ADA RURAL BANK PLC

2024 ANNUAL REPORTS AND FINANCIAL STATEMENTS

ADA RURAL BANK PLC

40TH ANNUAL GENERAL MEETING

ANNUAL REPORTS AND FINANCIAL STATEMENTS

31ST DECEMBER 2024

REPORTS AND FINANCIAL STATEMENTS INDEX

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CORPORATE INFORMATION

BOARD OF DIRECTORS:	Mr. Bernard Katenor Bosumprah - (Chairperson) Mr. Ernest Amartey-Vondee Mrs. Evelyn Akweley Nsiah Nene Alhaji Shamsudeen Ayisa Adjovu I Mr. Prince Seth Appiah Mr. Michael Kweku Assem (BoG approval 19th May 2024)
COMPANY SECRETARY:	Jacob Tetteh Numo (Acting) P.O. Box 20 Kasseh, Ada
REGISTERED OFFICE:	Ada Rural Bank PLC P. O. Box 20 Kasseh, Ada
BRANCHES	Ada Kasseh, Big Ada, Sege, Ashiaman
KEY MANAGEMENT	Gideon Kwabena Odei – Chief Executive Officer (1st March 2024) Augustina Laryea – Acting Operations Manager Moses N. Gbagidie – Internal Audit Manager Richard Ofori Atruku – ICT Manager Jacob Tetteh Numo – Human Resource& Admin. Manager Arnold Agbasi Gadugah – Acting Credit/Marketing Manager Philip Jos Kofi Zormelo – Acting Risk and Compliance Manager
INDEPENDENT AUDITORS:	Nexia Debrah & Co (Chartered Accountants & Licensed Auditors) BCB Legacy House #44 Nii Amugi Avenue, East Adabraka, Accra P.O. Box CT 1552 Cantonments – Accra
BANKERS:	ARB Apex Bank Plc Consolidated Bank Ghana Ltd GCB Bank Plc Universal Merchant Bank Ltd Agricultural Development Bank Plc

BOARD OF DIRECTORS

Bernard Katenor Bosumprah
(Board Chairman)

Mr. Ernest Amartey-Vondee
(Member)

Nene Alhaji Shamsudeen Ayisah Adjovu I
Member

Mrs. Evelyn Akweley Nsiah
(Member)

Mr. Prince Seth Appiah
(Member)

Mr. Micheal Kweku Assem
Member
(Bog Approval 19th May, 2024)

KEY MANAGEMENT STAFF

MR. GIDEON KWABENA ODEI
Chief Executive Officer

MR. J. T. NUMO
Ag. Manager: Finance
Manager - HR / Admin.

MR. MOSES GBAGIDIE
Manager - Internal Audit

MR. PHILIP JOS KOFI ZORMELO
Ag. Manager - Risk/Compliance

MR. RICHARD O. ATRUKU
Manager - ICT

MR. ARNOLD AGBASI GADUGAH
Ag. Manager - Marketing/Credit

MS. AUGUSTINA LARYEA
Ag. Manager - Operations

ADA RURAL BANK PLC

NOTICE OF MEETING

Notice is hereby given that the 40th Annual General Meeting of members of Ada Rural Bank PLC will be held in the Chapel of the Presbyterian Church, Kasseh-Ada, at 10.00 a.m. on Saturday, the 29th day of November 2025 to transact the following business:

AGENDA

1. To read the Notice convening the meeting
2. To receive the Chairman's Report for the year ended 31st December 2024
3. To consider the Bank's Financial Statements for the year ended 31st December 2024 together with Reports of the Directors and the Auditors thereon.
4. To consider the retirement and election of Directors
5. To consider the appointment of Auditors
6. To authorize the Directors to fix the remuneration of the Auditors
7. To fix the remuneration of the Directors

NOTES:

1. A member is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy needs not be a member of the Bank. Completed proxy forms must reach the Bank's Head Office at Kasseh-Ada, or electronically sent to info@adaruralbank.com, not less than 48 hours before the time fixed for the holding of the meeting.
2. Copies of the Financial Statements have been dispatched to shareholders. Shareholders who have not yet received their copies (of the financial statements) may contact any of the Bank's branches at Kasseh, Sege, Big Ada or Ashaiman for same; or act on this advertisement to attend. The 2024 Annual Reports and Financial Statements (with the proxy form therein) will be posted on the website of the company (www.adaruralbank.com).

BY ORDER OF THE BOARD

Signed
BOARD SECRETARY

CHAIRMAN'S REPORT FOR THE 40TH ANNUAL GENERAL MEETING OF ADA RURAL BANK PLC - 2024 FIANCIAL YEARS

Opening Remarks

Distinguished Shareholders, fellow Directors, esteemed guests, ladies and gentlemen — it gives me great pleasure to welcome you all to the 40th Annual General Meeting of Ada Rural Bank PLC.

This meeting marks another important milestone in our collective journey as we reflect on the results of the 2024 financial year, share key developments within your Bank, and outline our path forward.

Over the past few years, your Bank has faced notable challenges — particularly following the significant impairment provisions made in 2022. Yet, I am pleased to report that 2024 was a year of recovery and renewed optimism. Through disciplined execution of our strategies, the Bank recorded a 22% increase in Total Assets, rising from GH¢33,382,505 in 2023 to GH¢40,819,034 in 2024. This growth was driven primarily by a 20% rise in Deposits, which closed at GH¢43,552,513.

These achievements reflect not only diligence of the Board and Management but also the enduring trust and support of our shareholders, customers, and partners.

Navigating the Economic Landscape

Ghana's economy demonstrated resilience in 2024 despite persistent macroeconomic pressures. Real GDP expanded by 5.7%, supported by growth in industry, services, and private consumption. Non-oil GDP also rose by 3.3%, indicating encouraging activity in non-oil sectors.

The Bank of Ghana's policy rate stood at 27% in December 2024, up from 21.5% the previous year, while inflation inched up marginally to 23.8%. Exchange rate volatility persisted during much of the year but stabilized toward the last quarter.

The broader banking industry recorded improved performance, with total assets expanding by 33.8% to GH¢367.8 billion, and gross loans and advances rising by 24.1% to GH¢95.5 billion. The industry's Non-Performing Loans (NPL) ratio, however, increased slightly to 21.8%.

The Rural and Community Banks (RCBs) sub-sector, to which we belong, also delivered remarkable growth in 2024. Total assets rose by 67.6% to GH¢18.59 billion, while deposits surged by 65.9% to GH¢16.13 billion. Encouragingly, the NPL ratio within the sub-sector improved to 7.5%, reflecting enhanced credit management and recovery efforts across the network.

Our Performance and Progress

Throughout 2024, the Board and Management intensified efforts to strengthen internal controls, recover non-performing loans, manage costs prudently, and pursue new marketing and customer engagement initiatives.

These measures produced visible results as shown in the Bank's financial performance:

Indicator	2024 (GH¢)	2023 (GH¢)	Change (%)
Total Assets	40,819,034.00	33,382,505.00	22%
Deposits	43,552,513.00	36,314,066.00	20%
Loans and Advances (net)	3,265,087.00	4,457,883.00	-27%

Short-Term Investments	25,208,635.00	15,146,229.00	66%
Net Interest Income	5,350,653.00	3,684,678.00	45%
Total Operating Income	6,491,453.00	4,409,106.00	47%
Total Expenses	7,008,269.00	4,305,449.00	63%
Profit Before Tax	-516,816.00	103,657.00	-599%
Profit After Tax	1,498,642.00	118,230.00	1,168%
Stated Capital	1,179,753.00	1,149,008.00	3%
Shareholders' Fund	-4,038,263.00	-5,567,650.00	27%

While the Bank recorded an operating loss before tax of GH¢516,816, this was largely due to accounting adjustments made to align the books with financial reporting standards. Nevertheless, after accounting for a deferred tax credit of GH¢2,015,549, your Bank achieved a profit after tax of GH¢1,498,642, a substantial turnaround from GH¢118,230 in 2023.

Loan recovery efforts yielded approximately GH¢1.19 million, up from GH¢747,000 in 2023, while short-term investments grew strongly by 66%. These gains collectively strengthened the Bank's balance sheet and improved shareholders' funds by 27%.
This performance demonstrates that our recovery strategies are working, even as we continue to address underlying structural and capital constraints.

Governance and Board Transitions
At the close of 2024, the Bank had five (5) approved Directors, meeting the minimum requirement of the Bank of Ghana. Two additional applications — Mrs. Evelyn Akweley Nsiah (re-elected) and Mr. Telford Nmlotey Abayateye (newly elected) — have since been approved, bringing the Board to its full complement of seven (7).
It is with both pride and deep emotion that I announce my retirement as a Director and Chairman of Ada Rural Bank PLC at the conclusion of this Annual General Meeting, after 14 years of dedicated service.

At today's meeting, a motion will be tabled for the election of a new Director to fill the vacancy created by my exit, as well as for the re-election of Mr. Prince Seth Appiah for another term of service.
The Board has also appointed a new Board Secretary, pending Bank of Ghana approval, to further strengthen governance and compliance in line with the regulator's Corporate Governance Directive.

Looking Ahead with Confidence
Distinguished Shareholders, the 2024 performance marks a turning point. The Bank's fundamentals are gradually stabilizing, and the foundation for sustainable recovery is being rebuilt.
However, one key challenge remains — recapitalization. To fully restore financial strength, additional capital injection from shareholders and potential strategic investors is essential.

During the year, Stated Capital increased modestly by 3% (GH¢30,745). I once again appeal to all shareholders to support the recapitalization drive by purchasing additional shares. Fresh capital will not only reverse the negative equity position but also empower Management to expand the loan portfolio, invest prudently, and create stronger returns for all stakeholders.
I also appeal to customers with outstanding loan obligations to honour their commitments. Timely repayment is critical to the Bank's liquidity and long-term success.

Appreciation and Closing Reflections

Distinguished Shareholders, ladies and gentlemen, on behalf of the Board, I express my heartfelt appreciation to our cherished shareholders, the ARB Apex Bank, the National Council and the Greater Accra Regional Council of the Association of Rural Banks, the Bank of Ghana, and our loyal customers for their unrelenting support and confidence in Ada Rural Bank.

I extend special thanks to my fellow Directors, Management, and staff — both past and present — for their commitment and teamwork throughout my 14 years of service on the Board. It has also been an honour to serve as your Chairman.

As I hand over the baton, I am filled with hope and confidence that Ada Rural Bank PLC will continue on its path of recovery and growth. My exit relates to my membership of the Board of Directors. I wish to assure you that I will play a more active role in the Shareholders' Association to give further support to the Board and Management of the Bank. Together, with unity of purpose and renewed faith, we will sustain the progress made and secure a brighter future for our beloved Bank and community.

May the Almighty God continue to bless you all — and bless Ada Rural Bank PLC.
Thank you.

Bernard K. Bosumprah, Esq.
Board Chairman

REPORT OF THE DIRECTOR TO THE MEMBERS OF ADA RURAL BANK PLC

We, the Directors of **Ada Rural Bank Plc,** have the pleasure in submitting our annual report together with the Audited Financial Statements for the year ended December 31, 2024.

DIRECTORS' 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 year 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 establishing a system of internal controls as we consider necessary for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Bank of Ghana has issued a directive on Corporate Governance for Rural and Community Banks (RCBs) which became effective on 31st March 2022 and requires compliance by all RCBs. Our report on this can be found on pages 13-18 of this report.

