-Dec-20
Mr. Richard Azina Nartey	MPhil Social Work, BSc Planning, Chartered Administrator and Management Consultant-Ghana.	19-Dec-20
Mr. Emmanuel Osei Ofosu	MBA Accounting, Bachelor of Commerce (Hons.), Diploma in Education, Chartered Accountant/ Internal Auditor.	27-Aug-22
Mr. Edward Nartey Tetteh	Mphil HRM, MBA Leadership and Management, B.A Management and Psychology, Certified Practitioner, CIHRM Ghana, Lecturer.	27-Aug-22
Mr. Augustus Lartey Djabatey	MBA Finance, BA Finance, Banker.	16-Dec-23
Dr. Pardikor Madjitey	Ph.D., Adult and Community Education and Training, MA, Adult Education Bachelor of Education (Hons.) Foundations Diploma in Economics.	16-Dec-23
Ms. Barbara Dede Ama Okai-Tettey Esq.	Executive MBA, Certified Data Protection Practitioner, Qualifying Law Certificate, Bachelor of Laws, Bachelor of Arts - Mathematics and Philosophy, Lawyer/Banker	16-Dec-23

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

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

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

To do these, the Board operates through a number of committees. Membership to the committee is reviewed annually or as and when the need arises. Minutes and reports from these committees are received at full Board meetings for ratification and approval. Below are the standing committees of the board.

Board committees
By resolution, the Board has four (4) committees with specific mandates. These committees are:
- Credit and Finance Committee
- Risk and Compliance Committee and Anti-money Laundering
- Audit and Information Technology Committee
- Human Resource Committee

a) Credit and Finance Committee
This Committee consists of three (3) Directors. The responsibilities and mandates of the Committee are as follows:

1. Review the assets and liabilities management of the Bank;
2. Ensure that the Bank complies with Regulatory requriements regarding the granting of credit facilities;
3. Ensure that the credit policy and procedures of the Bank are strictly adherd to.
4. Provide strategic guidance for the development and achievement of the Bank's credit and lending objectives;
5. Establish portfolio constriants and limits on loans and investments;
6. Review the Bank's internal control procedures in relation to credit risks assets and ensure that they are sufficient to safeguard the quality of the Bank's risk assets.
7. Review periodic loan recoveries reports and ensure that systems are established on loan recoveries.
8. Handle any other issue referred to the Committee by the Board from time to time.

b) Risk and Compliance Committee and Anti-money Laundering
This Committee consists of three (3) Directors. The responsibilities and mandates of the Committee are as follows:

1. Review of the risk profile of the Bank against the risk appetites, approved limits and risk trends.
2. Review of management reports to identify risk exposures.

3. Review of key performance indicators on risk, controls and compliance.
4. Review of current risk exposures and future risk strategies, considering the macroeconomic environment.
5. Provide oversight, advice where necessary to maintain a supportive risk culture throughout the Bank.
6. Provide oversight and critique of due deligence on risk issues relating to material transactions and strategic proposals of the Bank.
7. Review of external risk information disclosures including annual reports and accounts.

c) Audit and Information Technology Committee
This Committee consists of three (3) Directors. The responsibilities and mandates of the Committee are outlined below:

1. Review the Bank's audit programmes and ensures that the Internal Audit Department is adequately resourced to effectively carry out its functions.
2. Review Management and the Internal Auditor's reports on the effectiveness of internal control, financial reporting and risk management.
3. Oversee the process of selecting an External Auditors as well as its compensation and removal where necessary.
4. Ensure compliance with lending policies.
5. Consider management's response to major external or internal audit recommendations.
6. Assess on an annual basis, the appropriateness of the strategic plan of the regulated institution.
7. Oversee the establishment of accounting policies.
8. Provide oversight of the internal and external audit function.

d) Human Resource Committee
This Committee consists of three (3) Directors. The responsibilities and mandates of the Committee are outlined below:

1. Recruitment and selection of staff with required competencies and critical skills.
2. Provide guidance for succession planning and leadership in the Bank
3. Enforcement of discipline and corporate ethics.
4. Setting of appropriate salary structure that is in the best interests of the Bank.
5. Establish specific set of performance objectives for management and all other staff.
6. Review the Bank's health and stafety program.
7. Negotiates with labor unions.
8. Review of the human resource strategy.

Independence of the Board
The Directors on the Bank’s Board are all non-executive and exercise a high degree of independence of thought and mind in so far as the affairs of the Bank are concerned. Disclosure of interest or relationships by Directors including related party dealings involving or concerning Directors if any, are considered key by the Bank in ascertaining the independence status of the Directors.

Separation of powers - Chairman & CEO roles
The Chairman of the Board, Mr. Patrick Amanor Buckor was an Independent Non-Executive Director.
The Chairman’s role includes but not limited to the following;
- Provide effective leadership to the Board regarding all Board matters.
- Lead processes/procedures aimed at creating and maintaining an effective corporate governance system.
- Direct the agenda, conduct and moderate of all Board meetings to facilitate discussions, deliberations, challenges and decision making.
- Liaise between Management and the Board and be key point of communication between the Board and the CEO.

The Chief Executive Officer (CEO), Mr. Godfred Asante Hanson heads the Management team and he is the Supervising Manager of the Bank. He is ordinarily accountable to the Board for the development and successful implementation of the Bank's strategy as well as other delegated duties with authority from the Board.
The following are his roles among others:

- The day-to-day management of the Bank in line with delegated authorities approved by the Board.
- Crafting strategy for approval by the Board and mobilization of available human resource and tools in executing the approved strategy and achievement of planned result and objectives.

Board meeting attendance
The Board held seven (7) scheduled meetings during the year in compliance with Section 25 of the Corporate Governance Directives for Rural and Community Banks (RCBs).

Name of Director	Role	Board Meetings	Risk& Compliance and AML Committee	Auditand Information Technology Committee	Credit and Finance Committee	Human Resource Committee
Mr. Patrick Amanor Buckor	Chairman	7/7				
Mr. Richard Azina Nartey	Vice Chairman	7/7	4/4		7/7	
Mr. Emmanuel Osei Ofosu	Member	7/7		4/4	7/7	
Mr. Edward Nartey Tetteh	Member	7/7	4/4			5/5
Mr. Augustus Lartey Djabatey	Member	7/7		4/4	7/7	
Dr. Pardikor Madjitey	Member	6/7		4/4		5/5
Ms. Barbara Dede AmaOkai-Tettey Esq.	Member	7/7	4/4			5/5

Board Secretary
The Secretary, Ignatius Kutu Acheampong & Associates is literally the administrative officer at the Board level. The Board Secretary was approved by the Board and is accountable to the Board, through the Chairman for all matters relating to board meeting and meeting documentation and records keeping as well as public relations between the Board and the general public.

The Board Secretary performs the following duties among others:
- Serves as an interface between the Board and management.
- Assist the Board Chairman in the preparation and organization of Board meetings.
- Liaises with Management and Board Chairman in undertaking all relevant public relational activities leading to the organization and carrying out of AGMs.
- Ensures that the applicable rules and regulations for the conduct of Board business and for "fit and proper" test for Directors' qualification are complied with.

Directors' Shareholding

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

Name of Director	Number of shares	% of issued capital
Mr. Patrick Amanor Buckor	170,457	0.37%
Mr. Richard Azina Nartey	760,243	1.64%
Mr. Emmanuel Osei Ofosu	407,314	0.88%
Mr. Edward Nartey Tetteh	80,370	0.17%
Mr. Augustus Lartey Djabatey	139,177	0.30%
Dr. Pardikor Madjitey	79,422	0.17%
Ms. Barbara Dede Ama Okai-Tettey Esq.	14,285	0.03%

Professional development & training

To ensure development and maintenance of skills and knowledge needed to perform their roles effectively, the Board promotes and encourages Directors to undertake continuing education and training. During the year the Directors did undertake training programmes organised by National Banking College, other professional bodies and recognised groupings and were awarded certificates to that effect in some cases. Listed below are some of the courses and/or training attended by Directors.

Name of Training/Module	Organizer(s)	Date	Attendee(s)
Credit appraisal training	Cap Plus	11-Feb-25 to 13-Feb-25	Mr. Patrick .A. Buckor, Mr. Richard Azina Nartey, Mr. Emmanuel .O. Ofosu, Dr. Padikor Madjitey, Mr. Augustus .L. Djabatey, Ms. Barbara Okai-Tettey Esq., Mr. Edward .N. Tetteh
Training on psychological safety in the workplace	Association of Rural Bank - Eastern Region	26-Mar-2025 to 28-Mar-2025	Mr. Patrick .A. Buckor, Mr. Emmanuel .O. Ofosu, Dr. Padikor Madjitey, Mr. Augustus Lartey Djabatey
Risk forum	MKRB - Risk department	25-Apr-25	Ms. Barbara Okai-Tettey Esq. Mr. Edward .N. Tetteh
Risk forum	MKRB - Risk department	22-May-25	Ms. Barbara Okai-Tettey Esq. Mr. Edward .N. Tetteh
Corporate Governance certification training	Association of Rural Bank - Ghana	2-Jul-2025 to 5- Jul-25	Dr. Padikor Madjitey
Risk management training	Association of Rural Bank - Ghana	11-Jul-25	Dr. Padikor Madjitey

Training on sustainable finance	Association of Rural Bank - Ghana	24-Jul-25	Mr Patrick .A. Buckor, Mr Richard Azina Nartey, Mr Emmanuel .O. Ofosu, Dr Padikor Madjitey, Mr Augustus .L. Djabatey, Ms. Barbara Okai-Tettey Esq., Mr Edward .N. Tetteh
Risk and compliance conference	Association of Rural Bank - Eastern Region	11-Aug-25 to 13-Aug-25	Barbara Okai-Tettey Esq., Mr Edward .N. Tetteh
Training for Directors	Association of Rural Bank - Eastern Region	14-Oct-25 to 17-Oct-25	Mr Patrick .A. Buckor, Mr Augustus .L. Djabatey
Risk awareness training	MKRB - Risk department	26-Nov-25	Mr Patrick .A. Buckor, Mr Richard Azina Nartey, Mr Emmanuel .O. Ofosu, Dr Padikor Madjitey, Mr Augustus .L. Djabatey, Ms. Barbara Okai-Tettey Esq., Mr Edward .N. Tetteh
Cyber security training	Association of Rural Bank - Eastern Region	15-Nov-25	Mr Patrick .A. Buckor, Mr Richard Azina Nartey, Mr Emmanuel .O. Ofosu, Dr Padikor Madjitey, Mr Augustus .L. Djabatey, Ms. Barbara Okai-Tettey Esq., Mr Edward .N. Tetteh

Conflict of interest and ethics

The Bank has instituted appropriate conflict registration procedure for disclosure and authorization of actual or potential conflicts. All actual or potential conflicts are required to be registered in a Conflict- ofinterest register during board and committee meetings and are regularly reviewed for appropriate authorization. All issues are fully discussed and debated, and the ultimate resolutions thereof are that which allures to the benefit of the shareholders. All such decisions are taken effectively and independently.

