

NYAKROM RURAL BANK PLC

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2024

**ISSIFU ALI & CO.
CHARTERED ACCOUNTANTS
P.O.BOX 6037
ACCRA-NORTH,
GHANA, WEST AFRICA..
Email: issifuali92@yahoo.com
WEBSITE: www.issifualico.com
Tel: + 233 (0) 302 228826,230433
LOCATION: # 7 SAPELE LOOP, (OPPOSITE ATTC)
KOKOMLEMLE**

NYAKROM RURAL BANK PLC

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NYAKROM RURAL BANK PLC
GENERAL INFORMATION

DIRECTORS:

Nana Ambrose Linson Arthur - Chairman
Robert Atta Obeng - Member
Cephas Essifu-Ansah - Member
Patrick Yaw Addai - Member
Mrs Mary Addo Osew - Domete - Member

SECRETARY:

Lawrence Ewusi - Mensah

REGISTERED OFFICE:

Nyakrom Rural Bank PLC
House No. E2C Nana Street
P.O. Box 50,
Agona Nyakrom
Central Region

AUDITORS:

Messrs Issifu Ali & Co.
(Chartered Accountants)
H/No.7, Sapele Loop, (Opposite ATTC)
Kokomlemle, Accra
P. O. Box 6037
Accra- North.

SOLICITOR:

Mr. Solomon Kofi Quandzie
Quandzie & Associates
P.O. Box AD 754
Adabraka, Accra

BANKERS:

ARB Apex Bank PLC
ADB Bank PLC
GCB Bank PLC

NYAKROM RURAL BANK PLC
REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER, 2024

The Directors have pleasure in submitting the audited financial statements of the Bank for the year ended 31 December, 2024.

OPERATING RESULTS

	GH¢
Balance at 1 January	(3,115,374)
Prior Year Adjustment	(1,920,750)
Opening Balance Restated	(5,036,124)
Net Profit after Tax for the year	3,108,440
Transfer to Statutory Reserve	(1,554,220)
Transfer from Credit Risk Reserve	1,077,477
leaving a balance to be carried forward on Retained Earnings of	<u><u>(2,404,427)</u></u>

DIVIDEND

The Directors do not recommend the payment of dividend.

AUDITORS

In accordance with Section 139(11) of the Companies Act, 2019 (Act 992). The Auditors, Messrs Issifu Ali & Co., will retire as auditors of the bank. Consequently, the directors will appoint new auditors at the next Annual General Meeting should the bank decide to continue in business.

FOR AND ON BEHALF OF THE BOARD

NAME OF DIRECTOR..... *NANA AUGUSTE L. ARTHUR*

SIGNATURE..... *[Signature]*

DATE *14/03/*..... 2025

NAME OF DIRECTOR..... *PATRICK Y. ADAMI*

SIGNATURE..... *[Signature]*

DATE *14/03/*..... 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NYAKROM RURAL BANK PLC

Report on the audited financial statements

Opinion

In our opinion, NYAKROM RURAL BANK PLC has kept proper accounting records and the financial statements are in agreement with the records in all material respects and report in the prescribed manner, information required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements give a true and fair view of the financial position of the Company as at 31 December, 2024, and of its financial performance and statement of cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards (IFRS), as adopted by the Institute Chartered Accountants Ghana (ICAG).

What we have audited

We have audited the accompanying financial statements of NYAKROM RURAL BANK PLC for the year ended 31 December, 2024.

The financial statements comprise:

- statement of comprehensive income for the year then ended;
- statement of financial position as at 31 December, 2024;
- statement of changes in equity for the year ended;
- statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report.

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

We are independent of the Bank in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Boards for Accountants (IESBA). We have fulfilled our other ethical responsibilities with the IESBA Code.

Going concern

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NYAKROM RURAL BANK PLC

Report on the audited financial statements (continued)

Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. Key audit matters are selected from the matters communicated with those charged with governance but are not intended to represent all matters that were discussed with them. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole. We do not have any such audit matter to report on.

Other information

The directors are responsible for the other information. The other information comprises Report of the Directors and Corporate Governance but does not include the bank's financial statements and our auditor's report thereon.

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

The Directors are responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with 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) and for such internal controls as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NYAKROM RURAL BANK PLC

Report on the audited financial statements (continued)

- Evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on other legal and regulatory requirements

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
3. The statement of financial position and statement of profit or loss and other comprehensive income of the Bank are in agreement with the books of account.

In accordance with Section 85 (2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), we hereby confirm that:

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS
OF NYAKROM RURAL BANK PLC**

Report on the audited financial statements (continued)

1. The accounts give a true and fair view of the state of affairs of the Bank and its results of operations for the year under review;
2. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;
3. The Bank's transactions were within its powers;
4. In our opinion, the Bank has complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749) repeal and replace by Anti-money laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the regulations enactments and
5. the Bank has complied with the provisions in the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's report is **Sebastian Leuri** (ICAG/P/1483).



.....
Issifu Ali & Co. (ICAG/F/239)
(Chartered Accountants)
P.O.Box 6037
Accra

Date: 19-03-2025

ISSIFU ALI & CO.
CHARTERED ACCOUNTANTS
P. O. BOX 6037
ACCRA - NORTH

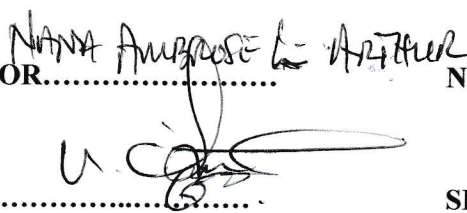
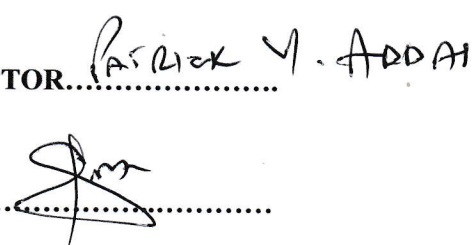
NYAKROM RURAL BANK PLC
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2024