NATURE OF BUSINESS

The principal business of the company is to provide banking and related services including taking deposits and lending money.

FINANCIAL RESULTS AND DIVIDEND

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and incorporate disclosures in line with the accounting philosophy of the bank. The financial performance and position of the bank are depicted in the attached Financial Statements on pages 25-63 Below are the brief highlights of the financial results of the bank for the year 2024 with 2023 in comparison.

	2024 GH¢	2023 GH¢
Profit before tax for the year	(516,816)	103,657
From which is added a deferred tax credit of	2,015,549	14,573
Resulting in a Profit after tax of	**1,498,642**	**118,230**
To which must be added the balance brought forward		
on the Retained Earnings Account at the beginning of the year	(8,204,397)	(8,478,331)
Leaving a balance before statutory and other transfers of	**(6,705,755)**	**(8,360,101)**

From which the following transfers were made: • Transfer to Statutory Reserves in accordance with		
Section 34 of the Banking Act 2016 (Act 930)	(749,321)	(59,115)
• Transfers affecting Credit Risk Reserve as per BOG directive	-	-
• Transfers from Dividend payable	214,819	-
Leaving a balance on the Retained Earnings Account		
to be Carried Forward of	**(7,455,076)**	**(8,204,397)**
	========	========

The Directors cannot recommend the payment of any dividends for the year whilst the balance on the Retained Earnings Account remains in deficit.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

Persons appointed to the Board are properly initiated and oriented with full, formal, and tailored programmes of induction, to enable them gain in-depth knowledge about the Bank's business, the risks and challenges faced, and to appreciate the economic knowledge and the legal and regulatory environment within which the Bank operates. Further, the bank and its directors are beneficiaries of regular training programmes provided by both the ARB Apex Bank PLC and the Bank of Ghana which are geared towards broader and deeper knowledge of the conditions and terrain of the banking sector in Ghana.

CORPORATE SOCIAL RESPONSIBILITY

The Bank demonstrated its commitment and responsibility toward social work and assistance by donating a total of **GH¢8,645** to persons and institutions including the Ada Students Union in aid of rural education.

CONFLICT OF INTEREST AND ETHICS

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 authorisation. 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.

APPOINTMENT, RETIREMENT AND RE-ELECTION OF BOARD MEMBERS

In accordance with paragraph 3 of the Corporate Governance Directive for Rural and Community Banks, issued by the Bank of Ghana in May 2021, the first term of Mr. Prince Seth Appiah as a director will end on 16th November 2025 and being eligible, has offered himself to be nominated for re-election for a second term.

GOING CONCERN CONSIDERATIONS

The attached financial statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As Directors, we have made the necessary assessment and evaluation of the future capital and other financial requirements of the bank, and nothing has come to our attention through that evaluative exercise that leads us to conclude that the bank is not a going concern.

AUDITORS AND FEES

Messrs Nexia Debrah & Co were appointed external Auditors of the bank in place of Messrs K and A Accounting Services whose term of office as the Auditors of the bank expired after the audit of the financial statements for the year ended 31st December 2023.

In accordance with section 139 (5) of the Companies Act, 2019 (Act 992), the new Auditors have indicated their desire to continue to serve as the external Auditors of the bank. We therefore recommend their continued appointment.

The remuneration paid or payable to the Auditors at the reporting date is **GH¢45,000(2023: GH¢46,802)**

MANAGEMENT REPRESENTATION AND APPROVAL OF ACCOUNTS

We certify that the Statement of Comprehensive Income and the Statement of Financial Position referred to in the report of the Auditors together with the notes thereon identified on pages 25 to 63 of this report have been prepared from records, information and representations made by us, the Directors of Ada Rural Bank Plc.

So far as we are aware, there is no relevant audit information (i.e. information needed by the company's Auditors in connection with their work and report) of which the company's Auditors are unaware and each Director has taken reasonable steps that ought to be taken by a Director in order to make him/herself aware of any relevant audit information and to establish that the company's Auditors are aware of such information.

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended December 31, 2024, and the Statement of Financial Position at that date together with the notes thereon this **25th day** of **May 2025.**

Bernard Katenor Bosumprah
(Board Chairperson)

Director

Kasseh-Ada

May 25, 2025

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

Ada Rural Bank Plc is a Bank of Ghana regulated Financial Institution operating in the Greater Accra Region of the Republic of Ghana. Among others, the Bank is guided by the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930) together with the respective regulations made thereunder.

This statement on Corporate Governance Disclosures is responsive to the Corporate Governance Directive for Rural and Community Banks (RCBs) issued by the Bank of Ghana which became effective in March 2022.

BOARD STRUCTURE, SIZE, COMPOSITION AND QUALIFICATION

The Board of Ada Rural Bank PLC is made up of six (6) Directors, all of whom are Shareholders of the Bank and ordinarily resident in Ghana. The Board members together represent collective expertise, qualifications and experience in Law, Marketing, Governance, Accountancy, Banking and Finance, Auditing and Management that are useful in guiding the Bank's business.

INDEPENDENCE OF THE BOARD

All members of the Board are non-executive Directors and are not involved in the day-to-day management of the Bank.

BOARD OF DIRECTORS' RESPONSIBILITY

As Directors, we are responsible for establishing a system of internal controls as we consider necessary for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularities.

In the discharge of its responsibilities, the Board is ably assisted by its sub-committees.

BOARD SUB-COMMITTEES

The Board of Ada Rural Bank Plc has three (3) committees namely: Audit, Risk & Compliance; Credit Committee; and Governance, Legal & Administration

A) Audit, Risk & Compliance Committee
   i. Mr. Prince Seth Appiah - Chairman
   ii. Nene Alhaji Shamsudeen Adjovu I-Member
   iii. Mr. Ernest Amartey-Vondee-Member
   iv. Mrs. Evelyn Akweley Nsiah-Member (Until July 2024)

B) Credit Committee
   i. Nene Alhaji Shamsudeen Adjovu I-Chairman
   ii. Mr. Prince Seth Appiah - Member
   iii. Mr. Michael Kweku Assem-Member (from July 2024)
   iv. Mrs. Evelyn Akweley Nsiah-Member (Until July 2024)

C) Governance, Legal & Administration Committee
   i. Mrs. Evelyn Akweley Nsiah- Chairperson
   ii. Mr. Ernest Amartey-Vondee-Member
   iii. Mr. Michael Kweku Assem-Member (from July 2024)
   iv. Nene Alhaji Shamsudeen Adjovu I-Member (Until July 2024)
   v. Mr. Prince Seth Appiah-Member (Until July 2024)

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

BOARD MEETING AND SUB-COMMITTEE MEETING ATTENDANCE

The Board had nine (9) scheduled meetings in the year under review. There was also unscheduled meetings
to address urgent issues. Below is the summary of attendance at Board and Committee meetings of the Board of Directors.

Name of Director	Designation	Board Meetings	Audit, Risk & Compliance Committee	Credit Committee	Governance, Legal & Administration Committee
Mr. Bernard Bosumprah Katenor	Chairman	9/9	-	-	-
Mr. Ernest Amartey- Vondee	Director	6/9	-	-	2/5
Mrs. Evelyn Akweley Nsiah	Director	8/9	6/7	5/5	4/5
Nene Alhaji Shamsudeen Adjovu I	Director	9/9	7/7	5/5	4/5
Mr. Prince Seth Appiah	Director	9/9	7/7	5/5	4/5
Mr. Michael Kweku Assem	Director	8/9	-	1/5	3/5

PROFILE OF BOARD OF DIRECTORS:

Mr. Bernard Katernor Bosumprah -– Board Chairman (Post Graduate Diploma in law, Barrister-at Law, Degree in Law and Cert 'A')

Mr. Bernard K. Bosumprah is a Legal Practitioner with over 38 years' experience. He worked as a Copyright Administrator for many years in the Copyright Office at the Ministry of Justice. Initially trained as a professional teacher, he embarked on further studies and training which enabled him to join the Legal Profession in Ghana. He has travelled extensively to many African Countries and the World attending conferences and workshops. Mr. Bosumprah was elected to the Board of Ada Rural Bank in May 2011. He is currently the Chairman of the Board of Directors.

Mr. Ernest Amartey-Vondee – Board Member (M.Sc. Actuarial Science, Member, Actuarial Society of Ghana, Fellow Royal Statistical Society of U.K.)

Mr. Ernest Amartey-Vondee is a Chartered Statistician and Actuarial Scientist. He was awarded Bachelor of Science in Statistics and Computer Science at the University of Ghana and Master of Science in Actuarial Science at City University of London, UK. He was the Director of Regulations, and later, the Director of Research, Planning, Monitoring and Evaluation at the National Pensions Regulatory Authority. He joined the Board of Directors of Ada Rural Bank Plc in October 2017. He is currently a lecturer in Statistics and Actuarial Science at the University of Ghana. He has attended several conferences and workshops across the length and breadth of the country and the world at large.

Mrs Evelyn Akweley Nsiah – Board Member (MA Population Studies, Postgraduate in Population Studies, B. A. Hons, Sociology)

Mrs. Evelyn Akweley Nsiah has a wide range of experience in Non-Governmental Organization Management. She has rich experience in Enterprise Risk Management. She has held various roles

such as Risk and Compliance Manager, Senior Operations Evaluator, Area Development Programme Manager, Quality Services Manager and Governance Coordinator at World Vision Ghana. She joined the Board of Directors of Ada Rural Bank Plc in May 2021. Mrs. Nsiah has a B.A. (Hons) in Sociology and a Masters degree in Population Studies from the University of Ghana. She also has a Post Graduate Degree in Population Studies & Development from the Institute of Social Studies in the Hague, the Netherlands. She has participated in several conferences and workshops across the length and breadth of Ghana and abroad. She has a Certificate in Corporate Governance from the Institute of Directors, Ghana.

Nene Alhaji Shamsudeen Ayisah Adjovu I – Board Member (B.Sc, Banking and Finance, Intermediate of ACIB Ghana)

Nene Alhaji Shamsudeen Ayisah Adjovu I (Known in private life as Sampson Ayisah Adjovu) has over two decades of experience in the rural banking environment. He was the former Operations Manager of Ada Rural Bank, until his retirement in 2017. He went through the ranks to become Operations Manager in 2012. He joined the Board of Directors of Ada Rural Bank in June 2020. He has participated in several conferences and workshops organized by Bank of Ghana and ARB Apex Bank and Association of Rural Banks-Ghana. He holds B.Sc degree in Banking and Finance.

Mr. Prince Seth Appiah – Board Member (MBA Finance, BSc. Accounting)

Mr. Prince Seth Appiah is an Accountant and Finance expert. He has a wide range of experience in Auditing. He was the former Internal Auditor of State Transport Company Ltd responsible for Eastern, Volta, Central and Western Regions. Mr. Prince Seth Appiah joined the Board of Directors of Ada Rural Bank in November 2022. Mr. Prince Seth Appiah holds a B.Sc degree in Accounting from the Central University, as well as an MBA in Finance from the same University. Additionally, he is finalist of the Institute of Chartered Accountants (Ghana), and has participated in several conferences and workshops across the country and beyond.