During the year, no conflict arose, and no such authorizations were sought.

Other engagements of Directors and external directorship

The Directors of Manya Krobo Rural Bank Plc are very experienced and knowledgeable in their respective chosen fields of discipline and as such serve on other Boards. To ensure the Bank derives maximum benefit from their appointment to the Board by giving time commitment to their oversight functions, no Director holds more than five (5) directorship positions at the time of this report.

Mr. Patrick Amanor Buckor

27th April, 2026

Date

Mr. Emmanuel Osei Ofosu

27th April, 2026

Date

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT

Introduction
Manya Krobo Rural Bank PLC is formally transitioning toward a sustainable, socially inclusive, and environmentally conscious financial institution. This Environment, Social and Governance (ESG) report outlines our commitment to embedding ESG principles into our core operations, ensuring alignment with both international disclosure standards and national regulatory requirements.

Our ESG strategy is anchored in the Bank of Ghana's (BoG) Sustainable Banking Principles. To ensure effective oversight, the board has adopted an ESG Policy Framework to integrate sustainability into the bank's mission and strategic goals. This was the outcome of an ESG readiness assessment conducted in early 2025 by CapPlus Ghana. It is also part of the preparation towards the mandatory adoption of IFRS S1 and S2 sustainability standards, which will become effective in January 2027 for banks in Ghana, in line with the phased approach being adopted by the Institute of Chartered Accountants, Ghana.

The Four Pillars of Our ESG Framework
In accordance with IFRS S1 and S2, our approach is structured around four critical pillars: Governance, Strategy, Risk Management, and Metrics and Targets.

1. Environmental stewardship and climate consciousness
We are integrating climate-related risks into our core credit decision-making processes. Mandatory Environmental & Social (E&S) screening is now required for all credit decisions to mitigate risks like deforestation and pollution. The bank learnt lessons from the floods that affected some villages in the Akuse area in 2024. We will implement portfolio stress tests to assess the bank's stability against extreme weather events, such as floods and droughts which occur occasionally in our operational areas.

2. Social Responsibility and Financial Inclusion
Our mandate is to enhance access to financial services for underserved populations within our catchment areas. In 2025, we disbursed GH¢5,400,680 in rice loans to support 165 farmers (107 males and 58 females), more than tripling our 2024 disbursement of GH¢1,673,840. We are designing tailored products for women-led enterprises and youth entrepreneurs to promote social equity. The bank hopes to step us these initiatives through its Agri-lending programme under the Mastercard/ CapPlus programme. Under the programme, beneficiaries especially women and the youth may be able to access credit facilities with no collateral or in some cases with alternative collateral.

In the case of the bank's workforce, the human resource policy has been reviewed to align with the tenets of the National Labour Law and international best practice. The objective is to promote safe working conditions for staff devoid of worker agitations that may lead to low productivity.

3. Ethical Governance and Transparency
The bank is partnering with its two Development Finance stakeholders, Development Bank Ghana and MasterCard Ghana (operating through CapPlus), to build more capacity in sustainable initiatives. Under the ongoing programme, the Board and Management are required to provide a formal commitment and ownership of ESG issues and ensure the improvement of internal processes.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) REPORT (CONTD)

Integrity, competency management and accountability are the bedrock of our institution. The bank is actively pursuing sustainability targets at all levels of its human resource to ensure balanced representation across gender and expertise. The Board is committed to building internal capacity among staff and to ensure the effective application of ESG principles.

4. Metrics, Targets, and Reporting

To ensure accountability, we have established Key Performance Indicators (KPIs) to track our progress. This starts with our annual strategic sessions where some targets are generated from a pool of ideas and implemented within specific deadlines for performance monitoring purposes. These are reviewed on a periodic basis and corrective actions taken.

Implementation Roadmap (2025–2027)

With the assistance of CapPlus Ghana, the bank will, in 2026, execute a three-year roadmap to achieve full optimization of our ESG policies.

Conclusion

By embedding ESG into the bank's operations, Manya Krobo Rural Bank PLC is not only mitigating systemic risks but also capturing the growth opportunities that come with a sustainable company. We are committed to building a resilient, transparent, and inclusive financial institution for the benefit of all stakeholders.

Mr. Patrick Amanor Buckor	**Mr. Emmanuel Osei Ofosu**
27th April, 2026	**27th April, 2026**
Date	**Date**

INDEPENDENT AUDITOR'S REPORT

Opinion
We have audited the financial statements of Manya Krobo Rural Bank Plc set out on pages 21 to 63, which comprise the statement of financial position as at 31 December 2025, statement of profit or loss and other comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory disclosures.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Bank as at 31 December 2025 and its financial performance and cash flows for the year then ended in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

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

Key Audit Matter	***How the matter was addressed in the audit***
Allowance per expected credit losses on loans and advances to customers *IFRS 9 allows for impairment recognition based on either 12-month or lifetime expected credit losses. This process involves multiple assumptions, including loan staging classification, default probability assessment, and loss given default calculations.* *The varying models and assumptions applied can substantially impact the expected credit loss allowances for loans and advances to customers. Given the significant judgment required in this assessment, we have identified the expected credit loss allowance as a key audit matter.* *For the year ending December 31, 2025, a total of GHS3,038,590 has been recorded as expected credit loss in the Statement of Profit or Loss and Other Comprehensive Income. The accumulated expected credit loss provision as of December 31, 2025, in compliance with IFRS 9 impairment requirements, amounts to GHS5,809,989.*	***Our audit procedures in this area included among others:*** *We gained comprehensive insight into the Bank's IFRS 9 provisioning framework and credit risk modelling approach. We conducted validation and testing of the Bank's ECL model through thorough assessment of data inputs and underlying calculation assumptions.* *Additionally, we implemented these key substantive audit procedures:* • *Examined and tested the Bank's IFRS 9 loan loss provision calculation me* • *Independently recalculated expected credit loss estimates* • *Evaluated the incorporation of forward-looking information and multiple economic scenarios Furthermore, we examined all disclosures related to expected credit loss allowances on loans and advances to customers contained within the Bank's financial statement notes.*

INDEPENDENT AUDITOR'S REPORT CONTD.

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors and Statement on Corporate Governance and Environmental, Social and Governance Report which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors and those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) in the manner required by the Companies Act, 2019 (Act 992) and for such internal controls as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so. Those charged with governance 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 International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements
The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

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

(ii) in our opinion proper books of accounts have been kept by the bank, so far as appears from our examination of those books; and

(iii) the statement of profit or loss and other comprehensive income and the statement of financial position are in agreement with the books of accounts.

(iv) In our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required and give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss for the financial year then ended.

(v) we are independent of the Bank pursuant to section 143 of the Companies Act, 2019 (Act 992).

The Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930) section 85(2) requires that we state certain matters in our report.
We hereby state that:

(i) the financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review.

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

(iii) the Bank's transactions were within its power: and

(iv) the Bank has generally complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930) and section 137 of the Companies Act, 2019 (Act 992).

(v) the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and section 137 of the Companies Act, 2019 (Act 992).

The Bank has generally complied with the provisons of the Corporate Governance Disclosure Directive 2022 issued by the Bank of Ghana.

The Engagement Partner on the audit resulting in this independent auditor's report is Eunice Korley (ICAG/P/1777).

Intellisys (ICAG/F/2026/078)
Chartered Accountants
No. 15 Lardzeh Crescent
North Dzorwulu, Accra.

Dated: **30th April, 2026**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31st DECEMBER 2025

Figures in GHS	Notes	2025	2024
Interest income	6	**66,002,698**	46,494,465
Interest expense	7	**(12,306,922)**	(10,396,526)
Net interest income		**53,695,776**	36,097,939
Fees and commission income	8	**5,978,815**	5,113,160
Other operating income	9	**123,678**	128,168
Total operating income		**59,798,269**	41,339,267
Net impairment loss on financial assets	10	**(4,153,118)**	(1,737,859)
Personnel expenses	11	**(22,300,540)**	(17,128,447)
Depreciation and amortization	12	**(1,752,652)**	(1,376,607)
Other operating expenses	13	**(16,229,843)**	(14,554,484)
Profit before income tax		**15,362,116**	6,541,870
Income tax expense	14	**(6,050,317)**	(2,503,701)
Profit for the year		**9,311,799**	4,038,169
Other comprehensive income net of tax		**-**	-
Total comprehensive income for the year		**9,311,799**	4,038,169
Earnings per ordinary share			
Basic earnings per ordinary share (pesewas)	15	**0.20**	0.11
Diluted earnings per ordinary share (pesewas)	15	**0.20**	0.11

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31st DECEMBER 2025

Figures in GHS	Notes	2025	2024
Assets			
Cash and cash equivalents	16	**39,792,305**	30,713,096
Short-term investments	17	**136,020,392**	94,486,409
Long-term investments	18	**5,544,381**	6,840,884
Equity investment	19	**240,216**	195,916
Government bonds	20	**45,819,716**	44,910,136
Loans and advances to customers	21	**93,744,842**	72,606,482
Other assets	22	**2,996,649**	3,117,267
Property, plant and equipment	23	**9,497,348**	8,538,971
Right-of-use assets	24	**1,423,502**	1,558,658
Total assets		**335,079,351**	262,967,819
Liabilities			
Deposits from customers	25	**288,302,913**	227,027,321
Managed funds	26	**5,406**	5,406
Dividend payable	27	**584,096**	587,087
Borrowings	28	**2,795,056**	3,255,748
Current tax liabilities	29	**2,647,190**	776,921
Deferred tax liabilities	30	**815,679**	560,116
Other liabilities	31	**12,450,569**	12,006,948
Total liabilities		**307,600,909**	244,219,547
Equity			
Stated capital	32	**7,729,019**	5,461,401
Deposit for shares	33	**8,721**	1,326,530
Statutory reserves	34	**8,057,049**	5,729,099
Capital reserve		**570,611**	570,611
Regulatory credit risk reserve	35	**489,411**	66,362
Retained earnings		**10,623,631**	5,594,269
Total equity		**27,478,442**	18,748,272
Total liabilities and equity		**335,079,351**	262,967,819

The annual financial statements set out on pages 21 to 63 which have been prepared on the going concern basis, were approved by the Directors and were signed on their behalf by:

Mr. Patrick Amanor Buckor

27th April, 2026

Date

Mr. Emmanuel Osei Ofosu

27th April, 2026

Date

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31st DECEMBER 2025

FiguresinGHS	Stated capital	Statutory reserve	Capital reserve	Depositfor shares	Creditrisk reserve	Retained earnings	Total
Balance at 1January 2025	**5,461,401**	**5,729,099**	**570,611**	**1,326,530**	**66,362**	**5,594,269**	**18,748,272**
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**9,311,799**	**9,311,799**
Additional shares issued	**2,267,618**	**-**	**-**	**-**	**-**	**-**	**2,267,618**
Dividend declared	**-**	**-**		**-**	**-**	**(1,531,438)**	**(1,531,438)**
Deposits for shares	**-**	**-**	**-**	**(1,317,809)**	**-**	**-**	**(1,317,809)**
Regulatory credit risk reserve	**-**	**-**	**-**	**-**	**423,049**	**(423,049)**	**0**
Transfer to statutory reserve		**2,327,950**	**-**	**-**	**-**	**(2,327,950)**	**-**
Balance at 31December 2025	**7,729,019**	**8,057,049**	**570,611**	**8,721**	**489,411**	**10,623,631**	**27,478,442**
Balance at 1January 2024	5,036,314	4,719,557	570,611	111,677	161,675	4,495,065	15,094,899
Total comprehensive income for the year	-	-	-	-	-	4,038,167	4,038,167
Additional shares issued	425,087		-	-	-	-	425,087
Dividend declared	-	-	-	-	-	(708,180)	(708,180)
Deposits for shares	-		-	1,214,853	-	(1,316,554)	(101,701)
Regulatory credit risk reserve	-	-	-		(95,313)	95,313	-
Transfer to statutory reserve	-	1,009,542		-		(1,009,542)	-
Balance at 31December 2024	5,461,401	5,729,099	570,611	1,326,530	66,362	5,594,269	18,748,272

STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31st DECEMBER 2025

Figures in GHS	Note	2025	2024
Cashflows from operations			
Profit before income tax		**15,362,116**	6,541,870
Adjustments to reconcile profit			
Adjustments for increase in loans and advances		**(23,466,658)**	(30,930,118)
Adjustments for decrease/(increase)in other assets		**120,618**	(1,166,701)
Adjustments for increase in customer deposits		**61,384,416**	78,037,801
Adjustments for increase in other liabilities		**443,621**	2,446,324
Adjustments for depreciation and amortization expense		**1,752,652**	1,376,607
Adjustments for decrease in managed funds		**-**	(31,198)
Adjustments for impairment losses recognised in profit or loss		**4,153,118**	1,737,859
Total adjustments to reconcile profit		**44,387,767**	51,470,574
Net cashflows from operations		**59,749,882**	58,012,444
Dividend paid		**(1,534,429)**	(914,351)
Income taxes paid		**(3,924,484)**	(2,100,365)
Net cashflows from operating activities		**54,290,970**	54,997,728
Cashflows used in investing activities			
Transfer from other assets to property, plant and equipment		**(690,571)**	(690,571)
Purchase of property, plant and equipment		**(2,346,961)**	(2,322,604)
Additions to Right-of-Useassets		**(240,412)**	(64,400)
Proceeds fromsalesofnon-currentassets		**40,000**	14,350
Net changes in equity investments		**(44,300)**	(16,671)
Capitalisation of DDEP bond coupons		**(909,580)**	(1,202,287)
Purchase of other financial assets		**(40,192,500)**	(40,923,236)
Cashflows used in investing activities		**(44,384,324)**	(45,205,419)
Cashflows (used in)/ from financing activities			
Proceeds from issuing shares		**951,064**	425,087
Movement in deposit for shares		**(1,317,809)**	1,214,853
Movement in borrowings		**(460,692)**	3,155,709
Cashflows (used in) / from financing activities		**(827,437)**	4,795,649
Net increase in cash and cash equivalents		**9,079,209**	14,587,958
Cash and cash equivalents at beginning of the year		**30,713,096**	16,125,138
Cash and cashe quivalents at end of the year	16	**39,792,305**	30,713,096

ACCOUNTING POLICIES

FOR THE YEAR ENDED 31st DECEMBER 2025

1. General information

Manya Krobo Rural Bank Plc is a limited liability Company incorporated and domiciled in Ghana under the Companies Act, 2019 (Act 992). The address of the Bank's registered office is P.O. Box 176, Odumase-Krobo. The Bank operates with a Banking license that allows it to undertake the business of rural banking. The Bank has eight (8) registered branches at Abanse, Somanya, Akuse, Kpong, Madina, Ashiyie, Ashaiman, Ashaley-Botwe and three (3) mobilization centres at Kakasunaka No. 1, Agormanya and Zenu.

2. Statement of compliance

The annual financial statements of the Bank have been prepared in accordance with the Companies Act, 2019 (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and all applicable International Financial Reporting Standards (IFRS) issued by the international Accounting Standards Board and adopted by the Institute of Chartered Accountants, Ghana.

3. Basis of preparation

The annual financial statements of the Bank have been prepared in accordance with all applicable International Financial Reporting Standards (IFRS) in the manner required by the Companies Act, 2019 (Act 992). The annual financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain assets and liabilities through the assessment of impairment and fair value measurement. Items included in the annual financial statements are measured using the currency of the primary economic environment in which the Bank operates (functional currency). The Bank's functional currency is the Ghana Cedis (GHS). Financial information presented in Ghana Cedis are rounded to the nearest whole number. The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires Management to exercise its judgement in the process of applying the Bank’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in note 3. The estimates and underlying assumptions are reviewed on an ongoing concern basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Summary of significant accounting policies

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

3.2 Income recognition

Income is recognized and recorded in the financial statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured.

3.2.1 Interest income

The effective interest method is used as basis to recognize interest income in the profit and loss account for all interest-bearing financial instruments including loans and advances. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income.

Basis of preparation continued...

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

The effective interest rate is calculated within the context of all estimated cashflows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses. The calculation also includes all related transactional cost such as processing and commitment fees received by the Bank.

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

3.2.2 Commission and fees
Commissions and loan fees are credited to income when earned with reasonable certainty.

3.2.3 Other operating income
This relates to income accruing from the consequential dimension of the Bank's operations including the sale of value books, susu/micro-finance operations and where applicable profits or gains from the sale of property and equipment.

3.3 Interest expense
Interest expense is recognized in the profit or loss for all interest bearing Financial Instruments measured at amortised cost, including savings and fixed deposits, as interest accrues using the effective interest rate method.
The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating the interest expenses. The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.
The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument.

3.4 Financial instruments
3.4.1 Initial and subsequent measurement of financial instruments
i. Date of recognition
Financial assets and liabilities, with the exception of loans and advances to customers and deposit from customers, banks and other financial institutions are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises deposit from customers, banks and other financial institutions when funds are transferred to the Bank.

ii. Initial measurement of financial instruments
Financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

iii. Classification and measurement categories of financial assets and liabilities

The Bank classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized Cost
- Fair Value through Other Comprehensive Income (FVOCI)
- Fair Value through Profit or Loss (FVTPL)

The Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 2.5.1(vii). Financial liabilities are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 2.5.1(vii).

iv. Loans and advances to customers, financial investments at amortized cost

The Bank only measures loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. The details of these conditions are outlined below:

a) Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument- by instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and; in particular, the way those risks are managed.
- How Managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

b) The SPPI test

As a second step of its classification process the Bank assesses the contractual terms of financial instrument to identify whether they meet the SPPI test. 'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.
In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

v. Financial assets or financial liabilities held for trading
The Bank classifies financial assets or financial liabilities as held for trading when they have been purchased or issued primarily for short-term profit making through trading activities or form part of a portfolio of financial instruments that are managed together, for which there is evidence of a recent pattern of shortterm profit taking. Held-for-trading assets and liabilities are recorded and measured in the statement of financial position at fair value. Changes in fair value are recognized in net trading income. Interest and dividend income or expense is recorded in net trading income according to the terms of the contract, or when the right to payment has been established.
Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

vi. Equity instruments at FVOCI
Upon initial recognition, the Bank elects to classify irrevocably its equity investments as equity instruments at FVOCI and are not held for trading. Equity investments are marked to market. Market in this context refers to the periodic advice issued by the ARB Apex Bank regarding the price of its equity shares held by the Bank. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

vii. Debt issued and other borrowed funds
After initial measurement, debt issued and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

viii. Financial assets and financial liabilities at fair value through profit or loss
Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by Management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when
one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis or;
- The liabilities and assets have their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or;
- The liabilities and assets contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the fair value reserve through OCI and do not get recycled to the profit or loss. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using EIR.

ix. Cash and cash equivalents
Cash and Cash Equivalents identified in the statement of cash flows comprise physical cash balances on hand and with other Banks as well as highly liquid investments with up to three (3) months maturity from the date of acquisition.

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

3.4.2 Derecognition of financial assets and liabilities
i. Derecognition due to substantial modification of terms and conditions
The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

When assessing whether or not to derecognize a loan to a customer, amongst others, the Bank considers the following factors:

- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

ii. Derecognition other than for substantial modification
a) Financial assets
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. If theterms of a financial asset are modified, then the Bank evaluates whether the cash flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written-off before the modification takes place (see write-off policy - note 2.5.6). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

If such a modification is carried out because of financial difficulties of the borrower, then the gain or loss is presented together with impairment losses. In other cases, it is presented as interest income calculated using the effective interest rate method.

b) Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange ormodification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

If the modification of a financial liability is not accounted for as derecognition, then the amortized cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognized in profit or loss.

c) Offsetting
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS Standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.4.3 Impairment of financial assets
i. Overview of the ECL principles
The Bank records the allowance for expected credit losses for all loans and other debt financial assets not held at FVTPL in this section, all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined in the calculation of ECLs in the note (ii) below.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

The Bank has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Bank groups its loans into Stage 1, Stage 2 and Stage 3, as described below:

• Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12m ECLs. Loans that have not undergone a significant increase in credit risk since initial recognition and are not creditimpaired are also included in stage 1. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
• Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 after a curing period of 6 months.
• Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECLs.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset or the irrecoverable portion is written-off.

ii. The calculation of ECLs
The Bank calculates ECLs based on a three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects
to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD, The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognized and is still in the portfolio.
- EAD, The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD, The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating the ECLs, the Bank considers three scenarios, a base case (central), optimistic case (upside) and a pessimistic case (downside). Each of these is associated with different PDs, EADs and LGDs.
When relevant, the assessment of multiple scenarios also incorporate how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount
that might be received for selling the asset.

With the exception of other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a LTECL basis and the qualitative assessment
- The segmentation of financial assets when their ECL is assessed on a collective basis
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The mechanics of the ECL method are summarized below:

- Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the financial statement 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date.
- These expected 12- month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR
- Stage 3: For loans considered credit-impaired the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

iii. Forward looking information
In the Bank's ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank policy rates
- Consumer price indices
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

iv. Restructured financial assets
If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

3.4.4 Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is notrecorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. Collateral valuations are performed at inception of the credit facility and revaluation of the collateral is performed every three years.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued by licensed professional property valuers.

3.4.5 Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at their fair value. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

3.4.6 Write-off policy

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written-off are recognized when cash is received and are included in 'net impairment loss on financial assets' in profit or loss.

Financial assets that are written-off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.
All credit facility write-offs shall require endorsement by the Board of Directors and the Central Bank.

3.4.7 Determination of fair value

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

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

Classification and recognition
Classification of a financial instrument, or its component parts takes place on initial recognition. Each instrument is classified as a financial liability, a financial asset or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, a financial asset and an equity instrument.