	<u>NOTES</u>	<u>2024</u> <u>GH¢</u>	<u>2023</u> <u>GH¢</u>
Interest Income	4	33,781,073	24,169,260
Interest Expense	5	(3,655,324)	(3,272,063)
Net Interest Income		30,125,750	20,897,197
Fee and Commission Income	6	5,344,442	4,668,819
Net Trading Income		186,234	193,804
Other Income		2,243,518	1,481,310
Total Operating Income		37,899,944	27,241,130
Bad Debt Written Off		-	(367,288)
Impairment Loss on Financial Assets	13b	(896,310)	(600,650)
Personnel Expenses	7b	(15,977,032)	(12,045,028)
Depreciation		(1,833,711)	(1,686,606)
Other Operating Expenses	7a	(14,493,231)	(10,394,313)
Net Profit Before Tax		4,699,661	2,147,245
Income Tax Charge	8a	(1,356,237)	(723,229)
Growth & Sustainability Levy	28	(234,983)	(67,500)
Net Profit after Tax		3,108,440	1,356,517
Other Comprehensive Income			
Revaluation of Land and Buildings		2,351,756	3,135,675
Less: Associated Deferred Tax		(587,939)	(783,919)
Total Other Comprehensive Income		1,763,817	2,351,756

NYAKROM RURAL BANK PLC
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2024

	<u>NOTE</u>	<u>2024</u> <u>GH¢</u>	<u>2023</u> <u>GH¢</u>
ASSETS			
Cash and Balances with Other Banks	9	13,055,800	7,306,954
Short Term Securities	10	55,941,828	21,091,274
Trade Investments	11	188,380	130,648
Loans and Advances	12a	72,398,605	59,861,827
Current Tax Asset	8	29,578	11,260
Other Assets	15	3,970,792	3,938,831
Property, Plant and Equipment	16	9,016,403	7,484,871
Total Assets		<u>154,601,386</u>	<u>99,825,665</u>
LIABILITIES			
Customer Deposits	17	138,957,716	91,335,412
Interest Payable & Other Liabilities	18	2,451,433	2,521,479
Current Tax Liability	8a	-	315,355
Deferred Tax Liability		1,371,858	-
Borrowings	19	4,120,836	199,100
Total Liabilities		<u>146,901,843</u>	<u>94,371,346</u>
EQUITY			
Shareholders' Funds			
Stated Capital	20	5,131,567	2,702,176
Capital Reserve	21	1,763,817	3,135,675
Statutory Reserve	22	3,033,671	1,479,451
Credit Risk Reserve	14	174,915	1,252,392
Retained Earnings Deficit	23	(2,404,427)	(3,115,375)
Total Equity		<u>7,699,543</u>	<u>5,454,319</u>
TOTAL LIABILITIES AND EQUITY		<u>154,601,386</u>	<u>99,825,665</u>

The Financial Statements were approved by the Board of Directors on 14/03/2025
and were signed on its behalf by:

NAME OF DIRECTOR.....  SIGNATURE.....	NAME OF DIRECTOR.....  SIGNATURE.....
--	--

9 (a)

NYAKROM RURAL BANK PLC
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER, 2024

STATEMENT OF CHANGES IN EQUITY						
2024						
	Stated Capital GH¢	Statutory Reserve GH¢	Capital Reserve GH¢	Credit Risk Reserve GH¢	Retained Earnings GH¢	Total GH¢
Balance at 1 January	2,702,176	1,479,451	2,351,756	1,252,392	(3,115,375)	4,670,401
Prior year adjustment					(1,920,750)	(1,920,750)
Additions	2,429,391	-	-	-	-	2,429,391
Deferred Tax Liability			(587,939)			(587,939)
Profit for the year	-	-	-		3,108,440	3,108,440
Transfer to Credit Risk Reserve	-			(1,077,477)	1,077,477	-
Transfer to Statutory Reserve	-	1,554,220	-	-	(1,554,220)	-
Balance at 31 December	<u>5,131,567</u>	<u>3,033,671</u>	<u>1,763,817</u>	<u>174,915</u>	<u>(2,404,427)</u>	<u>7,699,543</u>

STATEMENT OF CHANGES IN EQUITY
2023

	Stated Capital GH¢	Statutory Reserve GH¢	Capital Reserve GH¢	Credit Risk Reserve GH¢	Retained Earnings GH¢	Total GH¢
Balance at 1 January	2,158,496	801,193	-	438,384	(2,979,625)	418,448
Additions	543,680	-	-	-	-	543,680
Profit for the year	-	-	-	-	1,356,517	1,356,517
Revaluation of Land			2,351,756			2,351,756
Transfer to Credit Risk Reserve	-	-	-	814,008	(814,008)	-
Transfer to Statutory Reserve	-	678,258	-	-	(678,258)	-
Balance at 31 December	<u>2,702,176</u>	<u>1,479,451</u>	<u>2,351,756</u>	<u>1,252,392</u>	<u>(3,115,375)</u>	<u>4,670,401</u>