Mr. Michael Kweku Assem – Board Member (MSc. Corporate Governance & Strategic Leadership, Bachelor Degree in Accounting and Economics)

Mr. Michael Kweku Assem is a Banker and Finance expert with a wide range of experience in Corporate, Commercial and Risk Management in the banking environment. He was awarded a Bachelor's degree in Accounting and Economics at the University of Cape Coast and Master of Science degree in Corporate Governance and Strategic Leadership at the Kwame Nkrumah University of Science and Technology. He is currently the Chief Commercial Officer of Solv-Ghana, (Member, SC. Ventures, Standard Chartered Group). He was the former Head, Remedial Management (Risk Management Department) Fidelity Bank Ghana, Credit Manager in Standard Chartered Bank and Societe Generale. Mr. Assem joined the Board of Ada Rural Bank Plc in March 2024. He has participated in several conferences and workshops in Ghana and abroad.

BOARD EVALUATION

At the end of the 2024 financial year, the Board of Directors conducted an internal self-evaluation, and this has been placed on file. An external evaluation was also conducted by Mikensy Consulting Ltd in September 2024.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)
PROFILE OF KEY MANAGEMENT PERSONNEL

Gideon Kwabena Odei – Chief Executive Officer

Mr. Odei is a Rural Banking Executive with a demonstrated history of 17 years working in several Rural Banks in Ghana. He is skilled in Corporate Governance, Regulatory Compliance, Negotiation, Administration, Financial Analysis, Banking Operations and Customer Service. He joined Ada Rural Bank on 1st March 2024 as the CEO. Mr. Odei is well trained and skilled in TEMENOS T24 Banking Application. Mr. Odei has a Master of Business Administration (MBA) from Accra Business School and a BSc (Hons) in Agriculture, both awarded by Kwame Nkrumah University of Science and Technology, Kumasi, Ghana.
Mr. Odei is a member of the Institute of Directors, Ghana (IoD-Ghana).

Jacob Tetteh Numo – Human Resource and Administration Manager

Mr. Numo has over three decades of experience in the rural banking environment. He has served the Bank as the Branch Manager for two years, Head of Banking Operations for eleven years and Head of Finance and Administration for nine years. He is currently the Human Resource and Administration Manager, with a focus on building an effective team, employee development, and ensuring institutional capacity building. Mr. Numo has participated in several conferences, seminars and workshops organized by Bank of Ghana, ARB Apex Bank and the Association of Rural Banks – Ghana. Mr. Numo holds a BSc in Banking and Finance (2nd Class Upper Division). He is currently a student member of the Chartered Institute of Bankers and has passed Intermediate level of the Associateship examination.

Emmanuel N. Lawerteh – Operations Manager (Until his exit on 17th July 2024)

Mr. Lawerteh started his banking career as an Accounts Clerk at Ada Rural Bank in 2003. He rose through the ranks to the grade of Senior Assistant Accountant in 2016. In July 2022, he was assigned the role of Acting Operations Manager of Ada Rural Bank and was promoted to be the Operations Manager from January 2023. Mr. Lawerteh holds a Master of Business Administration (Finance option) from the Methodist University College (2020) and BSc Business Administration (Accounting option) from Data link University College. He also holds a Diploma in Business Studies (Accounting option) from Koforidua Polytechnic.

Moses N. Gbagidie –Internal Audit Manager

Mr. Gbagidie started his banking career as a Credit Officer on 2nd October 2008. He held the Credit officer position for six years until 2014. He became the Microfinance Coordinator from 2015 to June 2022. Currently, he is the Internal Audit Manager of the Bank. Mr. Gbagidie holds a Bachelor of Commerce in Computing and a Diploma in Renewable Natural Resource Management from Kwame Nkrumah University of Science and Technology.

Richard Ofori Atruku - I.C.T. Manager

Mr. Ofori Atruku has more than 12 years' experience as an Information Technologist, with a diverse background in Database Design, Data Engineering and Computer Forensics. He joined Ada Rural Bank as a Senior Systems Administrator on 1st November 2010. He is currently the ICT Manager. Mr. Atruku holds BSc. Information Technology from the Pentecost University College and MSc. Industrial Finance and Investment from the Kwame Nkrumah University of Science and Technology. He also holds a Diploma in Information System Analysis and Design and an Advanced Diploma in Computer Science, both awarded by the Association of Computer Professionals, England, (UK). Mr. Ofori Atruku is a certified member of the Institute of Project Management Professionals, Ghana. He is also certified by the Data Protection Commission as a Data Protection Supervisor (DPS).

Vincent Baku–Credit and Marketing Manager (Until his exit on 17th July 2024)

Mr. Baku is a professional Banker. He has 13 years of work experience. He started his banking career in 2012 after joining one of the Rural Banks as a Banking Officer and later appointed as Head of Credit

of that Bank. He joined Ada Rural Bank as Head of Credit in 2016. In 2022, he was redesignated as the Credit and Marketing Manager. Mr. Baku holds a Master of Science in Development Finance from the University of Ghana. Legon. Mr. Baku is an Associate member of the Chartered Institute of Bankers (Ghana).

Joshua L. Kumado– Finance Manager (Until his exit on 23rd July 2024)

Mr. Kumado is a professional Banker. He has over 12 years' experience spanning credit, micro finance, risk management, compliance, anti-money laundering and finance. He is the pioneer Risk and Compliance Officer when the unit was first set up in the Bank. He was appointed as the Finance Manager in April 2024 after having served in acting capacity of that role. Mr. Kumado holds a BSc. Banking and Finance and MSc. Development Finance, both from the University of Ghana. Mr. Kumado is an Associate member of the Chartered Institute of Bankers (Ghana).

Philip Jos Kofi Zormelo – Asst. Risk and Compliance Manager

Mr. Zormelo has 16 years of Rural Banking experience with an in-depth knowledge in Banking Operation, Finance, Audit, Risk/ Compliance & AML, Credit Management, Branch Management. His core competences are Regulatory Reporting, Data Analysis, Interbank Clearing, T24 e-Merge Banking Application and good interpersonal and presentation skills. Mr. Zormelo obtained a Higher National Diploma (HND) in Accountancy from Ho Polytechnic and a bachelor's degree in commerce (B.Com) from the University of Cape Coast, Ghana.

Arnold Agbasi Gadugah – Acting Credit/Marketing Manager

Mr. Arnold Gadugah started his banking career as an Accounts Clerk on 2nd May 2002. He rose through the ranks to assume the position of Branch manager in the year 2014. He was assigned the role of Acting Head of Credit Department from January 2021 to June 2021. He was appointed the Recovery Manager of Ada Rural Bank in May 2023 at the time the Bank was bent to survive on recovery of delinquent loans and overdrafts. He is currently acting as the Head of Credit/Marketing Department of the Bank in absence of a substantive Manager. Mr. Arnold Gadugah acquired First class honours in Bachelor of Science in Business Administration (Accounting) from the Kwame Nkruma University of Science and Technology in the year 2016. He also acquired qualifications in the Royal Society of Arts Advance (RSA stage 3) in the year 2000.

Augustina Laryea – Acting Operations Manager

Mrs. Augustina Laryea started his banking career as an Accounts Clerk with Ada Rural Bank PLC in 2003. She rose through the ranks to the grade of assistant accountant in 2018 and she was later assigned the role of Branch manager in November 2020. She is currently acting as Operations Manager of the Bank. Mrs. Augustina Laryea holds Bachelor of Science Business Administration (Accounting) from Datalink University.

BOARD SECRETARY

The Bank currently has no substantive Company Secretary, and the board of directors recognizes that the bank may not be in full compliance by not having a substantive Company Secretary and has accordingly notified the Regulator of this development. In the interim, one of the staff members have been tasked with the additional responsibility of acting as the Company Secretary pending the appointment of a substantive person in accordance with the approval processes of the Bank of Ghana.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

PROFESSIONAL DEVELOPMENT AND TRAINING OF DIRECTORS

During the year under review, the Directors undertook various skills and knowledge development training courses to keep abreast with industry trends. Some of these training courses are listed below together with the respective directors who participated.

A. Regulatory & Supervisory Framework, Corporate Governance, Risk Management, Strategic Leadership, Internal Audit and Fraud and Ethics and Professionalism

Mr. Bosumprah Bernard Katenor Mr. Appiah Prince Seth

B. Sound Labour Practice-A tool for Industrial Harmony

i Mrs. Evelyn Akweley Nsiah

C. Governance, Risk and Compliance - ARB Apex Bank Plc

ii Mr. Bernard Katenor Bosumprah
iii Mr. Prince Seth Appiah
iv Nene Alhaji Shamsudeen Adjovu I

D. Corporate Governance Certification for Directors - National Banking College / Association of Rural Banks - Ghana

S/N	Name of Director	Training Organized By
1	Mr. Bernard Katenor Bosumprah	Bank of Ghana
2	Mr. Ernest Amartey-Vondee	Association of Rural Banks - Ghana
3	Mr. Prince Seth Appiah	Association of Rural Banks - Ghana
4	Mr.Michael Kweku Assem	Bank of Ghana

CONFLICT OF INTEREST AND ETHICS

In compliance with the Directive, Directors recognize that as agents of shareholders, they are in fiduciary relationship and they act in absolute good faith with clarity of conscience and mind, and in the supreme interest of the bank and its shareholders during the year under review. There is always an avenue for Directors to file Disclosure of Interest with the Bank. No such conflict however arose during the 2024 financial year.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ADA RURAL BANK PLC

Opinion

We have audited the Financial Statements of **Ada Rural Bank Plc** which comprise the Statement of Financial Position at 31st December 2024, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, together with the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 25-63.

Subject to the comments made under the basis of opinion section of our report, in our opinion, these Financia1 Statements give a true and fair view of the financial position of Ada Rural Bank Plc at 31st December 2024, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930).

Our report is made solely to the company's members, as a body, in accordance with section 137(1) of the Companies Act 2019, (Act 992). The purpose of our audit is to enable us to make a statement to the members of the company on those matters specifically required by law to be mentioned in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its members as a body for our audit work, our report, or the opinions we have expressed herein above.

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report dealing with the Auditors' Responsibilities for the Audit of the Financial Statements. In form and substance, we are independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We also refer to the following matters which provide further context for the reader of the audited financial statements:

i) Going Concern Considerations

The Financial Statements have been prepared on the going concern basis under the presumption that the bank will continue to operate into the foreseeable future at levels similar to, or better than the current levels of operations. The basis of this presumption is more fully explained in note **2.1** to the Financial Statements which also describes the nature of accounting adjustments required to be made to the attached Financial Statements if their preparation on the going concern basis is proven inappropriate. The validity of the going concern presumption is contingent upon the continued financial support by the shareholders and the directors of the bank as well as the ability of the bank to generate sufficient revenues from its operations to fully underwrite its operating expenditure.

ii) Balances of Doubtful or Uncertain Recovery

a. ***Gold Coast Securities/Brooks Asset Management***

The bank's portfolio of investments included amounts originally considered and disclosed as short-term placement with certain licensed Fund Management Institutions including the Gold Coast Securities Limited (now Black Shield Capital Management limited) and Brooks Asset Management Limited amounting to **GH¢333,134 (2023: GH¢333,134)** and **GH¢414,266 (2023: GH¢414,266)** respectively.

The values of the above investments have been maintained in the bank's books at their historical values regardless of the lack of certainty with regards to their recoverability.

Gold Coast Securities Limited (now Black Shield Capital Management limited) and Brooks Asset Management Limited both operated under the authority and license of the Securities and Exchange Commission (SEC), which is the Regulatory Institution responsible for overseeing the operations of all such entities involved in investment and financial advisory, securities trading, asset management etc.

For various stated reasons published by the SEC, the Operating Licenses of Gold Coast Securities Limited (i.e. Black Shield Capital Management limited) and Brooks Assets Management Limited were revoked.