Financial assets classification
The bank classifies financial assets into the following categories:
- Financial assets subsequently measured at fair value through profit or loss
- Financial assets subsequently measured at fair value through other comprehensive income (OCI)
- Financial assets subsequently measured at amortised cost
  The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses are either recorded in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.
The company reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities classification
The bank classifies financial liabilities into the following categories:
- Financial liabilities subsequently measured at amortised cost
- Financial liabilities subsequently measured at fair value through profit or loss

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

Recognition
Financial instruments are recognised initially when the company becomes a party to the contractual provisions of the instruments.

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset.

Initial measurement
Financial assets
When a financial asset is recognised initially, it is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset.
Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Financial liabilities
Financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement
Financial assets
Debt instruments
Subsequent measurement of debt instruments depends on the company's business model for managing the asset and cash flow characteristics of the asset. Debt instruments are subsequently measured at:

- Amortised cost: assets held only for collection of principal and interest payments
  - Interest income is included in finance income using the effective interest rate method.
  - Any gain or loss on derecognition is recognised in profit or loss and presented in other gains / (losses) together with foreign exchange gains and losses.
  - Impairment losses are presented as a separate line item in the statement of profit or loss.
  - The company's financial assets at amortised cost includes trade receivables, and loans to associates and directors included under other non-current financial assets.

- Fair value through OCI: assets held only for collection of principal and interest payments and for selling the financial assets
  - Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.
  - When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains / (losses).
  - Interest income from these financial assets is included in finance income using the effective interest rate method.
  - Foreign exchange gains and losses are presented in other gains / (losses) and impairment expenses are presented as separate line item in the statement of profit or loss.
  - The company's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.
  - The company elected to classify irrevocably its non-listed equity investments under this category.

- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
  - A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net within other gains / (losses) in the period in which it arises.
  - The company may make an irrevocable election at initial recognition for particular investments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in OCI.
  - This category includes derivative instruments and listed equity investments which the company had not irrevocably elected to classify at fair value through OCI. Dividends on listed equity investments are also recognised as other income in the statement of profit or loss when the right of payment has been established.

Equity instruments

All equity investments are subsequently measured at fair value.

- Fair value through OCI: elected to present fair value gains and losses on equity investments in OCI
  - There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.
  - Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.
  - Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

- Fair value through profit or loss: assets that do not meet the criteria for amortised cost or fair value through OCI
  - Changes in the fair value are recognised in other gains / (losses) in the statement of profit or loss as applicable.

Financial liabilities

- Fair value through profit or loss: financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss
  - Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
  - This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9.
  - Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.
- Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.
- Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The company has not designated any financial liability as at fair value through profit or loss.

- Amortised cost: Loans and borrowings
- After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method.
- Gains and losses are recognised in profit or loss when the liabilities are derecognised as well asthrough the effective interest rate amortisation process.
- Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.
- The effective interest rate amortisation is included as finance costs in the statement of profit or loss.
- This category generally applies to interest-bearing loans and borrowings.

Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when it is transferred and the transfer qualifies for derecognition.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability.

The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Impairment of financial assets

A forward looking allowance for expected credit losses is recognised for all debt instruments not held at fair value through profit or loss. Expected credit losses are based on the difference between contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk:

- For credit exposures with no significant increase in credit risk since initial recognition, expected credit losses are provided for credit losses that result from default events that are possible within the next 12- months (a 12-month expected credit loss).
- For credit exposures with significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime expected credit loss).

For trade receivables and contract assets, a simplified approach is applied in calculating expected credit losses. Instead of tracking changes in credit risk, a loss allowance is recognised based on lifetime expected credit losses at each reporting date. A provision matrix was established that is based on the company's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through OCI, the low credit risk simplification is applied. At every reporting date, the company evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. The internal credit rating of the debt instrument is reassessed during this evaluation. It is also considered whether there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The company's debt instruments at fair value through OCI comprise solely of quoted bonds that are graded in the top investment category (Very Good and Good) by the XXX Credit Rating Agency and, therefore, are considered to be low credit risk investments. It is the company's policy to measure expected credit losses on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime expected credit loss. The company uses the ratings from the XXX Credit Rating Agency both to determine whether the debt instrument has significantly increased in credit risk and to estimate expected credit losses.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.5 Property, plant and equipment

3.5.1 Tangible fixed assets

Items of property and equipment are stated at cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance cost are charged to profit and loss during the financial period in which they occur.
Depreciation is recognized in the profit or loss on a straight-line basis to write-off the cost less residual amount over their estimated useful lives as follows:

Asset class	Depreciation rate
Building	2%
Motor vehicles	25%
Office furniture and fittings	20%
Bungalow furniture and fittings	20%
Office equipments	20%
Computer and accessories	20%
Leasehold improvement	Over the period of lease

Intangible Assets

Intangible assets comprise Software and related licenses acquired by the Bank and are stated at cost less impairment losses and accumulated amortization. Subsequent expenditure on intangible assets (ie software) is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. Any other category of expenditure is expensed as incurred. Amortization of intangible asset is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful life of the asset, from the date that it is available for use as follows:

Intangible Asset -T24 License	10%
Intangible Asset - Microsoft License	20%

Recognition

Property, plant and equipment is recognised as an asset when:

• it is probable that future economic benefits associated with the asset will flow to the entity; and

• the cost of the asset can be measured reliably.

Initial measurement

An item of property, plant and equipment that qualifies for recognition as an asset is initially measured at its cost.

The cost of an item of property, plant and equipment includes:

• its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

• any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

• the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Subsequent measurement - Cost model

After initial recognition, property, plant and equipment is measured at cost less any accumulated depreciation and any accumulated impairment losses.

Impairments

The entity tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

Where the estimated impairment loss exceeds the carrying amount of the asset to which it relates, the resulting liability is only recognised if it is required by another standard.

Compensation from third parties for items of property, plant and equipment that were impaired, lost or given up are included in profit or loss when the compensation becomes receivable.

Derecognition

The carrying amount of an item of property, plant and equipment is derecognised when the asset is disposed of or when when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. Gains are classified as other gains on the face of the statement of profit or loss and other comprehensive income.

3.6 Income tax

3.6.1 Current tax

In accordance with the most recent tax legislation, the current income tax expense of Rural Banks is calculated at 25% of chargeable income. There are tax sensitive income and expenditure items which precipitate a numerical difference between the reported profits or losses and chargeable income for a particular period. Where these differences exist and are material, reconciliation is prepared to enable an easy identification of the effective tax rate for any period of assessment.

3.6.2 Deferred tax

Deferred income tax is calculated and provided for in full using the liability method on temporary differences that may arise from the tax basis of assets and liabilities and their carrying amounts in the Financial Statements. The determination of deferred income tax is based on tax rates (and tax laws as the case may be) that have been enacted or expected to become valid for application by the reporting date, or when the related deferred income tax asset may be realised or when the deferred income tax liability may be settled

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and such future profits can be reliably measured. As a result, deferred tax assets are reviewed periodically to ensure that their expected recoverable values grounding their initial recognition have not been impaired and where they have, to reduce the related deferred tax assets to their recoverable amounts.

Tax expense (income)
Current and deferred tax is recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity.
- a business combination other than the acquisition by an investment of a subsidiary that is required to be measured at fair value through profit or loss.

Current tax and deferred tax is recognised outside profit or loss if the tax relates to items that are recognised, in the same or a different period, outside profit or loss. Therefore, current tax and deferred tax that relates to items that are recognised, in the same or a different period:

- in other comprehensive income, will be recognised in other comprehensive income;
- directly in equity, will be recognised directly in equity.

3.7 Leases as lessee
Identification of a lease
At inception of a contract, it is assessed to determine whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the terms and conditions of a contract are changed, it is reassessed to once again determine if the contract is still or now contains a lease.

Where a contract contains a lease, each lease component with the contract is accounted for separately from the non-lease components. The consideration is then allocated to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components are determined on the basis of the price the lessor, or a similar supplier, would charge an entity for that component, or a similar component, separately. If an observable stand-alone price is not readily available, an estimate of the stand-alone price is made, maximising the use of observable information in each case.

All non-lease components are accounted for in accordance with whatever other policy is applicable to them.

Lease term
The lease term of a lease is determined as the non-cancellable period of the lease, together with the periods covered by an option to extend the lease where there is reasonable certainty that the option will be exercised, and periods covered by an option to terminate the lease if there is reasonable certainty that the option will not be exercised.

The assessment of the reasonable certainty of the exercising of options to extend the lease or not exercising of options to terminate the lease is reassessed upon the occurrence of either a significant event or a significant change in circumstances that is within the bank's control and it affects the reasonable certainty assumptions.

The assessment of the lease term is revised if there is a change in the non-cancellable lease period.

Recognition
At inception, a right-of-use asset and a lease liability is recognised. Right-of-use assets are included in the statement of financial performance within a classification relevant to the underlying asset, and not as a separate line item.

Measurement

Right-of-use assets are initially measured at cost, comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred; and
- an estimate of costs to be incurred in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The obligation for those costs are incurred either at the commencement date or as a consequence of having used the underlying asset during a particular period.

Where a lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects a purchase option will be exercised, the right-of-use asset is depreciated from the commencement date to the end of the useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The bank tests for impairment where there is an indication that a right-of-use asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of a right-of-use asset is greater than the estimated recoverable amount, it is written down immediately to its recoverable amount. The resulting impairment loss is recognised immediately in profit or loss, except where the decrease reverses a previously recognised revaluation increase for the same asset the decrease is recognised in other comprehensive income to that extent and reduces the amount accumulated in equity under revaluation surplus, and future depreciation charges are adjusted in future periods to allocate the revised carrying amount, less its residual value, on a systematic basis over its remaining useful life.

The lease liability is initially measured at the present value of the lease payments that are not yet paid at the commencement date. Lease payments are discounted using the interest rate implicit in the lease, if the rate can be readily determined, else it is based on the bank's incremental borrowing rate. The following lease payments are included where they are not paid at the commencement date:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if there is reasonably certainty that the option will be exercised; and
- payments of penalties for terminating the lease, if the lease term reflects the exercising an option to terminate the lease.

Subsequently, the lease liability is measured by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and
- remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate described above, or if applicable the revised discount rate described below.

Profit or loss for the year will include the interest expense on the lease liability, and the variable costs not included in the measurement of the lease liability are included in the year in which the event of condition that triggers the payment of the variable costs occurs.

3.8 Stated Capital and Reserves

3.8.1 Stated capital

Stated Capital comprises amount arising from the issue of shares for cash and transfers from retained earnings and other surpluses as defined under the Companies Act, 2019 (Act 992). These shares are not redeemable by holders in the normal course of business. Dividends on ordinary shares are recognized in the period in which they are approved by the Shareholders.

3.8.2 Statutory reserves

The Statutory Reserve Fund is required under section 34 of the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930) to be set aside cumulatively from annual profit after tax. Depending on the ratio of the existing Statutory Reserve Fund to paid up capital, the proportion of after-tax profits required to be transferred to this reserve fund ranges from 12.50% to 50%.