NYAKROM RURAL BANK PLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	<u>2024</u> <u>GH¢</u>	<u>2023</u> <u>GH¢</u>
Cash Flow from Operating Activities		
Operating Profit	4,699,661	2,147,245
Adjustment for:		
Depreciation & Amortization	1,833,711	1,513,976
Provision for Credit Losses	896,310	600,650
Credit Risk Reserve	(1,077,477)	(814,008)
Prior year adjustment	(2,676,347)	
Operating Profit before Working Capital Changes	<u>3,675,852</u>	<u>3,447,863</u>
Loans & Advances	(12,536,778)	(19,415,629)
Other Assets	(31,961)	(1,200,233)
Customers' Deposit	47,622,304	23,688,664
Interest Payable & Other Liabilities	(70,046)	(573,351)
Cash flow from Operating Activities	<u>38,659,372</u>	<u>5,947,314</u>
Tax Paid	(1,300,000)	(450,000)
Growth & Sustainability Levy	(260,000)	(67,500)
Net Cash Outflow / Inflow from Operating Activities	<u>37,099,372</u>	<u>5,429,814</u>
Investing Activities		
Purchase of Property & Equipment	(2,899,098)	(2,153,016)
Proceeds from disposal of Property	48,004	
Net Cash used in Investing Activities	<u>(2,851,094)</u>	<u>(2,153,016)</u>
Financing Activities		
Proceeds from issue of Ordinary Shares	2,429,386	543,680
Borrowings	3,921,736	-
Net Cash (Outflow) from Financing Activities	<u>6,351,122</u>	<u>543,680</u>
Increase in Cash and Cash Equivalents	40,599,400	3,820,474
Cash and Cash Equivalents at 1 January	28,398,228	24,577,754
Cash and Cash Equivalents at 31 December	<u>68,997,628</u>	<u>28,398,228</u>
Analysis of Cash & Cash Equivalents as Shown in the Financial Position		
Cash and Balance with Other Banks	13,055,800	7,306,954
Treasury Bills	55,941,828	21,091,274
	<u>68,997,628</u>	<u>28,398,228</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

1.0 Reporting entity

Nyakrom Rural Bank PLC is a limited liability company incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The address of the Bank's registered office is Nyakrom Rural Bank (PLC) Building, P.O Box 50, Agona Nyakrom in the Central Region.

1.1. ACTIVITIES

Nyakrom Rural Bank PLC business principal activity are:

- i Acceptance of customers deposits in a form of; Savings, Current, fixed and mobile (susu) deposits.
- ii Acceptance of customers' withdrawals from their deposits.
- iii Money trading in a form of Treasury Bills and other long term investments for return of interest.
- iv Lending out Money to customers for loans for return of interest.
- v E-zwich bankings.
- vi Mobile money bankings

1.2 CORPORATE SOCIAL RESPONSIBILITY

- i To shareholders; Maximise Shareholders wealth for a better returns on their investments.
- ii To stakeholders; To respect the right of stakeholders and accountable to them for the corporate activities.
- iii To the Community as whole; To support brilliant but needy students in the Education sector and support the provision of other social amenities where feasible.

1.3 BASIS OF PREPARATION

a) Presentation of Financial Statements

Nyakrom Rural Bank PLC presents its Statement of Financial Position broadly in order of Assets equal to Equity plus Liabilities. Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by any accounting standard or interpretation.

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

The Financial Statements have been prepared in Ghana Cedi (GH¢) and under the historical cost convention (unless otherwise stated).

b) Statement of compliance

The financial statements have been prepared in accordance with the prevailing Bank of Ghana's guidelines on financial reporting, International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

1.4 SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS.

In the process of applying its accounting policies, Management has exercised judgment and estimates in determining the amounts recognized in the Financial Statements. The most significant uses of judgment and estimates are as follows:

Key sources of estimating uncertainty

When there is the need for estimation in relation to cost, management considers its past experience in relation to similar liabilities and trend in arriving at the estimate.

1.5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

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

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

Critical Accounting Judgments, Estimates and Assumptions

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

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

Measurement of the Expected Credit Loss Allowance

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

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

Determining criteria for significant increase in credit risk

Establishing the number of forward-looking economic scenarios and information

Choosing an appropriate model and assumptions in the measurement of the ECL"

2.0 Foreign Currency Translation

Functional and Presentation Currency

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

Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in other comprehensive income.

All foreign exchange gains and losses are presented in profit or loss within other operating income. Changes in the fair value of monetary securities denominated in foreign currency classified as fair value through other comprehensive income / available for sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security.

Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income. Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income/available for sale, are included in other comprehensive income.

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

2.1 Going Concern

The Bank's management has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on going concern basis.

2.2 Revenue Recognition

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

Interest Income

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

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

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

Commissions and Fees

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

Other Operating Income

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

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2024

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 deposit, as interest accrues using the effective interest rate method.

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

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period to the carrying amount of the "financial liability." The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument.

2.4 Financial Assets and Liabilities

2.4.1 Financial Assets Measurement Methods

2.4.1.1 Amortized Cost and Effective Interest Rate

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

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

2.4.1.2 Initial Recognition and Measurement

Financial assets and financial liabilities are recognized when the entity becomes a party to the contractual provisions of the instrument. At initial recognition, the Bank recognizes the financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss.

Subsequent Measurement & Classification

Financial Assets at Fair Value through Profit and Loss

Held for Trading

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

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Designated at Fair Value through Profit and Loss

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

Financial Assets Measured at Amortized Cost

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

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

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

Financial Assets Measured at Fair Value through Other Comprehensive Income

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

Financial assets measured at fair value through other comprehensive income are measured at fair value with gains and losses arising from changes in fair value recognized directly in other comprehensive income until the Financial Asset is either sold, become impaired, or mature, at which time the cumulative gain or loss previously recognized in equity is recognized in profit or loss. Interest calculated using effective interest method is recognized in the Statement of comprehensive income. Dividends on equity instruments are recognized in the income statement when the Bank's right to receive payment is established.

2.4.2 Financial Liabilities

Classification

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

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Measurement

The amortized cost of a financial liability is the amount at which the financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss

Determination of Fair Value

Availability of Active Market

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

Non-availability of Active Market

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

Determination of Fair Value

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating

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to transport. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

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

2.4.3 De-recognition of Financial Assets and Financial Liabilities

Financial Assets

A Financial Asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

The rights to receive cash flows from the asset have expired; or

The Bank transferred its rights to receive cash flows from the asset or has assumed obligation to pay the received cash flows in full without material delay to a third-party under a 'pass-through' arrangement; and

Either the Bank has transferred substantially all the risks and rewards of the asset or the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

Financial Liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.4.4 Offsetting of Financial Instruments

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

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2.4.5 Collateral

The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. Any interest payable or receivable arising is recorded as interest payable or interest receivable except for future costs relating to trading activities which are recorded in operating income.