The post year review of the balance with the Brooks Asset Management Limited revealed that an amount of **GH¢49,712** has been deposited into the bank's account with the GCB Bank Plc on 12th February 2025 reducing the indebtedness from **GH¢414,266** to GH¢**364,554** after the reporting date.

b. ***Investment in Government Bonds***

This investment was originally a government bond which under a domestic debt exchange program (DDEP) has been rescheduled in terms of the timing of its repayment to five (5) years. The balance was initially reported at **GH¢1,071,401** out of which 50% **(GH¢535,701)** was paid by the government in 2021 leaving the balance of **GH¢535,701** at the reporting date.

The responsibility to repay this balance to the Ada Rural Bank Plc has subsequently been transferred to the Amalgamated Mutual Fund established by the Government of Ghana under the financial canopy and supervision of the GCB Bank Plc, and the balance has since been placed or categorized as a zero- rated bond in the books of the Amalgamated Mutal Fund Limited. No further payment has since been received from the Amalgamated Mutual Fund after the initial 50%-part payment made in 2021.

Background to the Amalgamated Mutual Fund
The Amalgamated Mutual Fund (AM Fund) is an open-ended collective investment scheme set up by the GCB Capital Limited (GCL) with funding from the government of Ghana. It is a Special Purpose Vehicle (SPV) to implement a bailout programme for investors whose funds were locked up with the defunct Fund Management Companies (FMCs). Membership of the Fund is opened to validated former clients of the defunct FMCs. Investors receive pro-rata shares of their validated claims in either one or both tiers of the Fund.

c. ***Uncertainty***

Whilst it may thus be difficult under the circumstances to predict when and how these Fixed Term Deposit investments will be repaid, the directors of the bank have informed us that they have taken appropriate steps to secure the repayment of the amounts due to the bank. Related interest income is consequently suspended. The directors are further relying on the Presidential assurance given by the President of the Republic of Ghana to the effect that all validated or verified deposits will be paid to the respective investors under the financial sector clean up exercise.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

1.0 Revenue recognition (i.e. *Interest Income GH¢6,154,642*)

Refer to Note 3 to the Financial Statements.

Revenue is recognized and recorded in the Financial Statements on an 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. Majority of the Bank's revenues were derived from rate sensitive assets and the reliability and accuracy of such revenues relate in a large measure to the financial profile and features of such assets.

How the matter was addressed in our audit

We evaluated loan agreements and investment certificates issued at either side of the reporting date and assessed whether the related revenues were recognized in the correct reporting period. We recomputed interest income earned on investment during the year to ascertain reasonableness and accuracy. We also developed an expectation of the current year revenue balance based on trend analysis, particularly trends in the historical interest rates and monthly movements in rate sensitive assets. We then compared the expectation to actual results and ascertained reasons for any significant departures or differences. We also considered the adequacy of the Company's disclosures in respect of revenue.

2.0 Existence and Valuation of Loans and Advances (GH¢3,265,087) Refer to Note 12 to the Financial Statements.

Loans and Advances are non-derivative financial assets having a fixed or determinable cash flow patterns and are not quoted on any active market. Loans and Advances are initially recognized at fair value equivalent to the cash consideration or outflow required to originate or generate the loan (transaction costs excepted) and measured subsequently at amortised cost using the effective interest method. Where any impairment arises the estimated impairment loss is fully provided for and recognized in the profit and loss as charge for credit losses.

How the matter was addressed in our audit

We tested controls over loans and advances and reconciled sampled balances to relevant records. We also reviewed the classification of loans and advances as a basis to assess the adequacy of the provision for bad and doubtful debts and general impairment at the reporting date.

We also considered the adequacy of the Company's disclosures in respect of those loans and advances.

3.0 Existence and Valuation of Investments (GH¢26,491,736)

Refer to **Note 10 and 14** to the Financial Statements.

The Bank keeps a number of investments with significant values in respect of Treasury Bills, Bonds and Fixed Deposits. The valuation of these investments is related in a large measure to the proper accrual of related revenues at the reporting date.

How the matter was addressed in our audit

For such investments, we inspected investment certificates issued by the investee entities and recomputed earned interest up to the reporting date. We generally confirmed additions and redemptions to supporting documentation for all investment types.

We reviewed independent statements issued by custodial and depository entities and reconciled to the ledgers of the company and tested the valuation of quoted investments to the market.

We also considered the adequacy of the Company's disclosures in respect of those investments.

Other Information

Other information in this context comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the Financial Statements and our audit report thereon. The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit – Taking Institutions Act 2016, (Act 930).

The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Financial Statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Responsibilities of the Auditors 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 audit report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

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

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

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

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

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

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

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 considered to bear on our independence, and where applicable, related safeguards.

Determine, from the matters communicated with the Directors, 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 audit 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.

Other Matter

Without forming the basis of any qualification in our audit report whatsoever, we highlight and draw attention to these obvious facts:

1) That the provisions made by the bank for corporate tax are subject to the agreement of the Ghana Revenue Authority.

2) The provision for expected credit losses (ECL) was done using Bank of Ghana (BOG) criteria for aging analysis on loans and overdraft provisioning instead of the IFRS 9 Expected Credit Loss (ECL) model (Reference: note 12(d)). The bank failed to implement the IFRS 9 ECL model of provisioning because the ECL calculator resulted in a lower provision amount below **GH₵**200,000 and considering the proportion of loss default of the bank's loans and overdraft which was more than 63% of the entire credit amount of **GH₵**9,196,545, the ECL calculator could not be accepted as the best method in making the right provision in the financial statements.

Report on Legal and other Regulatory Requirements

Under Schedule Seven (7) of the Companies Act 2019 (Act 992) we are required, when carrying out our audit, to consider and report on certain specific matters. We accordingly report that:

1. We have obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purpose of our audit.

2. In our opinion proper books of accounts have been kept by the bank, as far as appears from our examination of those books.
3. Save as expressly stated elsewhere in this report, the bank's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.
4. As earlier said in the opinion paragraph, to the best of our knowledge and belief, the Financial Statements present in all material respect the required information in the manner prescribed by the Companies Act 2019 (Act 992); and
5. In form and substance, we are independent of the bank in accordance with section 143 of the Act and also in accordance with the Code of Ethics for Professional Accountants.

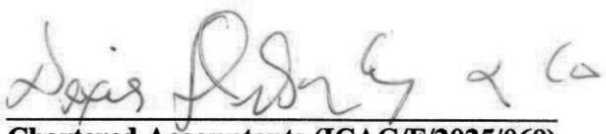
a. Under section 85(2) of the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930), we are also required to state certain matters in our report. We accordingly state that:

1. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;
2. Save as expressly stated elsewhere in our report, the Bank's transactions were within its powers;
3. Nothing has come to our attention to suggest that the Bank breached any provisions of the Anti- money Laundering Act, 2020 (Act 1044), and the Anti-Terrorism Act, 2008 (Act 762); and
4. Except for the relevant regulatory provisions pertaining to Capital Adequacy Ratio and the Primary Liquidity Reserve ratio which the bank was unable to achieve, as far as appears from our examination of its records, the bank has complied in all material respects with the provisions of the Banks and Specialized Deposit – Taking Institutions Act 2016 (Act 930).

b. The Bank of Ghana has issued a set of corporate governance directives which became effective on 31st March 2022. Among other things, this required the board to give a declaration in the annual report and audited financial statements as to the compliance or otherwise of the bank to this directive. The required declaration is embodied in the directors' statement on corporate governance which can be found on pages 13 to 18 of this report.

Our review indicates that there are other areas where improvements can be made. These include the appropriate documentation of succession planning for directors and senior management in a manner that preserves institutional memory.

The Engagement Partner on the audit resulting in this Independent Audit Report is **Kwame Manu-Debrah (ICAG/P/1264).**



Chartered Accountants (ICAG/F/2025/069)
BCB Legacy House
#1 Nii Amugi Avenue
East Adabraka, Accra
P. O. Box CT 1552
Cantonments -Accra, Ghana.

May 28, 2025

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

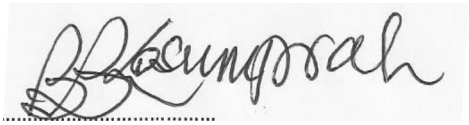
	Notes	2024 GH¢	2023 GH¢
Interest Income	3	6,154,642	4,256,462
Interest Expenses	4	(803,989)	(571,784)
Net Interest Income		**5,350,653**	**3,684,678**
Commissions and Fees	5	314,418	457,697
Other Operating Income	6	826,382	266,731
Total Operating Income		**6,491,453**	**4,409,106**
Charge for Credit Losses	12(d)	697,433	(48,109)
Operating Costs	7	(7,705,702)	(4,257,340)
Profit/(Loss) before Taxation		**(516,816)**	**103,657**
Taxation	18(i)	2,015,459	14,573
Profit/(Loss) after Taxation		**1,498,642**	**118,230**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**1,498,642**	**118,230**
Earnings Per Share (EPS)			
Basic and Diluted Earnings per Share		**0.0846**	**0.035**

STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2024

	NOTES	2024	2023
		GH¢	GH¢
ASSETS			
Cash and Bank Balances	9	727,323	3,396,768
Short Term Investments	10	25,208,635	11,364,858
Apex Bank Deposit Reserve	11	2,267,118	1,737,997
Apex Certificate of Deposit (ACOD)	10(iv)	-	980,000
Loans and Advances to Customers	12(a)	3,265,087	4,457,883
Long Term Investment	14	1,283,101	4,084,472
Deferred Tax	18(iii)	1,146,394	-
Equity Investments	13	138,410	100,910
Other Assets	15	1,835,419	3,703,239
Property and Equipment	19(a)	4,475,151	4,794,394
Intangible Assets	19(b)	165,522	193,107
Current Tax		306,874	306,874
TOTAL ASSETS		**40,819,034**	**33,382,505**
		========	========
LIABILITIES & SHAREHOLDERS' FUNDS			
Liabilities			
Customer Deposits	16(a)	43,552,513	36,314,066
Creditors and Accruals	17(a)	1,092,980	1,514,600
Managed Funds Borrowings	18(iv)	-	30,660
Deferred Tax Liability	18(iii)	-	869,065
Medium Term Loans		211,803	221,764
Total Liabilities		**44,857,296**	**38,950,155**
Shareholders' Funds			
Stated Capital	21	1,179,753	1,149,008
Revaluation Reserve	22	918,535	918,535
Retained Earnings Account	23	(7,455,076)	(8,204,397)
Statutory Reserves	20	1,317,325	568,004
Credit Risk Reserve	25		-

-

Building Reserve	1,200	1,200
Total Shareholders' Funds	**(4,038,263)**	**(5,567,650)**
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS	**40,819,034**	**33,382,505**
	========	========
Net Asset per Share (GH¢ per Share)	**(0.2280)**	**(0.3305)**



Bernard Katenor Bosumprah

(Board Chairperson)