3.8.3 Capital surplus/reserves

The capital surplus account is a creation of law under sections 70 and 71 of the Companies Act, 2019 (Act 992) and records gains or losses arising from the revaluation of assets of the Bank including its property, plant and equipment. The International Financial Reporting Standards (IFRS) require the evaluation at regular intervals of these property, plant and equipment. The Bank has therefore adopted a policy to evaluate its assets at regular intervals.

3.8.4 Retained earnings

The Retained Earnings account records the cumulative annual profits (after appropriations) available for distribution to Shareholders.

4. Critical accounting judgements and key sources of estimation uncertainty

The Bank's Management makes assumptions, estimates and judgements in the process of applying the Bank's accounting policies that affect the assets, liabilities, income and expenses in the consolidated annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the 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 policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Useful lives of property, plant and equipment

The Bank determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The Directors will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non strategic assets that have been abandoned or sold. The rates are set out in note 2.6.

4.2 Income taxation

Income taxation for the year includes current taxation and deferred taxation. Current taxation and deferred taxation are recognised in profit or loss, except to the extent that the taxation arises from a transaction or event which is recognised directly in equity. In the case if the taxation relates to items that are recognised directly to equity, current taxation and deferred taxation are also recognised directly to equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Current tax is the amount of income tax payable or recoverable in respect of the taxable profit or loss for a period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred tax assets also arise from unused taxation losses and unused taxation credits.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

5. Risk Management

Introduction and overview

Risk management is fundamental to long-term profitability and survival of the Bank. The Bank manages risk through a continues process of identifying measurement and controlling risks inherent in its operations.

Categories of risk

Risk is inherent in every material business activity of the Bank. The nature of the Bank's operations exposes it to the following risks:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

Credit risk

Credit risk refers to the risk that a borrower defaults in repaying a credit facility either in full or in part or that a counterparty fails to meet its contractual obligation on a financial instrument, thereby resulting in financial loss to the Bank. The principal sources of credit risk inherent in the Bank's operations arise from loans and advances to customers and investment securities (placements).

The Bank pursues a prudent policy for granting credit facilities to customers. It applies the Know Your Customer (KYC) principle when granting credit facilities to customers. Credit facilities are granted to businesses whose management, integrity, and expertise are known and considered acceptable by the Bank. In addition, the Bank adequately assesses the financial performance of borrowers' businesses before granting credit facilities.

Credit facilities granted to customers, both corporate and retail, are closely monitored regularly to uncover early warning signals of non-performance, enabling the necessary remedial measures to be taken.

The Bank requires appropriate collateral to secure credit facilities granted to borrowers. Collateral serves as security in the form of an asset or third-party obligation that mitigates the inherent risk of credit loss. It does so by substituting the borrower's default risk or improving recoveries in the event of a default.

The Bank has adopted the following internal credit grading system in classifying its credit portfolio:

Grade	Description	Days overdue
1	Current	Less then 30 days
2	OLEM	30 to 90 days
3	Substandard	91 to 180 days
4	Doubtful	181 to 365 days
5	Loss	More than 365 days

Collaterals held as security against credit risk consist mainly of mortgages over landed property as well cash and Government securities.

Exposure to credit risk

The maximum amount of credit risk by class of financial asset as at 31December, 2025 was as follows:

31December 2025	**Fair value through profit orloss**	**Fair value through Other Comprehensi veIncome**	**Amortised cost**	**Total**
Assets	**GHS**	**GHS**	**GHS**	**GHS**
Cash and bank balances	**39,792,305**	**-**		**39,792,305**
Investment securities(Fixed deposits)	**-**	**-**	**12,979,449**	**12,979,449**
Treasury bills	**128,113,746**	**-**		**128,113,746**
Government bonds	**-**	**-**	**45,819,716**	**45,819,716**
Loans and advances to customers	**-**	**-**	**97,349,624**	**97,349,624**
Equity investments	**-**	**240,216**		**240,216**
	167,906,051	**240,216**	**156,148,789**	**324,295,056**
Liabilities				
Customer deposits	**-**	**-**	**288,302,913**	**288,302,913**
Borrowings	**-**	**-**	**2,795,056**	**2,795,056**
	-	**-**	**291,097,969**	**291,097,969**

31December2024	Fair value through profit or loss	Fair value through Other Comprehensive Income	Amortised cost	Total
Assets	GHS	GHS	GHS	GHS
Cash and bank balances	30,713,096	-		30,713,096
Investment securities (Fixed deposits)	-	-	17,683,301	17,683,301
Treasury bills	80,505,463	-		80,505,463
Government bonds	-	-	44,910,136	44,910,136
Loans and advances to customers	-	-	73,882,966	73,882,966
Equity investments	-	195,916		195,916
	111,218,559	195,916	136,476,403	247,890,878
Liabilities				
Customer deposits	-	-	227,027,321	227,027,321
Borrowings	-	-	3,255,748	3,255,748
	-	-	230,283,069	230,283,069

Liquidity risk
Liquidity risk arises when the bank cannot meet maturing obligations, or fund increases in assets without incurring excessive costs. This may occur if unexpected withdrawals exceed available cash resources, or if committed loan disbursements cannot be met.

Management of liquidity risk
To manage liquidity risk, the bank minimizes mismatches in cash flows from assets and liabilities and ensures compliance with the cash reserve requirement.

The bank determines and monitors its daily liquidity position by preparing daily liquidity reports that summarize cash inflows, outflows, and reserve requirements. Management takes action on required borrowings or placements based on treasury guidelines, and daily reports are submitted for approval. The bank also monitors regulatory compliance daily.

For branch operations, cash holdings depend on projected withdrawals and deposits based on prior experience. In regions with multiple branches, surplus cash at one branch can replenish deficits at another.

It is the Bank's policy to have adequate and up to date contingency funding plans to enable the Bank to respond effectively to liquidity stress events at various levels of severity. These policies are based on stress scenarios and include potential funding strategies and sources.

Management meets regularly to review the liquidity position of the Bank in line with the treasury and investment policy of the Bank. The Bank maintained a healthly position throughout the year.

Exposure to liquidity risk
The Bank's exposure to liquidity risk as measured by liquidity gap ananlysis is summarised below:

2025	1-3months	4-6months	7-12months	Beyond1 year	Total
Financial assets					
Cash and bank balances	19,717,673	-	-	14,074,633	33,792,306
Investments	64,453,006	51,393,512	28,664,033	46,366,203	190,876,754
Loansand advances	20,787,438	20,727,144	12,874,816	42,960,255	97,349,654
Other assets	-	-	9,222,347	-	9,222,347
Total assets	104,958,118	72,120,656	50,761,197	103,401,091	331,241,061
Liabilities					
Deposits from customers	63,285,143	72,020,124	107,151,556	45,847,086	288,303,909
Borrowings	527,024	527,024	1,054,049	686,959	2,795,056
Other liabilities	-	-	16,106,116	-	16,106,116
Total liabilities	63,812,168	72,547,148	124,311,721	46,534,045	307,205,082
Net Liquidity Gap	41,145,950	(426,492)	(73,550,524)	56,867,046	24,035,980

*There were no contingencies during the year

2024	1-3months	4-6months	7-12months	Beyond1 year	Total
Financial assets					
Cash and bank balances	19,793,511	-	-	10,919,585	30,713,096
Investments	45,383,607	21,326,610	30,682,842	45,466,623	142,859,682
Loans and advances	13,101,399	14,342,953	8,641,061	37,797,552	73,882,965
Other assets	-	-	3,117,267	-	3,117,267
Property, plant and equipment	283,514	283,514	567,027	7,404,917	8,538,972
Total assets	78,562,031	35,953,077	43,008,197	101,588,677	259,111,982
Liabilities					
Deposits from customers	51,774,206	54,328,023	83,687,449	35,556,684	225,346,362
Borrowings	424,358	424,358	848,718	1,558,315	3,255,749
Other liabilities		-	12,326,102	-	12,326,102
Total liabilities	52,198,564	54,752,381	96,862,269	37,114,999	240,928,213
Net Liquidity Gap	26,363,467	(18,799,304)	(53,854,072)	64,473,678	18,183,769

*There were no contingencies during the year

Market risk

Market risk is the potential for losses arising from movements in interest rates, exchange rates, equity prices, and commodity prices. The Bank is currently exposed to interest rate risk.

Management of market risk

Exposure to interest rate risk

Interest rate risk arises when there is a mismatch between positions subject to interest rate adjustments within a specified period. The Bank's lending, investment, and funding activities create interest rate risk due to a mix of fixed and floating rate assets and liabilities on its books. Monitoring of interest-bearing assets and liabilities is done closely to take remedial actions if needed.

Operational risk

Operational risk arises from inadequate or failed processes, people, systems, staff misconduct, or uncontrolled external events. These risks include:

a. Failure to manage systems, operations, transactions and assets
b. Human errors or loss of customer data
c. Fraud, theft, cyber attacks and hacking activities: and
d. Natural as well as man-made disasters.

These risks are identified, monitored and controlled through well designed operating procedures and controls, insurance policies, business continuity planning, internal audit and timely and reliable management reporting systems. Operational risk in the Bank is driven by volume of cash flows and transactions as well as other operational risks such as shortages, legal expenses, system failures etc.

The Bank's management is primarily responsible for managing operational risk inherent in its banking business. The Bank manages its operational risk by regularly raising awareness of its employees to potential operational losses, improving early warning information systems and allocating risk ownership and responsibilities to branch managers and heads of departments.

Furthermore, the Bank has put in place physical controls to ensure that unauthorised persons do not have access to sensitive areas of the Bank.