IMPAIRMENT AND PROVISIONS

Impairment of Financial Assets

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

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

Impairment of Non-Financial Assets

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

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

Impairment of Loans & Advances

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

Loans and advances are designated as impaired and considered non-performing where recognized weakness indicates that full payment of either interest or principal become questionable or as soon as payment of interest or principal becomes questionable or as soon as payment of interest or principal is 90 days or more or overdue.

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Where any amount is considered uncollectible, an individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows.

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

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

Write-off Policy

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

Expected Credit Loss Measurement

In determining the ECL, management considers numerous factors including, but not limited to, domestic economic conditions, the composition of the advance portfolio and prior bad debt experience. Provisions made during the year are charged as a separate amount in the profit and loss account. When an advance is deemed irrecoverable it is written off against the related bad debt provision. Subsequent recoveries of advances that have been written off are credited to the profit and loss account under the category of Other Operating Income.

3.0 THE BANK'S EXPECTED CREDIT LOSS MODEL

The Bank usually uses the IFRS 9 three - stage approach to calculate impairment for their financial assets.

Stage 1: when significant increase in credit risk since initial recognition has not occurred, a 12-month ECL is recognised for the all stage 1 financial assets. Stage 1 financial assets are considered performing.

Stage 2; when a significant increase in credit risk since initial recognition has occurred, a lifetime ECL is recognised. Stage 2 financial assets are underperforming but not yet defaulted.

Stage 3; there is significant increase in credit risk reflecting 90 days past due and considered credit impaired at reporting date.

Financial instruments in stage 1 have their ECL measured at an amount equal to the portion of lifetime expected credit losses that result from default events possible within the next 12 months.

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Instruments in stages 2 or 3 have their ECL measured based on expected credit losses on a lifetime basis. Forward-looking information are considered in measuring the credit losses

Measuring ECL – Explanation of inputs, assumptions and estimation techniques

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

The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation

EAD is based on the amounts the Bank expects to be owed at the time of default, over the remaining lifetime (Lifetime EAD)

LGD represents the Bank's expectation of the extent of the loss on a defaulted exposure. LGD varies by type of counterparty, type of seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculated on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 months and lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

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

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

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

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

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Internal Model and Assumptions – ECL Measurement

The Microfinance loans share similar risk characteristics. The loans are described as “Group Loans”, normally very homogeneous and within the same geographical area. Almost all the loans are credit impaired because they are past due and other detrimental effect on future cash flows. Their stage categorization is at stage 3, for which Lifetime Expected Credit Losses (ECL) will be recognized.

All of the Loans were originated based on the prevailing interest rate fixed by the Bank based on the Bank of Ghana’s Base rate

Loans which are categorized under “Current” are those Loan Balances which have no significant increase in credit risk. Such current balances are stage 1 and 12 months ECL will be recognized.

Loans which are not categorized under “Current” as well as not impaired or a “Loss” because of past due status will be assumed as significant increase in credit risk but not credit impaired. Such loans will be categorized as stage 2 and a lifetime ECL will be recognized.

All loans and advances have been aged based on historical experience into stage 1, 2 and 3"

The ageing balances of the Bank will be used for the computation of Expected Credit Losses (ECL). The loan types have been categorized into Personal, Trading/Commercial, Staff, Ex-staff, Directors, Ex-Directors, Agriculture and Group Loans which are the Microfinance.

The computation is constrained by the fact that additional information or triggers such as bankruptcy, death, loss of jobs, re-location, collateral etc. about the loan types were not obtained. They were all generalized based on balances obtained from the Bank.

Forward looking information such as the inflation and interest rates were analyzed at the end of the period. A forward rate of 10% was assumed since the rate during the period had led to default in loan payments due to loss of job and unemployment. 10% was used to adjust the historical figures at the Probability of Default (PD) lifetime ECL. For stage 1, a future Forward rate of 0.5% will be assumed and added to the historical rate of 1% to arrive at 1.5%. For stage 2, a weighted average rate for provision rates in OLEM, Substandard and Doubtful will be used as historical and will be adjusted by the future rate of 10% to arrive at the PD. The Loss was still assumed at the rate of 100%.

The Loss Given Default (LGD) will be assumed at the Bank Monetary Policy Rate due to constraint as stated. This will be applied for all the loan types. The Loss Given Default is what the business will lose if a borrower defaults. It is the difference between the contractual cash flows due and those that the lender would expect to receive, including from any collateral. It is usually expressed as percentage of Exposure at Default (EAD)

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ECL is computed as $EAD \times LGD \times PD$.

Below are the ageing figures for the period"

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

Stage 1 – Performing (Current)

Stage 2 – Underperforming (Substandard, doubtful)

Stage 3 – Credit impaired (Loss)

3.1 Cash and Cash Equivalents

Cash and Cash equivalents include cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise balances with 91 days

or less from the date of acquisition including cash and balances with Apex Bank, money market placements and dealing securities.

3.2 Equity Investments

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.

3.3 Adoption of lease - IFRS 16

The Bank has adopted IFRS 16 with effect from 1st January 2022. The final version of this standard was issued on January 2016 by International Accounting Standards Board (IASB) to replace IAS 17, the previous accounting standard for lease.