Director

May 25, 2025

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2024

	GH¢	2024 GH¢	2023 GH¢
Operating Activities Profit before Tax		(516,817)	103,657
Add: Deferred Income		63,514	-
Depreciation and Amortisation		477,164	118,940
Loan Impairment		(697,433)	48,109
Adjustment for the year		-	(1,349,799)
Cash Inflow/(Outflow) before Changes in Operation Assets and Liabilities		**(673,572)**	**(1,079,093)**
Decrease /(Increase) in Loans and Advances	1,826,716		1,842,742
Decrease/(Increase) in Other Assets	1,867,820		(107,662)
Decrease/(Increase) in Creditors and Accruals	(421,620)		(631,994)
Increase in Customer Deposits	7,238,447		6,000,151
Cash flow from Operating Activities		**10,511,363**	**6,024,144**
Tax Paid		-	(412,607)
Investing Activities		**9,837,791**	**1,170,832**
Property and Equipment Purchased	(130,336)		(355,132)
Disposal of Property, Plant and Equipment	-		12,357
Government Securities	(12,199,384)		3,385,162
Other Investment (ACOD)	980,000		-
Equity Investment	(37,500)		(31,251)
		(11,387,220)	
Cash Outflow from Investing Activities		**(11,387,220)**	**3,011,136**
Financing: Proceeds from Issue of Shares	30,745		13,720
Managed fund Borrowing Loan repayments	- (40,621)	(9,876)	(85,240) -
Net Cash Outflow from Financing		**(9,876)**	**(71,250)**

Net Increase/(Decrease) in Cash and Cash Equivalent	**(1,559,305)**	**8,963,760**
Cash and Cash Equivalents at January 1	**12,832,987**	3,869,227
Cash and Cash Equivalents at December 31	**11,273,682**	**12,832,987**
Analysis of Cash and Cash Equivalents as shown		
in the Balance Sheet		
Apex Deposits Reserve	2,267,118	1,737,997
Cash and Bank Balances	727,323	1,658,771
91 Days Treasury Bill	8,279,241	9,436,219
	11,273,682	**12,832,987**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2024

	Stated Capital	Credit Risk Reserve	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	Building Reserve	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
2024							
Balance at 1st January	**1,149,008**	**-**	**568,004**	**918,535**	**(8,204,397)**	**12,000**	**(5,567,650)**
Issue of Shares for Cash	30,745	-	-	-	-	-	30,745
Net (Loss)/ Profit for the Year	-	-	-	-	1,498,642	-	1,498,642
Transfer to Statutory Reserve	-	-	749,321	-	(749,321)	-	-
Transfer from Credit Risk Reserve	-	-	-	-	-	-	-
Balance at 31st December	**1,179,753**	**-**	**1,317,325**	**918,535**	**(7,455,076)**	**1200**	**(4,038,263)**

	Stated Capital	Credit Risk Reserve	Statutory Reserve Fund	Revaluation Reserve	Retained Earnings	Building Reserve	Total
2023	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance at 1st January	**1,135,288**	**-**	**508,889**	**918,535**	**(8,478,331)**	**12,000**	**(5,914,419)**
Issue of Shares for Cash	13,720	**-**	-	-	-	-	13,720
Transfer from Retained Earnings	-	-	-	-	(59,115)	-	-
Transfer from Credit Risk Reserve	-	-	-	-	-	-	**-**
Adjustment	-	-	-	-	214,819	-	214,819
Balance at 31st December	**1,149,008**	**-**	**568,004**	**918,535**	**(8,204,397)**	**12,000**	**(5,567,650)**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2024

1. THE REPORTING ENTITY

1.1 The Company

The Ada Rural Bank Plc is a limited liability company registered under Ghanaian Legislation and authorized by its Regulations and a banking license issued by the Bank of Ghana to engage in the provision of banking and related services including the taking of deposits and lending of money.

The bank is domiciled in Ghana with its head office and network of Branches located within the Greater Accra region of Ghana. The registered office is at Kasseh-Ada in the Greater Accra Region of Ghana. The audited Financial Statements were authorized for issue by the Board of Directors on **25th day of May 2025**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the bank for the year ended 31st December 2024 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

All the material information required by legislation, particularly the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act 2016 (Act 930) have also been disclosed or presented in the appropriate context.

2.1 Basis of Presentation

The bank prepares its Financial Statements under the historical cost basis as modified by the revaluation of certain assets and liabilities through the assessment of impairment and fair value measurement. The preparation of the Financial Statements is underpinned by the going concern basis which assumes that the bank will continue to operate into the foreseeable future on a scale similar to, or better than the levels of current operations.

The presumption of going concern is challenged by the following:

a. The total liabilities of the Bank at the reporting date is in excess of its total assets by **GH¢6,053,722.** This was mitigated by a tax credit provision of **GH¢2,015,459** resulting in a net deficit balance of **GH¢4,038,263 (2023: GH¢5,567,650)** on the shareholders fund as shown in the financial statements. Thus, the viability of the going concern presumption is undermined. The validity or viability of the going concern presumption depends to a very large extent on the ability of the bank to generate sufficient revenues from its operations to underwrite its recurrent expenditures and/or injection of additional capital. The shareholders and directors of the bank have provided assurances that they would continue to provide financial support to the bank until it is able to meet its financial obligations to depositors and other outside parties as they fall due.

b. The total assets of the bank at the reporting date included aspects with diluted liquidity potential due to lack of recoverability disclosed under Other Assets (see note 15). These assets totalled **GH¢1,133,407 (2023: GH¢1,448,582)** and the directors are discussing options opened to the bank to amortise the amounts through the profit or loss account in subsequent years.

Should the bank be unable to continue to operate, adjustments would have to be made to the Financial Statements to restate Assets at their Break-up values, recognize any costs associated or consequential upon their disposal, and reclassify long term liabilities as short term.

2.2 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.

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.

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.

Commissions and Fees

Commissions and loan fees are credited to income when earned with reasonable certainty and in the case of loan fees, deferred and spread over the loans tenure. The unearned fees are disclosed separately as a set-off against the loans' balances.

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.

2.3 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.

2.4 Financial Assets and Liabilities

2.4.1 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.

2.4.2 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.

2.4.3 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 2.4.8. 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 2.4.8.

2.4.4 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.

2.4.5 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 short-term 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.

2.4.6 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.

2.4.7 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.

2.4.8 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.

2.5 Derecognition of financial assets and liabilities

2.5.1 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.

2.5.2 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 the terms 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 - 2.9). 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 or modification 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.

2.6 Impairment of financial assets

2.6.1 Overview of the Expected Credit Loss (ECL) principles

The Bank records the allowance for expected credit losses for all loans and other debt financial assets not held at Fair Value through Profit/Loss (FVPL) 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 note 2.6.2.

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 credit- impaired 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.

2.6.2 The calculation of ECLs

The Bank calculates ECLs based on 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%.

2.6.3 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.

2.6.4 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.

2.7 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 not recorded 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.

2.8 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.

2.9 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.

2.9.1 *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 Ada Rural Bank Plc.

2.10 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.

2.11 Equity Investment

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.

2.12 Property and Equipment

(a) 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:

Land and Building	2.5%
Motor Vehicle	20%
Office Equipment & Equipment	20%
Computer	20%
T24 User License Software	10%

(b) *Intangible Assets*

Intangible assets comprise Software and related licenses acquired by the Company and are stated at cost less impairment losses and accumulated amortization. Subsequent expenditure on intangible assets (i.e. 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 & Microsoft License	10%

2.13 Income Tax

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.

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.

2.14 Provisions

A provision is recognized in the statement of financial position when a legal or constructive obligation as a result of a past transaction or event exist at the reporting date and the amount of the obligation can be reliably estimated and also probable that an outflow of economic resource will be required to settle the obligation.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.15 Stated Capital and Reserves

(a) 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.

(b) 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%.

(c) Capital Surplus/Reserves

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

(d) Retained Earnings

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

(e) Credit Risk Reserve

Credit Risk Reserve is an appropriation from Retained Earnings as a cover for non-collateralized loans and advances granted to the customers of the bank. The bank reviews its loans and overdraft portfolios annually for all non-collateralized assets and makes provision for it by transferring from the Retained Earnings Account to the credit Risk Reserve Account. The current year balance on the Credit Risk Reserve Account is compared to the previous year balance and the difference adjusted through the Retained Earnings Account.

2.16 **Post Balance Sheet Events**

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

2.17 **Employment Benefit**

The cost of all employee benefits is recognised during the period in which the employee renders the related service.

The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the company has a present obligation to pay as a result of the employees' services provided to the reporting date.

National Pension

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

2.18. Leases

From January 1, 2019, IFRS 16 has been the effective standard guiding the accounting treatment for lease transactions. IFRS 16 was published in January 2016. It sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract, i.e. the customer ('lessee') and the supplier ('lessor'). IFRS 16 replaces the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees, which will result in almost all leases being included on the Statement of Financial position. No significant changes have been included for lessors.

The standard is effective for annual periods beginning on or after 1st January 2020, with early adoption permitted only if the entity also adopts IFRS 15.

3. INTEREST INCOME	2024 GH¢	2023 GH¢
Interest on Loans and Advances	1,858,749	1,555,029
Interest on Government Securities & Other Investments	4,295,893	2,701,433
	6,154,642	**4,256,462**

4. INTEREST EXPENSE		
Interest on Savings Accounts	397,534	340,661
Interest on Fixed Deposits	393,603	200,695
Interest on Borrowing	12,852	30,428
	803,989	**571,784**

5. COMMISSIONS AND FEES		
Commission on Turnover	218,512	246,735
Commitment Fees (**Note 26**)	86,250	200,490
Remittance Fess	9,655	10471
	314,418	**457,697**

6. OTHER OPERATING INCOME		
Sundry income (SMS Charges, COT, ETC.)	826,382	266,731
	826,382	**266,731**

7. OPERATING COSTS		
Staff Related Costs (**See note 8**)	3,294,109	2,130,448
Depreciation (**See note 19a)**	449,579	91,354
Amortisation (**See note 19b)**	27,585	27,587
Directors' Remuneration	70,100	24,400
Audit Fees	45,000	46,802
Donation	8,645	1,000
General and Administrative Expenses	3,810,684	1,935,749
	7,705,702	**4,257,340**

	2024	2023
8. STAFF RELATED COSTS	**GH¢**	**GH¢**
Salaries, Wages & Allowances	1,411,069	990,253
Medical expenses	66,723	46,789
Staff Training	196,992	65,192
Housing	63,550	37,486
Staff Social Security Costs	172,643	126,066
Other Staff Costs	1,383,133	864,662
9. CASH AND BANK BALANCES	**3,294,109**	**2,130,448**
Balances with Other Banks	518,099	734,292
Cash on hand	1,094,539	775,415
ARB Apex Clearing Account	(885,315)	149,064
10. SHORT TERM INVESTMENTS	**727,323**	**1,658,771**
(i). Treasury Bills Redeemable within 91 days		
At Maturity Value	8,640,000	10,030,000
Less: Unearned Discount at reporting dates	(360,759)	(593,781)
	8,279,241	**9,436,219**
(ii). Treasury Bills Redeemable within 182 days		
At Maturity Value	13,166,001	2,050,000
Less: Unearned Discount at reporting dates	(824,361)	(121,361)
	12,341,640	**1,928,639**
(iii). Treasury Bills Redeemable within 364 days		
At Maturity Value	5,100,000	2,977,649
Less: Unearned Discount at reporting dates	(512,246)	(176,278)
	4,587,754	**2,801,371**
(iv). Apex Certificate of Deposit (ACOD)		
Value at 1st January	980,000	830,000
Redemption/Addition	(980,000)	150,000
	-	**980,000**
	25,208,635	**15,146,229**

11. APEX BANK DEPOSIT RESERVE	2024 GH¢	2023 GH¢
Balance at 1st January	1,737,997	1,322,786
Net Investments during the year	529,121	415,211
Balance at 31st December	**2,267,118**	**1,737,997**