The effective management of the Bank's operational risk therefore protects the Bank against unnecessary business disruptions and associated costs

Capital management

The Bank's primary objective in capital management is to ensure:

- *Compliance with the minimum stated capital requirement set by the Bank of Ghana.*
- *Adherence to the regulatory capital requirement, meeting the Capital Adequacy Ratio requirement of Bank of Ghana.*
- *Maintenance of a strong capital base to boost confidence among investors, creditors, and the market, while supporting future business development*

Regulatory capital

Regulatory Capital includes Tier 1 and Tier 2 capital:

- *Tier 1 Capital: Stated capital, statutory reserves, and retained earnings, adjusted for intangible assets and regulatory considerations affecting capital adequacy.*
- *Tier 2 Capital: Includes subordinated liabilities and revaluation surplus, with a cap on Tier 2 capital at 2% of risk-weighted assets.*

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st DECEMBER 2025

Figures in GHS	2025	2024
6. Interest income		
Interest on loans and overdrafts	**38,938,824**	23,683,786
Interest on investment	**26,273,482**	22,000,687
Amortisation of deferred commissions / fees	**790,392**	809,992
	66,002,698	46,494,465
7. Interest expense		
Interest on borrowings	**460,592**	591,033
Interest on savings	**5,488,572**	4,363,596
Interest on time deposits	**6,357,758**	5,441,897
	12,306,922	10,396,526
8. Fees and commission income		
Commitment fees	**1,192,297**	673,016
Commission on turnover	**1,108,646**	675,417
Commission on bancassurance	**75,827**	29,403
SMS charges	**401,971**	213,954
Interest on clearing accounts	**38,705**	11,583
Other fees	**1,012,864**	367,928
Processing fees	**2,148,505**	3,141,859
	5,978,815	5,113,160
9. Other operating income		
Gainon disposal of scaps	**28,500**	14,350
Income from sale of stationery stock	**89,126**	82,159
Bad debts recovered	**6,052**	31,659
	123,678	128,168
10. Net impairment loss on financial assets		
Provision on loans and advances	**3,038,589**	833,638
Bad debt written-off	**73,000**	132,140
Provisions on investments	**1,041,529**	772,081
	4,153,118	1,737,859
11. Personnel expenses		
Staff remuneration	**16,889,274**	13,292,255
Directors' fees	**168,000**	105,000
Directors sitting allowance	**548,000**	405,900
Staff medical expenses	**483,608**	335,083
Staff and Directors training	**989,201**	733,784
Directors transport allowance	**732,800**	546,739
Other staff cost	**2,489,657**	1,709,686
	22,300,540	17,128,447

Figures in GHS	2025	2024
12. Depreciation and amortization		
Property, plant and equipment (Note22)	**1,377,084**	996,576
Right-of-use assets(Note23)	**375,568**	380,031
	1,752,652	1,376,607
13. Other operating expenses		
Advertising	**96,006**	123,590
Annual general meeting expenses	**389,310**	324,115
ATM expenses	**9,923**	35,900
Audit expenses	**46,281**	40,206
Audit fees	**90,000**	70,000
Bank charges	**112,570**	126,384
Board meeting expenses	**113,896**	82,266
Bungalow expenses	**70,173**	108,225
Business promotion	**309,505**	385,361
Cleaning and sanitation	**294,794**	255,587
Commission expenses	**1,411,348**	1,652,023
Community support	**393,313**	367,032
Computer running expenses	**1,500,021**	1,213,370
Consultancy fees	**306,100**	96,339
CSWE motorbike running cost	**314,690**	285,857
Defalcation	**120,256**	161,019
Electricity and water	**970,768**	923,669
End of year package	**807,822**	454,458
Entertainment	**486,720**	373,824
Insurance	**1,084,801**	884,614
Legal expenses	**256,089**	179,350
Motor vehicle running cost	**1,771,475**	1,515,926
Office expenses	**836,416**	411,607
Penalty-Bank of Ghana	**-**	24,000
Postage and telephone	**181,580**	160,757
Powerplant	**245,656**	298,279
Printing and stationery	**465,360**	569,494
Rates and levies	**111,349**	106,241
Recovery expenses	**9,750**	23,446
Repairs and maintenance	**469,020**	658,770
Security expenses	**600,341**	524,285
Specie movement	**127,230**	246,361
Subscription and periodicals	**176,297**	170,857
Susu mobilization expenses	**1,185,615**	1,102,127
Travelling expenses	**865,368**	599,145
	16,229,843	14,554,484
14. Income tax expense		
Current tax expense(Note29)	**5,794,754**	2,482,869
Deferred tax expense(Note30)	**255,563**	20,832
	6,050,317	2,503,701

Figures in GHS	**2025**	2024

The income tax for the year can be reconciled to the accounting profit as follows:

Profit before tax from operations	**15,362,116**	6,541,868
Income tax calculated at 25.0%	**3,840,529**	1,635,467
Add/(Deduct):		
Tax effect of non-deductible expenses	**1,695,138**	906,240
Tax effect of capital allowance	**(509,018)**	(385,930)
Increase/(decrease)indeferred tax for the year	**255,563**	**20,832**
Growth and sustainability levy	**768,106**	327,093
Tax expense	**6,050,317**	**2,503,701**
Effective tax rate	**39%**	38%

15. Earnings per Share

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

Profit attributable to Ordinary Shareholders	**9,311,799**	4,038,169
Weighted average number of Ordinary Shares	**46,185,347**	37,352,397
Basic earnings per Share	**0.20**	0.11

The Bank had no category of dilutive potential Ordinary Shares at both reporting dates. The diluted earnings per share is therefore the same as the basic earnings per share.

16. Cash and cash equivalents

Cash		
Cash on hand	**10,277,152**	8,293,603
Balances with other banks	**2,369,249**	4,338,061
Clearing account-ARB Apex Bank	**6,544,481**	849,908
E-Money float	**526,790**	311,939
	19,717,672	13,793,511
Cash equivalents		
5% Deposit-ARB Apex Bank Ltd	**14,074,633**	10,919,585
ARB Apex Certificate of Deposit (ACOD7)	**6,000,000**	6,000,000
	20,074,633	16,919,585
	39,792,305	30,713,096

Figures in GHS	2025	2024
17. Short-term investments		
Treasury bills	**128,113,746**	80,505,463
Fixed deposit with Consolidated Bank Ghana	**6,147,945**	10,600,000
	134,261,691	91,105,463
Accrued interest	**1,758,701**	3,380,946
	136,020,392	**94,486,409**
18. Long-term investments		
Investment with Amalgamated Mutual Fund(GCB Capital Limited)	**6,136,326**	6,388,123
Investment with CDH Savings and Loans Limited	**695,178**	695,178
	6,831,504	7,083,301
Accrued interest	**964,798**	**964,798**
Less:		
Impairments	**(2,251,921)**	(1,207,215)
	5,544,381	6,840,884

Investment with Amalgamated Mutual Fund is an open-ended collective investmentset up by the GCB Capital Limited with funding from the Government as part of its bailout programme to investors whose funds were locked up with the defunct Gold Coast Fund Management.

	2025	2024
19. Equity investment		
Anglogold Ashanti Limited	**3,177**	-
ARB Apex Bank Limited	**237,039**	195,916
	240,216	195,916
20. Government bonds		
Government of Ghana (GoG) bonds	**46,366,203**	45,456,623
Less:		
Impairment	**(546,487)**	(546,487)
	45,819,716	44,910,136

Figures in GHS		2025	2024
21.	**Loans and advances to customers**		
21.1	**Analysis by product type**		
	Term Loans	**87,825,532**	70,304,919
	Overdrafts	**9,524,092**	3,578,047
		97,349,624	73,882,966
	Interest and commission accrued	**2,205,207**	1,494,915
	Less:		
	Provision for credit losses(Note20.5)	**(5,809,989)**	(2,771,399)
		93,744,842	72,606,482
21.2	**Analysis by business segment**		
	Agriculture	**10,699,541**	1,105,100
	Microfinance/trading	**41,034,032**	27,753,837
	Transport	**3,009,224**	1,299,017
	Staffloan	**4,713,685**	3,131,406
	Others	**37,893,141**	40,593,606
		97,349,624	73,882,966
	Interest and commission accrued	**2,205,207**	1,494,915
	Less		
	Provision for credit losses(Note20.5)	**(5,809,989)**	(2,771,399)
		93,744,842	72,606,482
21.3	**Analysis by type of customer**		
	Individual	**58,401,559**	36,389,585
	Private enterprise	**16,577,602**	17,682,511
	Staff loan	**4,713,685**	3,131,406
	Group	**17,656,777**	16,679,464
		97,349,624	73,882,966
	Interest and commission accrued	**2,205,207**	1,494,915
	Less		
	Provision for credit losses(Note20.5)	**(5,809,989)**	(2,771,399)
		93,744,842	72,606,482
21.4	**Other statistics**		
	(i) Loan loss provision ratio	***6%***	*4%*
	(ii) Gross non-performing loans ratio	***5%***	*5%*
	(iii) Twenty (20) largest exposures	***9%***	*11%*

Figures in GHS	2025	2024
21.5 Analysis of expected credit loss		
A.Stage1: Performing		
Agriculture	-	158,379
Microfinance/trading	1,051,814	409,244
Transport	-	166,053
Staff loan	-	132,400
Others	22,477	3,310
	1,074,291	869,387
B.Stage2:Underperforming		
Agriculture	-	2,171
Microfinance/trading	2,451	17,397
Transport	-	-
Staffloan	-	-
Others	-	100,035
	2,451	119,603
C.Stage3:Non-performing		
Agriculture	-	945,458
Microfinance/trading	1,038,361	260,839
Transport	-	8,354
Staff loan	-	-
Others	3,694,885	567,759
	4,733,247	1,782,410
Total(A+B+C)	5,809,989	2,771,399

Loan provisioning/impairment are carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income.

Where provisions per IFRS is more than provisions of Bank of Ghana guidelines, no regulatory credit reserve is required. When the credit loss provision calculated under IFRS principles is less than what is required under the Bank of Ghana, transfers are made from the income surplus account into the non-distributable regulatory credit reserves.

There was credit risk reserve of GHS489,411 made in the year as IFRS provision is less than provision under Bank of Ghana guidelines. (2024: GHS66,362).

22. Other assets		
Office accounts	122,295	128,535
Interest in arrears	1,436,393	1,564,780
Head office inter agency	-	555,369
ATM(Ghlink, remote & cardstock)	4,251	5,585
E-Zwich operations	1,157,802	629,409
Stationery stock	275,908	233,589
	2,996,649	3,117,267

Figures in GHS | 2025

23. Property, plant and equipment

	Land	Buildings	Motor vehicles	Office furniture and fittings	Bungalow furnitureand fittings	Office equipment	Computer and accessories	Leasehold improvement	Total
Balance at 1 January 2025									
At cost	1,216,391	3,801,232	4,046,019	595,132	13,160	3,249,076	972,533	1,510,307	15,403,850
Accumulated depreciation	-	(638,671)	(2,760,768)	(348,502)	(13,160)	(2,005,937)	(593,300)	(504,541)	(6,864,879)
Carrying amount	1,216,391	3,162,561	1,285,251	246,630	-	1,243,139	379,233	1,005,766	8,538,971
Movements for the year									
Additions for the year	-	52,620	1,577,839	81,800	-	202,018	409,346	23,338	2,346,961
Depreciation	-	(86,382)	(615,385)	(61,035)	-	(337,741)	(83,576)	(192,965)	(1,377,084)
Transfer (from)/to other assets	(690,571)	690,571	-	-	-	-	-	-	-
Disposal	-	-	(11,500)	-	-	-	-	-	(11,500)
Balance at the end of the year	525,820	3,819,370	2,236,205	267,395	-	1,107,416	705,003	836,139	9,497,348
Balanceat 31December 2025									
At cost	525,820	4,544,423	5,486,507	691,439	13,160	3,517,770	1,405,895	1,533,645	17,718,659
Accumulated depreciation	-	(725,053)	(3,250,302)	(424,044)	(13,160)	(2,410,354)	(700,892)	(697,506)	(8,221,311)
Carrying amount	525,820	3,819,370	2,236,205	267,395	-	1,107,416	705,003	836,139	9,497,348

Disposal Schedule	Cost	Accumulated depreciation	Carrying value	Proceeds fromdisposal	Gain/(Loss)
Motor vehicle	74,425	62,925	11,500	40,000	28,500
	74,425	62,925	11,500	40,000	28,500