Leases are capitalised by recognising the present value of the lease payments and showing them either as leased assets (right- of use assets). If lease payments are made over time, financial liability is recognised representing the Bank's obligation to make future lease payments. Relevant portions of previous advance payment were amortised through the statement of comprehensive income

3.4 Impact of IFRS 16 on the Financial Statements

The adoption of IFRS 16 led to reclassification of some rent prepayments, which were for long term and material reclassified as right – of use assets and those below two year classified as rent prepaid under current assets.

3.5 Property, Plant and Equipment

Recognition and Measurement

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

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The costs of the day to day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Subsequent Costs

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

Revaluation Model

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

Revaluation model is used for property and surpluses on such revaluations are restricted to tier two capital with respect to capital adequacy Ratio computation.

Depreciation

Depreciation is charged to profit or loss on a straight-line basis to write down the cost of each asset to their residual values over the estimated useful lives of each part of an item of property and equipment. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognized or classified as "held for sale" in accordance with IFRS 5. The estimated useful lives for the current and corresponding years are as follows:

The principal annual rates used for this purpose are:

Freehold Land and Buildings	5%
Furniture & Fittings	20%
Office Equipment	25%
Computers & Accessories	33.33%
Motor Vehicles	33.33%

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

De-recognition

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

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Capital work in progress

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

Intangible Assets

An intangible asset is general considered as an identifiable non-monetary asset without physical substance. It is recognised when future economic benefits will flow to the Bank and it can be reliably measured. The useful life may be finite or indefinite depending on the nature and legal framework underpinning the transaction. Impairment assessment is made of all indefinite intangibles assets at each reporting date and appropriate adjustments made.

Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in the statement of comprehensive income on a straight-line basis over the estimated useful life of the software, from the date that is available for use. The estimated useful life of the Bank's software is for four years

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of inventories are measured using the First-In, First-Out (FIFO).

Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and the estimated cost necessary to make it sale

The cost of inventories comprising of all cost of purchase, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The inventories are stationeries of the bank.

3.6 Income Tax

Current Income Tax

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

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Ghana Revenue Authority. The tax rates and tax laws used to compute the amounts are those that are enacted or substantially enacted by the statement of financial position date."

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Deferred Tax

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

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

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

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

3.7 Provisions

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

3.8 Borrowings

Borrowings are recognized initially at fair value, net of transactions costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn, "the fee" is capitalized as a pre-payment for liquidity services and amortized over the period of the facility to which it relates.

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3.9 Stated Capital and Reserves Stated Capital

Ordinary Shares

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

Dividend on Ordinary Shares

Dividends on ordinary shares are recognized in the period, in equity in which they are approved by the shareholders, in the year in which they are paid.

Statutory Reserves

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

Capital Surplus/Reserves

The capital surplus account is a creation of law 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.

Income Surplus (Retained Earnings)

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

3.10 Credit Risk Reserve

To cater for any shortfall between the Bank of Ghana's Credit Loss Provision requirements and loans and advances impairments based on IFRS 9 principles, a charge or credit is made to retained earnings in respect of the difference required to adjust the cumulative provision to the level required under the Bank of Ghana regulations and IFRS 9 Financial Instrument Recognition and Measurement.

3.11 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.

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3.12 Related Parties

Related parties are individuals and companies. Where the individual and the Bank have the ability directly or indirectly, to control the other party or exercise significant influence on the party in making financial and operating decisions. Related party transactions and balances are disclosed in the notes to the financial statements

3.13 Employment Benefit Defined Contribution Plan

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

The Bank has the following defined contribution schemes:

National Pension Scheme

The Bank contributes 13.50% of basic salary to a National Pensions Scheme and the contribution is charged to the Profit and Loss Account as part of total Employee Benefit. The

National Pension Scheme is a creation of law and managed by the Government of Ghana through the appropriate public and private sector entities.

Provident Fund

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

3.14 Financial Risk Management Introduction and Overview

The Bank's business involves taking on risks in a targeted manner and managing them professionally. The core functions of the Bank's risk management are to identify all key risks for the Bank, measure these risks, manage the risk positions and determine capital allocations. The Bank regularly reviews its risk management policies and systems to reflect changes in markets, products and best market practice. The Bank's aim is to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial performance.

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

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Risk Management Structure

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk and management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include Board sub-committees, the internal audit department and risk and compliance department.

The Bank has exposure to the following types of risk from its use of financial instruments: a) Credit risk; b) Market risk; c) Liquidity risk; d) Operational risk. The Bank continues to assess its overall risk management framework and governance structure. The notes below present information about the Bank's exposure to each of the above risk.

Credit Risk

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

Credit Risk Management

Credit risk is the single largest risk for the Bank's business; the Directors therefore carefully manage the exposure to credit risk. The credit risk is managed through the systems and controls established by the Credits department that ensures that periodic review of the status of the receivable at every stage of application to completion of the repayment of the advance by the borrower.

The credit department submits reports of the performance of the Loans and Overdrafts to the loans committed which takes appropriate actions for approval and recovery. Credit facilities are monitored for early warning signals of non-performance.

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

Market Risk

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

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Market Risk Management

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

In the event when the Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates, the Bank mitigates these risk principally from customer driven transactions

Liquidity Risk

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

Liquidity Risk Management

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

Operational Risk

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

Operational Risk Management

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

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	<u>2024</u> <u>GH¢</u>	<u>2023</u> <u>GH¢</u>
4. INTEREST INCOME		
Advances	26,379,747	18,396,550
Investments	7,401,326	5,772,710
	<u>33,781,073</u>	<u>24,169,260</u>
5. INTEREST EXPENSE		
Borrowings	716,485	1,225,055
Savings Accounts	2,938,839	2,047,009
	<u>3,655,324</u>	<u>3,272,063</u>
6. COMMISSION AND FEES		
Commitment Fees	5,116,564	4,361,881
Commissions and Other Fees	227,878	306,939
	<u>5,344,442</u>	<u>4,668,819</u>
7. OPERATING EXPENSES		
Social Responsibility	321,988	91,219
Audit Fees	44,756	44,756
Advertising and Publicity	104,429	71,070
Annual General Meeting Expenses	156,243	79,115
General and Administrative Expenses (7c)	13,865,814	10,108,153
	<u>14,493,231</u>	<u>10,394,313</u>
7b. PERSONNEL EXPENSES		
Salaries and Allowances	13,372,608	10,270,928
Social Security Fund Contribution	812,616	648,477
Medicals Expenses	326,561	217,777
Staff Provident Fund	812,616	648,477
Training	391,247	211,368
Ex Gratia / Honourarium / Long Service Award	261,384	48,000
	<u>15,977,032</u>	<u>12,045,028</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2023