12. LOANS AND ADVANCES

(a) Analysed by Type of Facility

Overdraft	2,502,919	3,900,910
Loans	6,693,626	7,122,350
	9,196,545	**11,023,260**
Less Provision for Credit Losses	(5,867,944)	(6,565,377)
Deferred Income on Commitment Fees **(See Note 26)**	(63,514)	-
	3,265,087	**4,457,883**

Impairment Statistics

(i) Credit loss provision ratio	(7.58%)	0.43%
(ii) Cumulative credit loss provision ratio	63.8%	59.6%

The above constitute loans and advances to customers and staff. The maximum amount due from officers of the bank during the year amounted to **GH¢1,034,635 (2023: GH¢1,131,850).**

(b) Analysed by Type of Customer

Private Enterprises and institutions	1,591,382	7,113,748
Individuals	3,677,047	2,777,662
Others	3,928,116	1,131,850
	9,196,545	**11,023,260**
Less Provision for Credit Losses	(5,867,944)	(6,565,377)
Deferred Income on Commitment Fees (See Note 26)	(63,514)	-
	3,265,087	**4,457,883**

	2024 GH¢	2023 GH¢
(c) Analysed by Business Segment		
Agriculture & fishing	1,547,253	2,094,419
Cottage industries	764,929	-
Transport	934,913	1,212,559
Trading	2,583,305	3,351,781
Others	3,366,144	4,364,501
	9,196,545	**11,023,260**
Less: Provision for Credit Losses	(5,867,944)	(6,565,377)
Deferred Income on Commitment Fees **(See Note 26)**	(63,514)	-
	3,265,087	**4,457,883**

The above provision for expected credit losses (ECL) was done using Bank of Ghana (BOG) criteria for aging analysis on loans and overdraft provisioning instead of the IFRS 9 Expected Credit Loss (ECL) model. The bank failed to implement the IFRS 9 ECL model of provisioning because the ECL calculator resulted in a lower provision amount below **GH¢200,000** and considering the proportion of loss default of the bank's loans and overdraft which was more than 63% of the entire credit amount of **GH¢9,196,545**, the ECL calculator could not be accepted as the best method in making the right provision in the Financial Statements.

(d) **Movement in the Expected Credit Losses (ECL) per BoG directives**

Balance on the Provision at 1st January	6,565,377	8,081,886
(Credit)/Debit Provision for the year	(697,433)	48,109
Adjustment	-	(1,564,618)
Balance on the Provision at 31st December	**5,867,944**	**6,565,377**

(e)Expected Credit Losses (ECL) per BoG Guidelines	**Percent**		
Category	**Provision**		
Current	1%	32,771	44,803
Other Loans Especially Mentioned (OLEM)	5%	7,704	150
Substandard	25%	1,735	18,191
Doubtful	50%	9,797	14,587
Loss	100%	5,815,937	6,487,646
		5,867,944	**6,565,377**

13. EQUITY INVESTMENTS	Shares	Cost/ Value	2024	2023
	GH¢	GH¢	GH¢	GH¢
Ordinary Shares in ARB Apex Bank at Cost	56,634	1.23	69,660	69,660
Non-Renounceable Rights Issue:	25,406	1.23	31,250	31,250
Additional Shares	30,488	1.22	37,500	-
	112,528	**1.23**	**138,410**	**100,910**

Equity Investments are non-current and represent the Bank's investments in the equity of ARB Apex Bank.

	2024 GH¢	2023 GH¢
14. LONG TERM INVESTMENT		
a. Gold Coast & Brooks Asset Mgt. Investment		
Balance at 1st January	747,400	747,400
Accrued Interest	-	-
Balance at 31st December	**747,400**	**747,400**
b. **Government Stock/Bond**		
At Cost	535,701	535,701
Accrued Interest	-	-
At Amortized Cost	**535,701**	**535,701**
Grand Total (a + b)	**1,283,101**	**1,283,101**

a. **Gold Coast Securities and Brooks Asset Management**

This investment was held with Gold Cost Securities Limited and Brooks Assets Management Limited. The investment has been maintained at its historical value regardless of the lack of certainty with regards to its recoverability. The Value of this investment with Brooks Assets Management Ltd and Gold Coast Securities stood at **GH¢414,266** and **GH¢333,134** respectively in the year 2023. The balance of the investment remains the same at the reporting date.

b. Government Stock/Bond

This investment was originally a government bond which under a domestic debt exchange program (DDEP) has been rescheduled in terms of the timing of its repayment to five (5) years. The balance was initially reported at **GH¢1,071,401** out of which 50% **(GH¢535,701)** was paid by the government in 2021 leaving a balance of **GH¢535,701** at the reporting date.

	2024 GH¢	2023
15. OTHER ASSETS		
Stationery Stock	39,649	63,284
Prepayment	28,078	23,858
Interest in Arrears	623,407	686,097
Sundry debtors	6,544	17,540
ACH Uncleared Effect	315,242	1,143,649
Commission Accrued	62,902	184,239
Office Account	-	809,982
E-Zwich Operation	-	12,105
Mobile Money Transfer	249,597	-
Unassigned Line	-	592,645
Inter-Agency	510,000	169,840
	1,835,419	**3,703,239**
16. CUSTOMER DEPOSITS		
(a) Analysed by Type of Account		
Current accounts	8,017,182	6,365,824
Savings accounts	32,745,060	27,498,072
Time deposit	2,790,271	2,450,170
	43,552,513	**36,314,066**
17(a) CREDITORS AND ACCURALS		
Interest payable	96,038	71,544
Dividend payable	128,838	128,842
Sundry creditors	868,104	1,314,214
	1,092,980	**1,514,600**

18. TAXATION	2024	2023
(i) Tax Expense	**GH¢**	**GH¢**
Current Tax (see note 18 iv)	-	-
Growth and Sustainability Levy (GSL) Deferred Tax (see note 18 iii)	-	-
	(2,015,459)	(14,573)
Total to Profit or Loss	**(2,015,459)**	**(14,573)**
(ii) Reconciliation of Effective Tax Rate		
Profit before Tax	**(516,817)**	**103,657**
Income tax @ 25% (2023: 25%)	(129,204)	25,914
Tax Effect of Non-deductible Expenses	(52,906)	42,012
Tax Effect of Allowance Utilized	(59,181)	(63,994)
Tax Effect on Losses Carried Over	-	(3,932)
Current Tax Charge in P/L	**(241,291)**	**-**
Effective Tax Rate	**Nil**	**Nil**
(iii) Deferred Tax Account		
Balance at January 1	869,065	883,638
Release during the year	(2,015,459)	(14,573)
Balance at December 31	**(1,146,394)**	**869,065**

.Deferred income tax is determined on temporary differences under the liability method using a principal tax rate of 25%. The movement on the deferred tax account is as indicated above. The position of deferred tax is attributable to the following items.

Explained by:		
Property, Plant and Equipment	739,525	633,509
Loans and Advances	(1,482,864)	73,792
Carry Over of Losses	(403,055)	161,764
	(1,146,394)	**869,065**

(iv) 2024 YEAR OF ASSESSMENT (YOA)

	Balance at 1/1/24 GH¢	Charge in P & L A/c GH¢	Tax Audit Adjustment GH¢	Tax Credit/ Payments GH¢	Balance at 31/12/24 GH¢
A. Corporate Tax					
2011-2017	(35,210)	-	-	-	(35,210)
2018	(6,369)	-	-	-	(6,369)
2019	(85,704)	-	-	-	(85,704)
2020	(75,000)	-	-	-	(75,000)
2021	(48,277)	-	-	-	(48,277)
2022	(56,314)	-	-	-	(56,314)
2023	-	-	-	-	-
2024	-	-	-	-	-
Totals (A)	**(306,874)**	**-**	**-**	**-**	**(306,874)**
B. Growth & Sustainability Levy					
2022	-	-	-	-	-
2023	-	-	-	-	-
2024	-	-	-	-	-
Total (B)	**-**	**-**	**-**	**-**	**-**
Total (A&B)	**(306,874)**	**-**	**-**	**-**	**(306,874)**

Corporate Income Tax is charged at 25% (**2023:** 25%) of Taxable Profits. All tax liabilities and credits are subject to the Agreement of the Domestic Tax Revenue Division of the Ghana Revenue Authority.

Growth and Sustainability Levy

Growth and sustainability levy ACT 2023 (ACT 1095) is a special levy imposed to raise revenue for growth and fiscal sustainability of the economy and to provide for related matters. The levy came into effect on 1st May 2023 and is payable every quarter. The **percentage** rates applicable are **1%, 2.5%, and 5%** on Profit before Tax or Gross Production for the respective years of assessments 2023, 2024, and 2025. The rates are applicable in accordance with the type of companies and institutions listed in the ACT.

Ada Rural Bank Plc was not charged with the 5% on the accounting profit before Tax since there was rather an accounting loss.

19(a) PROPERTY AND EQUIPMENT

2024	H. land & Building	B. WIP Reno-vat'n	Motor Vehicles	Furniture & Fittings	Computer & Equip-ment	Plant Machin-ery	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost							
At 1/1/24	**3,631,358**	**-**	**456,277**	**82,305**	**1,046,345**	**172,993**	**5,389,278**
Disposal	-	-	(38,128)	-	-	-	(38,128)
Additions	-	-	-	69,720	60,616	-	130,336
At 31/12/24	**3,631,358**	**-**	**418,149**	**152,025**	**1,106,961**	**172,993**	**5,481,487**
Depreciation							
At 1/1/24	**-**	**-**	**176,173**	**27,606**	**329,525**	**61,580**	**594,884**
Disposal	-	-	(38,128)	-	-	-	(38,128)
Charge for the year	87,300	-	83,630	25,507	218,544	34,599	449,579
At 31/12/24	**87,300**	**-**	**221,675**	**53,113**	**548,069**	**96,179**	**1,006,336**
Net Book Value							
At 31/12/24	**3,544,056**	**-**	**196,474**	**98,913**	**558,892**	**76,814**	**4,475,151**

For comparative figures, please see note 19 (c) below

	2024	2023
	GH¢	GH¢
19(b) INTANGIBLE ASSET		
Balance as at 1st January	295,922	295,922
Payment during the year	-	-
	295,922	**295,922**
Amortisation		
Balance as at 1st January	102,815	75,228
Amortised during the year	27,585	27,587
Balance as at 31st December	**130,400**	**102,815**
Carrying amount	**165,522**	**193,107**

19(a) PROPERTY AND EQUIPMENT

2023	H. land & Building Building	B.WIP Reno-vat'n	Motor Vehicles	Furniture & Fittings	Computer & Equip	Plant Machinery	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost							
At 1/1/23	3,631,358	68,516	435,451	151,383	981,874	102,566	5,371,148
Additions	-	-	20,826	10,300	250,976	73,030	355,132
Disposal	-	(68,615)	-	(79,378)	(186,505)	(2,603)	(337,002)
At 31/12/23	**3,631,358**		**456,277**				**5,389,278**
		-		**82,305**	**1,046,345**	**172,993**	
	=======	=====	======	=====	=======	=====	=======
Depreciation							
At 1/1/23	**-**	**56,159**	**173,396**	**101,260**	**436,829**	**60,531**	**828,175**
Charge for the year	-	-	2,777	5,724	79,201	3,652	91,354
Disposal	-	(56,159)	-	(79,378)	(186,505)	(2,603)	(324,645)
At 31/12/23			**176,173**	**27,606**			
	-	**-**			**329,525**	**61,580**	**594,884**
	======	======	======	======	======	=====	======
Net Book Value							
At 31/12/23	**3,631,358**	**-**	**280,104**	**54,698**	**716,820**	**111,414**	**4,794,394**
	=======	======	======	======	======	======	=======

	2024 GH¢	2023 GH¢
20. STATUTORY RESERVE FUND		
At January 1st	568,004	508,889
Transferred from Retained Earnings Account	749,321	59,115
At December 31st	**1,317,325**	**568,004**
	=======	======

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 12.5% to 50%.