Figures in GHS									2024
	Land	Buildings	Motor vehicles	Office furnitureand fittings	Bungalow furnitureand fittings	Office equipment	Computer and accessories	Leasehold improvement	Total
Balance at1January 2024									
At cost	525,820	3,489,647	3,236,672	462,632	13,160	2,465,132	812,107	1,490,703	12,495,873
Accumulated depreciation	-	(568,877)	(2,342,636)	(325,601)	(13,160)	(1,766,423)	(522,330)	(434,474)	(5,973,501)
Carrying amount	525,820	2,920,770	894,036	137,031	-	698,709	289,777	1,056,229	6,522,372
Movements for the year									
Additions from acquisitions	-	311,584	809,347	147,007	-	850,620	184,442	19,604	2,322,604
Depreciation	-	(69,793)	(418,132)	(37,408)	-	(306,190)	(94,986)	(70,067)	(996,576)
Transfer from other assets	690,571	-	-	-	-	-	-	-	690,571
Balance at the end of the year	1,216,391	3,162,561	1,285,251	246,630	-	1,243,139	379,233	1,005,766	8,538,971
Balance at 31December 2025									
At cost	1,216,391	3,801,232	4,046,019	595,132	13,160	3,249,076	972,533	1,510,307	15,403,850
Accumulated depreciation	-	(638,671)	(2,760,768)	(348,502)	(13,160)	(2,005,937)	(593,300)	(504,541)	(6,864,879)
Carrying amount	1,216,391	3,162,561	1,285,251	246,630	-	1,243,139	379,233	1,005,766	8,538,971

Disposal Schedule	Cost	Accumulated depreciation	Carrying value	Proceeds fromdisposal	Gain/(Loss)
Furniture and fittings	24,017	24,017	-	4,250	4,250
Office equipment	66,676	66,676	-	8,750	8,750
Computer and accessories	14,507	14,507	-	1,350	1,350
	105,200	105,200	-	14,350	14,350

Figures in GHS	2025	2024

23.1 Depreciation and impairment losses

Depreciation and impairment losses have been included under the following expenditures:

	2025	2024
Other expenses		
Buildings	86,382	69,793
Motor vehicles	615,385	418,132
Office furniture and fittings	61,035	37,408
Office equipment	337,741	306,190
Computer and accessories	83,576	94,986
Lease hold improvement	192,965	70,067
	1,377,084	**996,576**

24. Right-of-use assets

	2025	2024
Balance at1January	**1,558,658**	1,874,289
Addition during the year	**240,412**	64,400
	1,799,070	1,938,689
Amortised during the year	**(375,568)**	(380,031)
Balance at 31 December	**1,423,502**	1,558,658

The balance represents prepaid rent at the end of the year.

25. Deposits from customers

	2025	2024
Savings deposit	**156,909,832**	121,758,090
Demand deposits	**41,800,484**	33,006,569
Fixed/Time deposits	**59,067,482**	47,562,943
Susu deposits	**28,952,980**	23,018,760
	286,730,778	225,346,362
Accrued interest	**1,572,135**	1,680,959
	288,302,913	227,027,321
Analysis by type of depositors		
Individuals	**122,950,730**	206,329,718
Private enterprises	**5,464,997**	14,743,888
Government agencies & departments	**158,315,051**	4,272,756
Accrued interest	**1,572,135**	1,680,959
	288,302,913	227,027,321
Ten(10)largest depositors to total deposit ratio	5.69%	5.37%

Figures in GHS	2025	2024
26. Managed funds		
Covid-19 loan:		
As at 1 January	**5,406**	36604
Addition	**-**	-
Payments	**-**	(31,198)
As at 31 December	**5,406**	5,406

The Board resolved and agreed that the managed funds in the books of the Bank be classified and treated as instruction to pay only, with no obligation nor liability for recovery of the disbursed funds from the beneficiaries as the payments were made against instructions received.

27. Dividend payable		
Balance at 1 January	**587,087**	793,265
Dividend declared	**1,531,438**	929,816
	2,118,525	1,723,081
Dividend paid during the year	**(1,534,429)**	(488,230)
Balance at 31 December	**584,096**	587,087

Dividend is declared based on the recommendation of the Board to the Shareholders of the Bank.

Dividend per share of 0.041 was was declared for the year 2024.

Figures in GHS	2025	2024
28. Borrowings		
Balance at1 January	**3,255,748**	100,039
Addition	**1,232,000**	4,200,000
Repayment	**(1,692,692)**	(1,044,291)
Balance at 31 December	**2,795,056**	3,255,748

Loan 1
ARB Apex Bank Plc purchased National Identification Authority (NIA) verifcation devices worth GHS100,039 in the year 2023 in favour of Manya Krobo Rural Bank Plc as a loan to be repaid in 60 equal monthly installments at an interest rate of 12% per annum.

Loan 2
The Bank in 2024 secured a loan facility of GHS940,000 from ARB Apex Bank Plc in 2024 to acquire a new armoured bullion van to support specie movement operations. The loan is to be repaid in 60 equal monthly instalments at an interest rate of 17% per annum.

Loan 3
The Bank during 2024 secured a loan of GHS460,000 from ARB Apex Bank Plc for moving Madina branch office from Zongo Junction to Old Melcom road at Madina. The loan is to be repaid in 60 equal monthly installments at an interest rate of 19.5% per annum.

Loan 4
The Bank during 2024 secured a loan of GHS2,800,000 from ARB Apex Bank Plc to support the Bank operations. The loan is to be repaid in 60 equal monthly installments at an interest rate of 19.5% per annum.

Loan 5
The Bank during 2025 secured a loan facility of GHS1,232,000 from ARB Apex Bank Plc for the purchase of two (2) Toyota Hilux to support the bank operations. The loan is to be repaid in 37 equal monthly installments starting January 2026 at an interest rate of 16.5% per annum.

Borrowings comprise:		
NIAverification device loan-ARB Apex Bank	**69,723**	82,415
Armoured bullion van loan-ARB Apex Bank	**611,000**	799,000
Renovation at Madina Branch-ARB Apex Bank	**299,000**	391,000
On-lending fund-ARB Apex Bank	**583,333**	1,983,333
Vehicle loan	**1,232,000**	-
	2,795,056	3,255,748

Figures in GHS	**2025**	2024

29. Current tax liabilities

Year of assessment	Balance at 1 January	Paid during the year	Charge for the year	Balance at 31 December
Corporate income tax:				
Up to 2022	146,594	-	-	**146,594**
2023	147,593	-	-	**147,593**
2024	155,641	(729,648)	-	**(574,008)**
2025	-	(2,492,743)	5,026,648	**2,533,905**
	449,828	(3,222,391)	5,026,648	**2,254,084**
Growth & sustainability levy:				
2023	-	-	-	**-**
2024	327,093	(327,093)	-	**-**
2025	-	(375,000)	768,106	**393,106**
	327,093	(702,093)	768,106	**393,106**
Total	776,921	(3,924,484)	5,794,753	**2,647,190**

The tax position up to 2022 has been agreed with the Ghana Revenue Authority (GRA). (The remaining years are subject to agreement by the Ghana Revenue Authority).

30. Deferred tax

Balance at1 January	**560,116**	539,284
Charge to profit or loss	**255,563**	20,832
Balance at 31 December	**815,679**	560,116

31. Other liabilities

E-Zwich operations	**946,563**	125,499
Deferred income on commitment and processing fees	**1,181,564**	858,738
Unearned interests	**5,537,983**	7,740,919
Office accounts	**1,999,542**	1,290,988
Bills payable	**190,037**	206,027
Head office interagency	**168,707**	-
Other payables	**2,426,173**	1,784,777
	12,450,569	12,006,948

Figures in GHS	2025	2024

32. Stated capital

a. Authorised

	2025	2024
Ordinary shares of no par value	**100,000,000**	100,000,000
Preference shares	**50,000**	50,000

b. Issued	No. of shares 2025	2024	Stated Capital 2025	Stated Capital 2024
Balance at1January				
Issued for cash	**37,352,397**	35,409,320	**5,461,396**	4,972,857
Preference shares	**50,000**	50,000	**5**	5
	37,402,397	35,459,320	**5,461,401**	4,972,862
Additions				
Issued for cash	**3,820,371**	1,943,077	**951,064**	63,452
Bonus shares	**5,012,579**	-	**1,316,554**	-
	46,235,347	37,402,397	**7,729,019**	5,461,401

c. The Bank of Ghana approved a bonus share of 1 new share for every 7 existing shares held by shareholders in the books of the bank as at 30th September 2022.

33. Deposit for shares

	2025	2024
Balance at 1 January	**1,326,530**	111,677
Additions	**729,133**	1,639,940
Transfer to stated capital	**(2,046,942)**	(425,087)
Balance at 31 December	**8,721**	1,326,530

This represents amounts introduced by existing and prospective Ordinary Shareholders as contribution to stated capital that are yet to be registered. The amount will be included as stated capital when registration is completed at the Office of the Registrar of Companies.

34. Statutory reserves

	2025	2024
Balance at1January	**5,729,099**	4,719,557
Transfer for the year (25% of profit)	**2,327,950**	1,009,542
Balance at 31 December	**8,057,049**	5,729,099

This represents the cumulative amounts set aside from annual net profit after tax as required by Section (34) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the ratio of the balance on statutory reserves to paid up capital. During the year, the Bank made a transfer equivalent to 25% of profit after tax to the statutory reserves.

35. Credit risk reserve

	2025	2024
Balance at 1 January	**66,362**	161,675
Transfer to/ (from) Credit reserve reserve	**423,049**	(95,313)
Balance at31 December	**489,411**	66,362

FiguresinGHS	2025	2024
Computation of Regulated Credit risk reserve		
Expected Credit Losses(ECL) per BoG guidelines	**6,299,400**	2,837,761
Expected Credit Losses(ECL) per IFRS9 Model	**5,809,989**	2,771,399
	489,411	66,362

This represents the difference between the IFRS 9 ECL Model and the BoG guidelines which has been appropriated from retained earnings to the Credit risk reserve.

36. Contingent liabilities

No known contingent liabilities existed at 31 December 2025 that would have a material effect on the results of the financial statements as set out on pages 21 to 60 or the continued existence of the Bank as a going concern.

37. Event after the reporting period

No events occurred during the year 31 December 2025 and the date the Directors approved the financial statements that would have a material impact on the results as disclosed in the financial statements as set out on pages 21 to 60 or the continued existence of the Bank as a going concern.

38. Capital commitments

There were no capital commitments during the year under review (2024: Nil).

39. Related party transactions

In the ordinary course of business, the Bank gives loans to Board of Directors and Staff. The total amount of outstanding balances during the year are as follows:

Key management staff	**489,281**	325,098
Other staff	**4,224,405**	2,806,308
	4,713,685	3,131,406

During the course of the year the Board of Directors did not take any loan.

The total remuneration of Directors and key management staff during the year are as follows:

Directors' remuneration	**1,448,800**	1,057,639
Key management staff	**1,622,317**	1,203,130
	3,071,117	2,260,769

40. Going concern

The Directors believe that the Bank will be a going concern in the year ahead. For this reason we continue to adopt the going concern basis in preparing the annual financial statements.