	<u>2024</u> <u>GH¢</u>	<u>2023</u> <u>GH¢</u>
7c. GENERAL & ADMINISTRATIVE EXPENSES		
Rates Expenses	54,649	40,663
Repairs & Maintenance	403,718	335,860
Printing & Stationery	388,011	331,392
Travelling & Transport	1,479,343	1,017,955
Board Meeting Expenses	159,258	112,364
Insurance	648,282	409,840
Subscriptions & Periodicals	193,342	150,011
Entertainment Expenses	12,000	15,150
Office Expenses	587,609	465,802
Specie Movement	100,205	138,027
Microfinance / Susu Expenses	2,617,376	1,819,136
Postages and Telephones	216,916	127,678
Water and Electricity	611,289	443,129
Security and Police Guard	64,185	67,490
Bank Charges	88,743	50,273
Women in Development Expenses	911,766	794,365
SMS Expenses	21,638	32,996
Vehicle Running Expenses	1,970,681	1,419,968
Loan Recovery Expenses	190,268	161,502
Generator Running Expenses	358,408	187,271
Audit Expenses	41,425	69,751
Computerization Expenses	941,371	592,075
Business Development Expenses	111,516	23,544
Cleaning and Sanitation	38,792	42,537
Cocoa Farm Loan Expenses	1,330	30,423
General Expenses	1,653,692	1,228,954
	<u>13,865,814</u>	<u>10,108,153</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

8. CURRENT TAX PAYABLE

Year of Assessment	Balance Jan-01 GH¢	Payment during the year GH¢	Charge for the year GH¢	Balance Dec-31 GH¢
2023	41,101	(450,000)	645,862	236,963
2024	236,963	(1,560,000)	1,293,459	(29,578)

8a. Tax Expense

	2024 GH¢	2023 GH¢
Income Tax	1,293,459	645,862
Deferred Tax	62,778	36,291
Charged to Profit and Loss	1,356,237	682,153

All liabilities and refunds are subject to agreement with the Ghana Revenue Authority.

8b. DEFERRED TAX

	2024 GH¢	2023 GH¢
Deferred Tax bal. as at 1/1/2024	26,056	(10,235)
Deferred Tax bal. as at 31/12/2024	88,834	26,056
Charged to Tax Expense	62,778	36,291

9. CASH AND BALANCES WITH OTHER BANKS

Cash on Hand	5,083,824	2,613,954
Balances with Other Banks (9 b)	7,971,976	4,693,000
	13,055,800	7,306,954

9 (b). BALANCES WITH OTHER BANKS

	2024 GH¢	2023 GH¢
ADB Bank Ltd	3,585,350	51,100
GCB Bank Ltd	68,991	(66,307)
Consolidated Bank of Ghana	7	77
ARB Apex Bank - Reserve	6,364,729	4,572,166
ARB Apex Bank - Current	(2,047,100)	135,965
	7,971,976	4,693,000

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024	2023
	GH¢	GH¢
10. SHORT TERM SECURITIES		
Treasury Bills	54,980,224	19,461,312
Other Financial Institutions	961,604	1,629,962
	55,941,828	21,091,274
11. TRADE SECURITIES		
Shares in Unlisted Securities	188,380	130,648
	188,380	130,648
12. LOANS & ADVANCES		
(a) Analysis by Type of Customers		
Individuals, Private and Public Enterprises	69,175,301	57,494,596
Staff Loans	6,686,271	5,544,971
Gross Loans and Overdrafts	75,861,572	63,039,566
Prov. For Impairment Loss on Financial Assets	(3,462,967)	(3,177,740)
Balance at 31st December	72,398,605	59,861,827
(b) Analysis by Business Segment		
Agriculture, Forestry and Fishing	1,457,167	4,415,161
Commerce and Finance	61,698,427	46,710,312
Transport, Storage and Communication	901,350	1,882,748
Miscellaneous	11,804,628	10,031,345
Gross Loans and Overdrafts	75,861,572	63,039,566
Prov. For Impairment Loss on Financial Assets	(3,462,967)	(3,177,740)
Adjusted Gross Loans and Overdrafts	72,398,605	59,861,827
(c) Analysis by Type of Products		
Loans	69,044,581	58,691,339
Overdraft	6,816,991	4,348,228
Gross Loans and Advances	75,861,572	63,039,566
Prov. For Impairment Loss on Financial Assets	(3,462,967)	(3,177,740)
Adjusted Gross Loans and Overdrafts	72,398,605	59,861,827

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024	2023
	GH¢	GH¢
13. IMPAIRMENT LOSS ON FINANCIAL ASSETS		
13a Bank of Ghana Provisioning for the Year	3,460,437	3,016,123
Expected Credit Loss (ECL)	1,071,225	1,853,042
IFRS 9 Provisioning for the Year	<u>4,531,662</u>	<u>4,869,165</u>
13b Bank of Ghana Provisioning for the Year	3,460,437	3,016,123
Provisioning to Profit and Loss Account	896,310	600,650
Credit Risk Reserve	174,915	1,252,392
Provision at the end of Year per IFRS 9	<u>4,531,662</u>	<u>4,869,165</u>
14. CREDIT RISK RESERVE		
Balance at 1 January	1,252,392	438,384
Transfer to Retained Earnings	(1,077,477)	814,008
Closing Balance 31 December	<u>174,915</u>	<u>1,252,392</u>
15. OTHER ASSETS		
Stationery & Consumables Stock	85,381	58,792
Prepayments	86,944	167,228
Others	3,798,466	3,712,811
	<u>3,970,792</u>	<u>3,938,831</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