During the year, the Bank recorded a profit after tax of **GH¢1,498,642** and transferred 50% thereof amounting to **GH¢749,321** to Statutory Reserve Fund.

21. STATED CAPITAL	**2024**		**2023**	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**
		GH¢		**GH¢**
Authorized: Ordinary Shares @ 31st December	100,000,000	-	100,000,000	-
	----------	-	----------	----
	100,000,000		**100,000,000**	**-**
	==========	===	==========	===
Issued for:				
Cash Consideration				
At January 1	16,844,219	1,149,008	16,569,819	1,135,288
Additions	865,740	30,745	274,400	13,720
At December 31				
	17,709,959	**1,179,753**	**16,844,219**	**1,149,008**
	========	=======	========	=======

There is no unpaid liability on any shares. There are no calls or installments unpaid, and there are no treasury shares held.

Capital Adequacy

	2024		2023		
	Required by Regulation	Actually Achieved	Required by Regulation	Actually Achieved	
Capital Adequacy Ratio	10%	(32.26%)	10%	(33.35 %)	

	2024 GH¢	2023 GH¢
22. **REVALUATION RESERVE**		
Balance at January 1st	918,535	918,535
Revaluation Surplus	-	-
	918,535	**918,535**
23. **RETAINED EARNINGS**		
Balance at January 1st	(8,204,397)	(8,478,331)
Profit/(Loss) for the year	1,498,642	118,230
Balance before Statutory and Other Transfers	(6,705,755)	(8,360,101)
Transfer to Statutory Reserve (Note 21)	(749,321)	(59,115)
Transfer from Credit Risk Reserve	-	-
Adjustment	-	214,819
Balance at December 31st	**(7,455,076)**	**(8,204,397)**

24. **EARNINGS PER SHARE**

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

	2024 GH¢	2023 GH¢
Profit/ (loss)attributable to Ordinary Shareholders	**1,498,642**	**118,230**
Number of Ordinary Shares	**17,709,959**	**16,844,219**
Basic Earnings per Share (in Ghana Cedis)	**0.0846**	**0.0070**

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

25. **CREDIT RISK RESERVE**

Credit risk reserves are funds set aside by financial institutions to cover potential losses from

borrowers defaulting on their debts, serving as a buffer against unexpected financial downturns. It is established to mitigate the financial impact of credit losses, which occur when borrowers fail to repay their debts as agreed.

The bank assesses the creditworthiness of the borrowers and estimates the potential for defaults. Based on these assessments, the bank set aside a portion of the distributable reserves in equity to cover potential losses that might occur as a result of customers' default.

	2024 GH¢	2023 GH¢
26. DEFERRED INCOME		
At January 1st	-	-
Commitment Fees Accrued during the year	63,514	-
	63,514	**-**
Transferred to Income (**Note 5**)	-	-
At December 31st	**63,514**	**-**
	=====	=====

Deferred Income relates to commitment fees charged on loans and overdraft granted to customers of the bank and is amortized over the tenor of the loans and advances.

27. FINANCIAL RISK MANAGEMENT

Overview

The company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risks

This note presents information about the company's exposure to each of the above risks, the company's objectives, policies and processes for measuring and managing risk, and the company's management of capital.

Risk management framework

The Board of Directors have the overall responsibilities for the establishment and oversight of the Bank's risk management framework. The Risk and Compliance Manager of the Bank is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank.

Management gains assurance in relation to the effectiveness of internal control and risk management from: summary information in relation to the management of identified risks; detailed review of the effectiveness of management of selected key risks; results of management's self-assessment process over internal control; and the independent work of the Bank's internal audit and risk management department, which ensures that management understands the Bank's key risks and risk management capability; sets standards on governance and compliance; and provides assurance over the quality of the Bank's internal control and management of key risks.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to these limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

(i) **Credit risk**

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Bank's amount due from all investment portfolios and advances to customers.

The Bank's exposure to credit risk continues to be high as greater part of the investment portfolios amount outstanding in receivership at the end of the reporting date has still not been paid by the Security and Exchange Commission.

Receivables from Investment Portfolios and Advances to Customers

The Bank's exposure to credit risk is influenced mainly by the operational results of the investment companies and the businesses of customers to whom loans and overdraft has been granted. Management has established an investment and customer policy under which a new investment and advances granted to new customers and existing ones are assessed in line with the current operational performance of these companies and individuals to ascertain their risk levels for a possible call out of the investments and the advances. The Bank's investment and advances to individual customers are also done with predefined and selective companies and customers.

Allowances for impairment

The Bank establishes an allowance for impairment losses that represents its estimate of incurred losses in respect of overdue investments and other advances to customers.

The main components of this allowances are all specific loss components that relates to individual significant exposures, and a collective loss allowance established for homogeneous assets in respect of losses that have been incurred but have not yet been identified. The collective loss allowance is determined based on historical data of payment for similar financial assets.

The Bank made an impairment loss provisional estimate against the current year profit and loss account as a cover for all future non-payment of any financial asset.

Exposure to credit risks

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk and non-risk at the reporting date was:

	2024 GH¢	2023 GH¢
Investments with Gold Coast Securities	333,134	333,134
Government Stock/Bond	535,701	535,701
182 Day Brook Asset Management	414,266	414,266
Total Investment Risk Exposure	**1,283,101**	**1,283,101**
Other Assets	1,835,419	3,703,239
Loans and Advances to Customers	3,265,087	4,457,883

Total Company Credit Risk Exposure	**6,383,607**	**9,444,223**
Total Risk-Free Investments (In Government Securities)	25,208,635	14,166,229
	31,592,242	**23,610,452**
	========	========

The total balance of **GH¢25,208,635 (2023: 14,166,229)** as part of the investment portfolio is risk free which are basically in Treasury Bills and Government of Ghana bonds.

Impairment losses
The aging of Investment and account receivables at the reporting date was:

	2024			2023		
	Gross GH¢	**Im-pairme't GH¢**	**Net GH¢**	**Gross GH¢**	**Im-pairme't GH¢**	**Net GH¢**
Current (less than 365 days)	30,309,141	-	30,309,141	22,327,351	-	22,327,351
Impaired (above 365 days)	1,283,101	-	1,283,101	1,283,101	-	1,283,101
	31,592,242	**-**	**31,592,242**	**23,610,452**	**-**	**23,610,452**
	========	=====	========	========	=====	========

(ii) **Liquidity risk**

Liquidity risk is the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due or can access them only at excessive cost. The Bank's approach to managing liquidity risk is to ensure that it will maintain adequate liquidity to meet its liabilities when due. The following are contractual maturities of financial liabilities:

Contractual cash flows

	Carrying Amount GH¢	**Total GH¢**	**6 months or less GH¢**	**6 – 12 months GH¢**	**Above 1 Yr GH¢**
31st December 2024					
Savings Account	32,745,060	32,745,060	32,745,060	-	-
Current Account	8,017,182	8,017,182	8,017,182	-	-
Time Deposits	2,790,271	2,790,271	2,790,271	-	-
Accounts Payable	1,092,980	1,092,980	1,092,980	-	-
	----------	----------	----------	-----	-----
	44,645,494	**44,645,494**	**44,645,494**	**-**	**-**
	========	========	========	====	====

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Foreign currency risk

Currency risk only exists on account of financial instruments being denominated in a currency that is not the functional currency and has been of a monetary nature.

In the normal course of business, all the Bank's transactions on investments and purchase of goods and services were denominated in the local currency which is the functional and reporting currency. The Bank was not exposed to any currency risk of transacting business in foreign currencies (primarily in United States Dollars) and is again not subject to transaction and translation exposure from fluctuations in foreign currency exchange rates.

Interest rate risk

Fluctuations in interest rates had effect on the value of the Bank's financial instruments as the bank's main business is to trade and invest in securities and shares which are mainly considered as interest-bearing financial instruments at variable rates.

(iv) Operational risk

The Board of directors have overall oversight over the bank's operations and gives direction to the management team to ensure that the bank's operational risk is adequately managed.

(v) Capital management

Capital comprises stated capital. The primary objective of managing the Bank's capital is to ensure that there is sufficient capital available to support the funding requirements of the Bank, including capital expenditure, in a way that: optimises the cost of capital; maximises shareholders' returns; and ensures that the bank remains in a sound financial position. Management has a reasonable expectation that the shareholders will continue to support the bank's operations for the foreseeable future and are committed to make additional capital expenditure to keep the bank's liquidity position in a more secured and favourable position.

28. CAPITAL COMMITMENTS

There were no capital commitments provided for in the Financial Statement at the reporting dates.

29. EXCHANGE CONTROL

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

30. CONTINGENT LIABILITIES

There was no contingent liability not provided for in the Financial Statements at the reporting dates.

31. RELATED PARTY TRANSACTIONS

Transactions with key management personnel

Key management personnel are those persons having authority for planning, directing and controlling the activities of the Bank and comprise the Non-Executive Directors and Senior Management Staff of Ada Rural Bank Plc.

a. Remuneration of Key Management Personnel

	2024	2023
GH¢GH¢		
Salaries and other short-term benefits	731,359	520,995
Social Security	53,760	25,625
	785,119	**546,620**

b. Loans to key Staff

Balance at January 1st	1,131,850	1,851,852
Net Movement	(97,215)	(720,002)
Balance at December 31st	1,034,635	1,131,850

32. **SHAREHOLDING STRUCTURE**

(i) **Number of Shares Outstanding**

Earnings and dividend per share are based on **17,709,959** (**2023:16,844,219**) ordinary shares outstanding.

(ii) **Directors Shareholding:**

The Directors named below held the following number of shares in the Bank as at 31st December 2024.