41. Corporate Social Responsibility

The amounts spent in fulfilling Corporate Social Responsibility for the year under review totalled GHS254,160 (2024: GHS367,032).

Figures in GHS	**2025**	2024

42. Regulatory disclosures

i) Non-performing loans
Percentage of gross non-performing loans (sub-standard to loss) to total credit/advances portfolio (gross) was 5.13% (2024: 5.10%).

ii) Loans written-off
No loan was written-off during the year under review (2024: GHS79,763).

iii) Breaches in statutory liquidity
The Bank complied with all requirements with respect to statutory liquidity.

iv) Liquidity Ratio
The Bank's primary liquidity reserve ratio at the end of 2025 was 8.97% (2024: 8.78%). The secondary liquidity reserve ratio stood at 64.38% at the end of 2025 (2024: 62.97%).

v) Capital Adequacy Ratio
The Bank's capital adequacy ratio at the end of 2025 was 16.92% (2024: 14.36%).

vi) 50 Largest Exposures
The Bank's ratio of 50 largest exposures at the end of 2025 was 26.53% (2024: 16.47%).

43. Minimum paid-up capital

According to Section 28 of the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930), the Bank has met the minimum paid-up capital of Rural Banks of GHS1,000,000.

Computation of paid-up capital according to Section 28 (3) includes the following:

Stated capital	**7,729,019**	5,461,401
Deposit for shares	**8,721**	1,326,530
Statutory reserve	**8,057,049**	5,729,099
Retained earnings	**10,623,631**	5,594,269
	26,418,420	18,111,299

Section 33 of Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) states that any Bank which fails to meet the minimum capital requirement is liable to pay to the Bank of Ghana a penalty of one-half per mille of the difference between the capital that the entity should have maintained and the level of capital actually maintained by the entity for each day that the default continues.

SHAREHOLDING STRUCTURE

FOR THE YEAR ENDED 31st DECEMBER 2025

S/n	List of top 20 Shareholders	Number of shares	Percentage of issued capital
1	Apo Benjamin Tetteh	3,906,337	8%
2	Nartey Desmond Afutu	2,524,767	5%
3	Adjimani Jonathan Partt	1,765,721	4%
4	Nartey Nartey Desmond Afutu ITF Desiri Nartekie	1,371,434	3%
5	Tetteh Mrs. Mercy Mamle	1,320,952	3%
6	Dadzie Samuel	1,051,433	2%
7	Darko Charles Tetteh	1,030,372	2%
8	Nartey Nartey Desmond Afutu ITF Sophie Nartey	914,290	2%
9	Apo Alex Odoi Lartey	856,964	2%
10	Acquaye Reginald	817,718	2%
11	Apo Nelly	816,002	2%
12	Peasah Elizabeth	770,362	2%
13	Nartey Richard Azina	760,243	2%
14	Dugbartey Aaron	749,579	2%
15	Ohipeni Edmund Tawiah	690,801	1%
16	Azagba Emmanuel Nyarko	685,717	1%
17	ApoJudith	664,231	1%
18	Nyaunu Michael Teye	560,642	1%
19	Kittah Benjamin	465,779	1%
20	Arkuh Charles	411,327	1%
21	Others	24,100,677	52%
		46,235,348	**100%**

Analysis of shareholding as at 31 December 2025

The Bank had 2,675 Ordinary Shareholders as at 31 December 2025 and were distributed as follows:

Category	Number of Shareholders	Number of shares	percentage held
1-1000	977	642,234	1%
1,001-3,000	696	1,261,123	3%
3,001-5,000	235	952,656	2%
5,001-10,000	308	2,245,114	5%
Exceeding10,000	459	41,134,221	89%
	2,675	**46,235,348**	**100%**

VALUE ADDED STATEMENT

FOR THE YEAR ENDED 31st DECEMBER 2025

Figures in GHS	2025	2024
Interest earned and other operating income	**72,105,191**	51,735,793
Direct cost	**(28,536,765)**	(24,951,010)
	43,568,426	26,784,783
Net impairment loss	**(4,153,118)**	(1,737,859)
Value added	**39,415,308**	25,046,924
Distributed as follows		
To employees and directors:		
To management staff and other employees	**20,851,740**	16,070,808
To non-executive directors	**1,448,800**	1,057,639
To government:		
Income tax	**5,330,118**	2,176,608
Growth and sustainability levy	**720,199**	327,093
To expansion and growth:		
Depreciation and amortisation	**1,752,652**	1,376,607
To retained earnings	**9,311,799**	4,038,169
	39,415,308	25,046,924

FORM OF PROXY

If you wish to vote at the 45th AGM of Manya Krobo Community Bank PLC, but are unable to attend in person, you may appoint a proxy to act on your behalf by completing this form. A proxy need not be a member of the company.

I/We appoint ....
as my/our proxy to attend and vote on my/our behalf at the A.G.M. of Manya Krobo Community Bank Plc at the Agormanya Roman Catholic Parish Hall, Agormanya, Odumase-Krobo near the Agormanya Market on the 29th of August, 2026 at 10.00 am and at any adjournment thereof.

ANNUAL GENERAL MEETING

		For	Against
Resolution 1:	To declare a dividend		
Resolution 2:	To fix the fees of directors		
Resolution 3:	To authorize directors to fix the fees of the Auditors		
Resolution 4(a):	To re-elect Mr. Patrick Amanor Buckor, who is retiring by rotation.		
Resolution 4(b):	To re-elect Mr. Richard Azina Nartey, who is retiring by rotation.		
Resolution 4(c):	To re-elect Mr. Augustus Lartey Djabatey, who is retiring by rotation.		
Resolution 4(d):	To re-elect Dr. Pardikor Madjitey, who is retiring by rotation.		
Resolution 4(e):	To re-elect Ms. Barbara Dede Ama Okai-Tettey Esq., who is retiring by rotation.		
Special Resolution	To approve the change of name of the Bank from Manya Krobo Rural Bank PLC to Manya Krobo Community Bank PLC in accordance with the Bank of Ghana's directive.		

Please indicate with "X" in the appropriate column how you wish your vote to be cast on the resolutions referred to above. Unless otherwise the instructed proxy will vote or abstain from voting at his/her discretion.

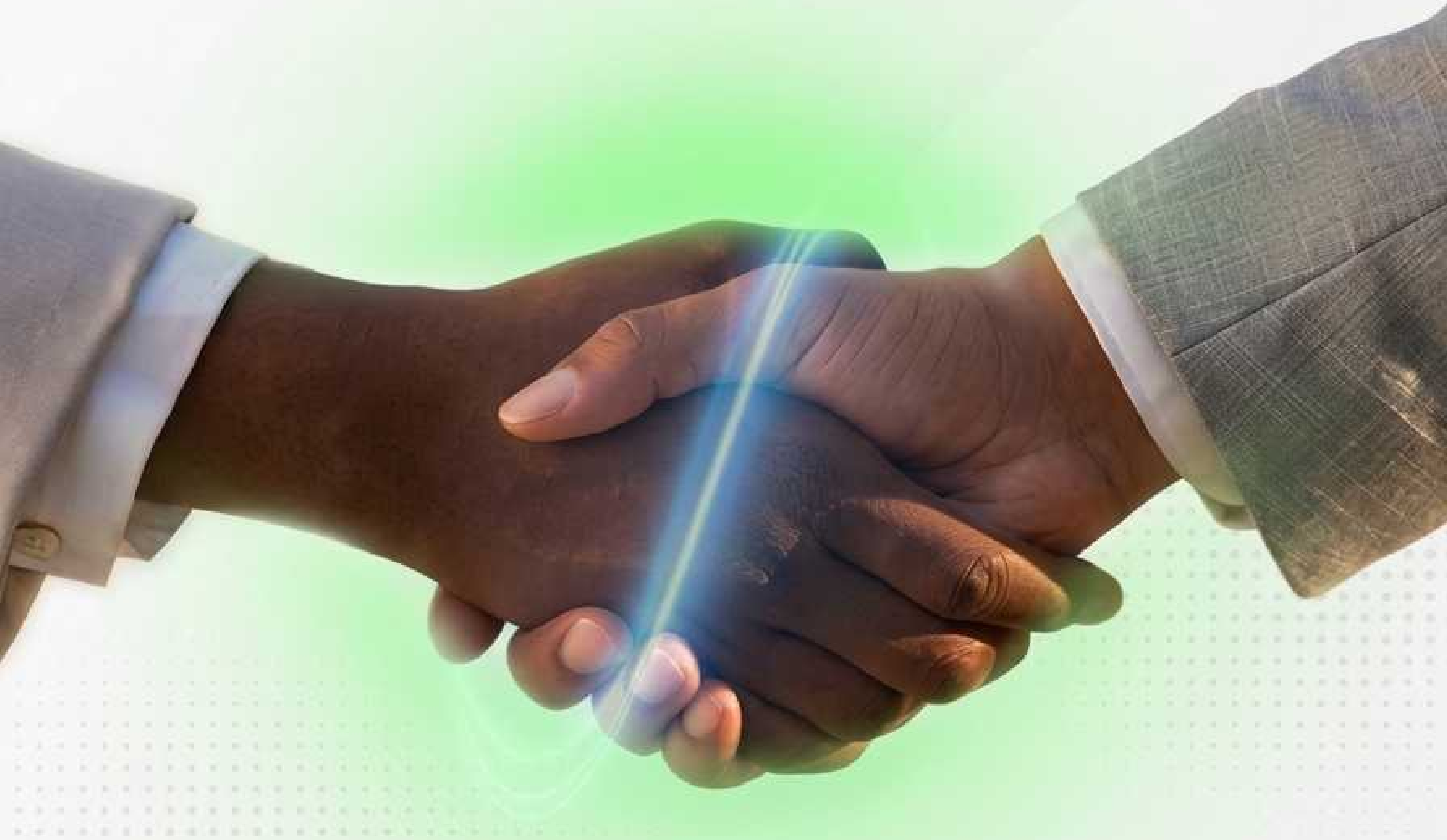
Shareholder's signature .... Date .... 2026.

**THIS PROXY FORM SHOULD NOT BE COMPLETED AND SENT TO THE CHIEF EXECUTIVE OFFICER IF THE MEMBER WILL BE ATTENDING THE MEETING.
A COMPLETED PROXY FORM MUST BE SENT VIA EMAIL TO: info@manyakroboruralbank.com
OR DEPOSITED AT ANY OF THE BANK'S BRANCHES, NOT LESS THAN 48HOURS BEFORE THE MEETING.**


School fees
sorted
no pressure
Keep your kids
shining while you
stay stress free.
MANYA KROBO COMMUNITY BANK
MANYA KROBO
COMMUNITY BANK PLC
0541 254039
info@mkcbghana.com

Be more than a customer

With shares at **Manya Krobo Community Bank**, you become part of the growth story. Build wealth while building your bank



MANYA KROBO
COMMUNITY BANK PLC

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