16i. PROPERTY, PLANT & EQUIPMENT
2024

Cost	Land & Building GH¢	Right of Use Asset GH¢	Furniture & Fittings GH¢	Office Equipment GH¢	Office Computer GH¢	Motor Vehicle GH¢	Work In Progress GH¢	TOTAL GH¢
At 31st January	3,535,195	1,089,878	2,268,496	1,274,397	1,926,823	1,374,928	-	11,469,719
Additions	90,000	513,360	548,521	161,663	844,063	671,800	583,051	3,412,458
Disposal	-	-	-	-	-	(130,959)	-	(130,959)
At 31 December	3,625,195	1,603,238	2,817,017	1,436,060	2,770,886	1,915,769	583,051	14,751,218
Depreciation								
At 31 January	164,303	317,855	906,170	712,539	1,243,632	640,349	-	3,984,848
Charge for the year	123,806	203,918	430,997	210,338	473,934	390,719	-	1,833,711
Disposal	-	-	-	-	-	(83,744)	-	(83,744)
At 31 December	288,109	521,773	1,337,167	922,877	1,717,566	947,323	-	5,734,815
Net Book Value								
At 31 December, 2024	3,337,086	1,081,465	1,479,849	513,183	1,053,320	968,446	583,051	9,016,403
At 31 December, 2023	3,370,892	772,023	1,362,326	561,858	683,191	734,579	-	7,484,871

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2023

16ii. PROPERTY, PLANT & EQUIPMENT
2023

Cost	Land & Building GH¢	Right of Use Asset GH¢	Furniture & Fittings GH¢	Office Equipment GH¢	Office Computer GH¢	Motor Vehicle GH¢	TOTAL GH¢
At 31 January	399,520	806,823	1,634,405	892,083	1,440,472	669,841	5,843,145
Additions	-	283,055	634,091	382,314	486,351	705,087	2,490,899
Revaluation	3,135,675	-	-	-	-	-	3,135,675
Disposal	-	-	-	-	-	-	-
At 31st December	3,535,195	1,089,878	2,268,496	1,274,397	1,926,823	1,374,928	11,469,719
Depreciation							
At 31st January	145,019	145,225	570,536	448,889	715,040	273,533	2,298,242
Charge for the year	19,283	172,630	335,634	263,650	528,592	366,816	1,686,606
Disposal	-	-	-	-	-	-	-
At 31st December	164,303	317,855	906,170	712,539	1,243,632	640,349	3,984,848
Net Book Value							
At 31st December, 2022	3,370,892	772,023	1,362,326	561,858	683,191	734,579	7,484,871
At 31st December, 2023	254,501	661,598	1,063,869	443,194	725,432	396,308	3,544,903

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	<u>2024</u> GH¢	<u>2023</u> GH¢
17. CUSTOMERS' DEPOSITS		
Time Deposits	24,859,757	18,323,484
Current Accounts	20,480,479	13,490,494
Savings Deposits	93,617,480	59,521,433
	<u>138,957,716</u>	<u>91,335,412</u>
18. INTEREST PAYABLE AND OTHER LIABILITIES		
Accruals	62,201	34,492
Discount on Treasury Bills/Investment	8,741	144,628
Accrued Interest	1,782,761	1,358,807
Other Creditors	597,731	983,552
	<u>2,451,433</u>	<u>2,521,479</u>
19. BORROWINGS		
ARB Apex Bank	4,049,249	
Ministry of Women and Children Affairs	20,000	20,000
Covid Alleviation Fund	51,586	179,100
	<u>4,120,836</u>	<u>199,100</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	Number	2024 GH¢	Number	2023 GH¢
20 STATED CAPITAL				
(a) Authorised Ordinary Shares	100,000,000		100,000,000	
Irredeemables Preference Shares	10,000,000		10,000,000	
	<u>110,000,000</u>		<u>110,000,000</u>	
(b) Issued & Fully Paid:				
Issued for Cash:				
At 1 January	50,537,822	2,702,176	39,664,222	2,158,496
Issued during the year	8,819,044	2,429,386	10,873,600	543,680
Redeemable Preference Share	10,000	5	10,000	5
At 31 December	(i) <u>59,366,866</u>	<u>5,131,567</u>	<u>50,547,822</u>	<u>2,702,181</u>

There are no shares in treasury and no calls or installments unpaid on any shares.

	2024 GH¢	2023 GH¢
21. CAPITAL RESERVE		
Balance at 1 January	3,135,675	-
Additions	-	3,135,675
Deferred tax	(1,371,858)	
Balance at 31 December	<u>1,763,817</u>	<u>3,135,675</u>

22 STATUTORY RESERVE

Balance at 1 January	1,479,451	801,194
Transfer from Retained Earnings	1,554,220	678,257
Balance at 31 December	<u>3,033,671</u>	<u>1,479,451</u>

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

	2024	2023
	GH¢	GH¢
23. RETAINED EARNINGS ACCOUNT		
Balance at 1 January	(3,115,374)	(2,979,625)
Prior year adjustment: Defalcation	(1,252,392)	-
Impaired UMB Investment	(668,358)	-
Net Profit for the Year	3,108,440	1,356,517
Transfer to Statutory Reserve	(1,554,220)	(678,258)
Transfe from Credit Reserve	1,077,477	(814,008)
Balance at 31 December	<u>(2,404,427)</u>	<u>(3,115,374)</u>

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 or ordinary shares outstanding during the year.