	No. of Shares	% of Issued Capital
Bosumprah Bernard Katenor	804,620	3.38%
Amartey-Vondee Ernest	210,900	0.89%
Nsiah Akweley Evelyn	200,000	0.84%
Nene Alhaji Shamsudeen Adjovu I	141,030	0.59%
Appiah Prince Seth	100,000	0.42%
Assem Michael Kweku	100,000	0.42%
TOTAL	**1,556,550**	**6.54%**

(iii) **Number of Shareholders**

The Bank had 1,707 shareholders as at 31st December 2024 distributed as follows:

Holding	No. of Members	Total Holding of Shares	Percentage Held
1 – 1,000	663	323,419	1.83 %
1,001 – 5000	707	1,863,907	10.52%
5,001 – 10,000	120	874,278	4.94 %
Exceeding 10,000	217	14,648,355	82.71 %
	1,707	**17,709,959**	**100%**
	====	========	====

(iv) **List of Twenty Largest Shareholders as at 31st December 2024**

No. of		% of Shares	Issued Capital
1.	Bosumprah Bernard Katenor	804,620	3.38
2.	Dadzie Samuel	760,128	3.19
3.	Keed Investments Ltd	700,000	2.94
4.	Acquaye Reginald	499,140	2.10
5.	Fayorsey Archie Kabu	426,744	1.79
6.	Maccarthy Theophilus Ofori	389,600	1.64
7.	Aggrey Evelyn	320,000	1.34
8.	Debrah Nicholina	252,000	1.06
9.	Sottie Stephen Teye Crosby	245,000	1.03
10.	Sabbah David Narh	232,604	0.98
11.	Ada Rural Bank Trust A/C	225,906	0.95
12.	Akakpo Tenmote	219,283	0.92
13.	Amartey-Vondee Ernest	210,900	0.89
14.	Amoah Samuel Tetteh	207,500	0.87
15.	Nsiah Evelyn Akweley	200,000	0.84
16.	Abayateye N.Telford	200,000	0.84
17.	Dunyo Eric Agidi	200,000	0.84
18.	Zogblah Emmanuel Ofori	165,050	0.69
19.	Numo Simon Tetteh	152,000	0.64
20.	Adjovu Sampson Ayisah	141,030	0.59
		6,551,505	**27.52**
		=======	====

	2024 GH¢	2023 GH¢
General and Administrative Expenses		
Bank charges	12,845	37,523
Bad Debt Written Off	-	7,433
Audit expense	27,862	12,960
AGM expenses	34,780	30,730
Periodicals & subscription	66,260	40,325
Business Promotion/Advertising	33,283	32,036
Repairs & Maintenance	73,386	53,766
Rent & Property rates	155,091	38,422
Vehicle running expenses	106,741	113,718
Office expenses & consumables	60,000	41,887
Postage & telephone	34,016	22,623
Cleaning & sanitation	38,276	30,112
Printing & stationery	147,077	91,507
Insurance	214,937	162,230
Electricity and Water	177,677	167,619
Legal expenses	7,410	7,000
Board meeting expenses	259,146	272,553
Travelling & transport	69,815	40,898
End of Year Party	52,320	-
Police guard expenses	227,772	204,252
Mobilization expenses	109,868	101,952
Funeral Grant	2,975	1,500
Entertainment	600	45,900
Specie Expenses	13,137	4,198
Computerisation Expenses	495,091	212,359
Generator Running Expenses	65,830	52,650
Loan Recovery Expenses	295,162	2,900
Motor Vehicle Repairs & Maintenance	99,458	27,811
Teller Efficiency	1,551	-
Cash Overs and Shortages	42,230	803
Cheque Clearing	16,470	212
Sundry Expenses	868,594	49,728
Consultancy Services	4,000	7,995
Microfinance Expenses	-	20,146
	3,813,659	**1,935,748**

TAX COMPUTATION YEAR OF ASSESSMENT 2024
BASIS PERIOD (1/1/24 - 31/12/24)

	GH¢	2024 GH¢	2023 GH¢
(1) Corporate Tax			
Net Profit/(Loss) before Tax		(516,817)	103,657
Add/(Less):			
Provision for Credit Losses	(697,433)		48,109
Depreciation	449,579		91,354
BOG Approved Bad Debt Written Off Amortisation	-27,585		-
Entertainment Excess repairs Donations	-		27,587
	-8,645		-
	---------		-
			1,000
		(211,624)	
Assessable Income			
		(728,441)	**271,706**
Less: Capital Allowances Utilized		(236,722)	(255,976)
		(965,163)	**15,729**
Unrelieved Loss Utilised		-	(15,729)
Less: Unrelieved Losses Carried Forward		(965,163)	(647,056)
Chargeable (Loss)/ Income		**(965,163)**	**-**
Tax Thereon @25% (2021: 25%)		**-**	**-**
		======	======

Unrelieved Losses	**2024**	**2023**
Balance as at January 1st	(647,056)	662,785
Utilised	- (965,163)	(15,729)
Released during the Year		-
Balance as at 31st December	**(1,612,219)**	**647,056**
	========	======

CAPITAL ALLOWANCE COMPUTATION YEAR OF ASSESSMENT 2024 BASIS PERIOD (1/1/24-31/12/24)

Depreciation Allow. Rate	Depreciation Allow. Rate	WDV 1/1/24	Additions	Excess Repairs & Main.	Total	Capital Allowance	WDV 31/12/24
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
POOL OF ASSET							
Pool 1 Computers	40%	97,106	51,666	-	148,772	59,509	89,263
Pool 2 Motor Vehicles	30%	29,263	-	-	29,263	8,779	20,484
Pool 3 Fixture /Equip't	20%	325,106	78,670	-	403,776	80,755	323,021
Pool 4 Building	10%	672,765	-	-	672,765	67,277	605,489
Pool 5 Intangibles	10%	204,031	-	-	204,031	20,402	183,628
TOTAL		**1,328,271**	**130,336**	**-**	**1,458,607**	**236,722**	**1,221,885**

CAPITAL ALLOWANCE COMPUTATION YEAR OF ASSESSMENT 2023 BASIS PERIOD (1/1/23-31/12/23)

	Depreciation Allow. Rate GH¢	WDV 1/1/23 GH¢	Additions GH¢	Excess Repairs & Main. GH¢ WDV	Total GH¢	Capital Allowance GH¢	31/12/23 GH¢
POOL OF ASSET							
Pool 1 Computers	40%	86,969	74,874	-	161,843	64,737	97,106
Pool 2 Motor Vehicles	30%	20,978	20,826	-	41,804	12,541	29,263
Pool 3 Fixture /Equip't	20%	146,950	259,432	-	406,382	81,276	325,106
Pool 4 Building	10%	747,517	-	-	747,517	74,752	672,765
Pool 5 Intangibles	10%	226,701	-	-	226,701	22,670	204,031
TOTAL		**1,229,115**	**355,132**	**-**	**1,584,247**	**255,976**	**1,328,271**

ADA RURAL BANK PLC

ADA RURAL BANK PLC
PROXY FORM
FOR USE AT THE 40TH ANNUAL GENERAL MEETING

I/We .....
(Block letters please)

being a member/members of ADA RURAL BANK PLC hereby appoint

.....

..... of .....

as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the company to be held on 29th November, 2025

Signed this ..... day of 2025

.....
Shareholder's signature

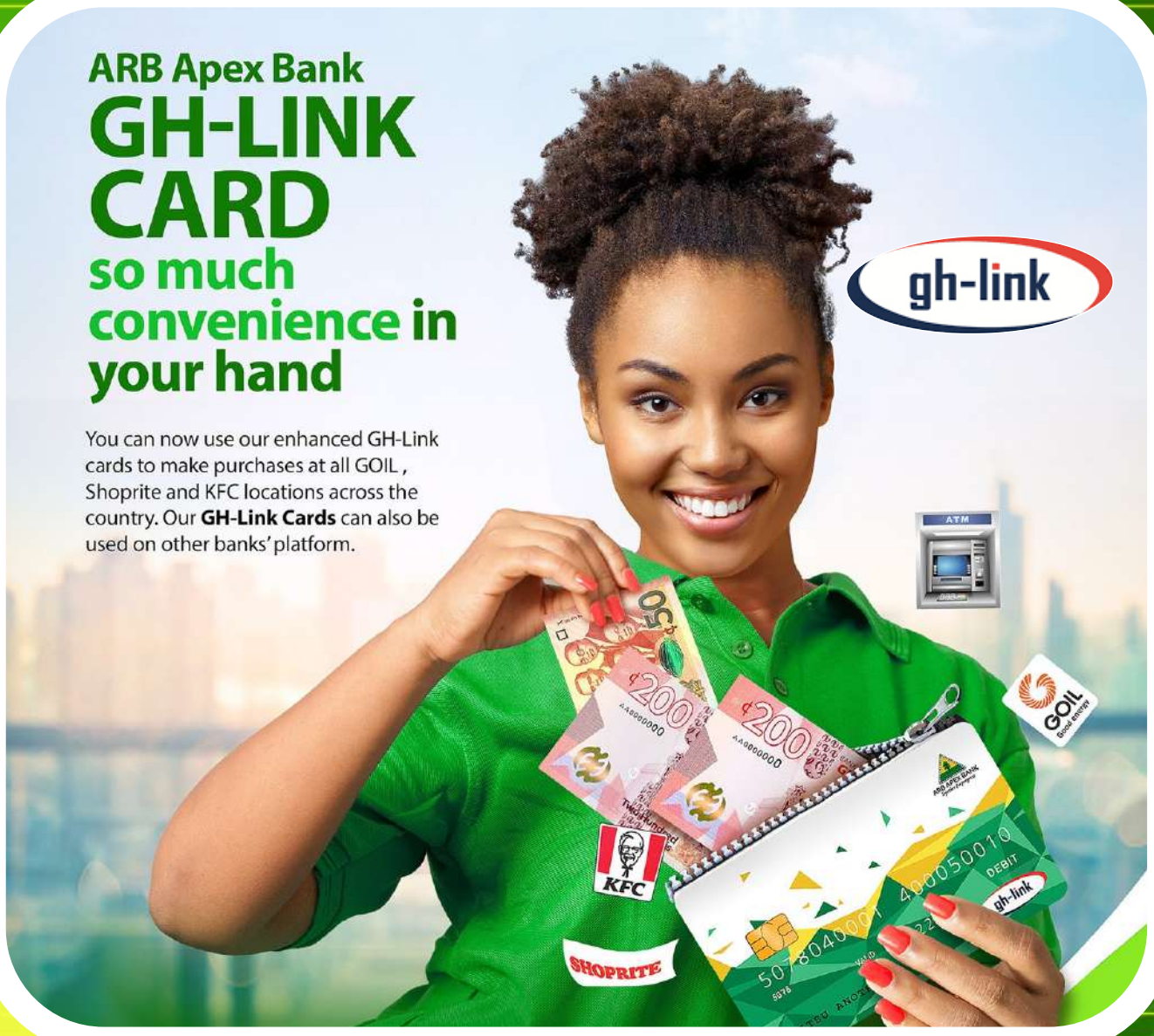
Company or Institution Seal/Stamp

No.	Resolution	For	Against
1.	To receive and consider the Chairman's Report, and the Financial Statements for the year ended 31st December, 2024 along with the Directors' and Auditors' reports thereon		
2.	To appoint External Auditors		
3.	To authorized the Directors to fix the Auditors' Remuneration		
4.	a) To re-elect Mr. Prince Seth Appiah as Director for a second term		
	b) To elect one Director to fill a vacancy		
5.	To fix the remuneration of the Directors		

NOTES

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

2) A member is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy needs not be a member of the Bank. Completed proxy forms must reach the Bank's Head Office at Kasseh-Ada, or electronically sent to info@adaruralbank.com, not less than 48 hours before the time fixed for the holding of the meeting.



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ADA RURAL BANK PLC

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www.adaruralbank.com
info@adaruralbank.com
Head Office: CE24 Regal Street, Near Allied Oil Fuel Station
Off Tema-Aflao Highway
Kasseh-Ada, Greater Accra Region, Ghana

P. O. Box 20 Kasseh, Greater Accra
GPS: GY 0819-9745
Google Map Address: VGW8+GHW

Savings account

secure
today,
enjoy
tomorrow

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ADA RURAL BANK PLC

Ada Rural Bank customers can now enjoy Banking on the Go.

Register with our nearest Branch and Simply Dial *992# to move cash to and from your RCB Account.

HEAD OFFICE		0501394426 0505105026
BRANCHES:	KASSEH	0501394422
	BIG ADA:	0501394428
	SEGE:	0501394412
	ASHAIMAN:	0501394431

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