Profit attributable to ordinary shareholders

Weighted average number of ordinary shares

	2024	2023
	GH¢	GH¢
Profit attributable to ordinary shareholders	3,108,440	1,356,517
Weighted average number of ordinary shares	59,366,866	50,547,822

Basic Earning per share (in Ghana Pesewas)	0.05	0.03
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25. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the financial statements at the reporting dates.

26. VALUE ADDED STATEMENT

Interest Earned and Others

Banking Income	39,311,749		29,031,883	
Bought in Cost and Services	<u>(19,120,589)</u>		<u>(14,589,450)</u>	
Value Added by Banking Services	20,191,161		14,442,433	
Add Non - Banking Income	<u>2,243,518</u>		<u>1,481,310</u>	
Value Added for Distribution	<u>22,434,678</u>	100%	<u>15,923,743</u>	100%
Applied as Follows:				
To Pay Employees Salaries and Allowances for Directors and Staff	16,136,289	71.93%	12,157,391	76.35%
To Pay Government Corporate Tax	1,356,237	6.05%	723,229	4.54%
To Pay Providers of Capital; Dividend to Shareholders	-		-	
Retained for Expansion and Improvement:				
Depreciation	1,833,711		1,686,606	
Retained Profit	3,108,440		1,356,517	
	<u>4,942,151</u>	<u>22.03%</u>	<u>3,043,123</u>	<u>19.11%</u>
	<u>22,434,678</u>	100%	<u>15,923,743</u>	100%

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

27. RELATED PARTY TRANSACTIONS

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to related persons. There were no related party transactions during the year.

28. GROWTH AND SUSTAINABILITY LEVY

	2024 GH¢	2023 GH¢
Levy Paid	234,983	67,500
	<u>234,983</u>	<u>67,500</u>

29. DIRECTORS SHAREHOLDINGS FOR 2024

No.	Name	Number of Shares	Percentage Per Share
1	PATRICK YAW ADDAE	186,667	0.31
2	ROBERT ATTA OBENG	95,067	0.16
3	NANA AMBROSE LINSON ARTHUR	67,000	0.11
4	MARY ADDO OSEW DOMETSE	60,003	0.10
5	CEPHAS ESSIFUL-ANSAH	60,000	0.10
	TOTAL	468,737.00	0.79

30. MANAGEMENT SHAREHOLDINGS FOR 2023

No.	Name	Number of Shares	Percentage Per Share
1	KAEDABI DONKOR	484,400	0.82
2	ELVIS MESHACH YEBOAH	138,480	0.23
3	KWEKU WISDOM AKOMIAH	133,600	0.23
4	PHYLIS PAINTSIL	124,140	0.21
5	FRANCIS GAMETY	116,640	0.20
6	SAMUEL FRIMPONG MANSO	106,960	0.18
7	CATHERINE TAKYI	106,820	0.18
8	DANIEL ARKOH	118,400	0.20
9	KENNETH FIIFI NYARKOH	104,894	0.18
10	ALEX AGYEMAN OSEI	104,560	0.18
11	ADIZA ADAMS	90,840	0.15
	TOTAL NUMBER OF SHARES	1,629,734	2.75

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

31.(a) 50 LARGEST SHAREHOLDINGS FOR 2024

NO.	Name	Number of shares	Percentage Per Share
1	DANIEL KOFI AMISSAH	666,671	1.12
2	SUMAILA ZIZIEN	500,000	0.84
3	KAEDABI DONKOR	484,400	0.82
4	JOSEPH WILFRED KWAME TAWIAH	400,000	0.67
5	KWESI TSIBO TAKYI	380,000	0.64
6	FREDERICK AFRIYIE OSEI	333,334	0.56
7	BENJAMIN AFFUL - ESHUN	320,000	0.54
8	ELIZABETH OBENG	200,000	0.34
9	PATRICK YAW ADDAI	186,667	0.31
10	SAMUEL ADJAMAH CODJOE	170,660	0.29
11	PRINCE OTABIL	166,670	0.28
12	MAWULI YAO KUMAH	166,668	0.28
13	ABANDZENZEN BAKERY TRADING ENT	166,667	0.28
14	GEORGE GYAMFI	166,667	0.28
15	GEORGE GYAMFI (GYAMFI FAMILY)	166,667	0.28
16	ELVIS MESHACH YEBOAH	138,480	0.23
17	KWEKU WISDOM AKOMIAH	133,600	0.23
18	KOFI TEMENG-AMOAKO	133,334	0.22
19	RITA APPIAH	133,334	0.22
20	OLIVIA OCRAN	133,334	0.22
21	PATRICK YANKUM	130,240	0.22
22	PHYLIS PAINTSIL	124,140	0.21
23	DANIEL ARKOH	118,400	0.20
24	PETER AMOAH	116,667	0.20
25	FRANCIS GAMETY	116,640	0.20
26	SAMUEL FRIMPONG MANSO	106,960	0.18
27	KENNETH FIIFI NYARKOH	104,894	0.18
28	FRANCIS KOFI LAWOE	104,740	0.18
29	ALEX AGYEMAN OSEI	104,560	0.18
30	ERIC AMOAH	100,001	0.17
31	PRISCILLA MAVIS OMANANO	100,000	0.17

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

31 (b). 50 LARGEST SHAREHOLDINGS FOR 2024 *continued*

32	FTM LIMITED COMPANY	100,000		0.17
33	GEORGINA NELSON	100,000		0.17
34	JAMES NSIAH	100,000		0.17
35	DORA OBIRIBEA	100,000		0.17
36	PRINCE KWEKU ESSANDOH	100,000		0.17
37	HAWZA ENT SEIDU OSSUMANU	100,000		0.17
38	SOPHIA BABRESIE	100,000		0.17
39	ROBERT ATTA OBENG	95,067		0.16
40	SIMON EDUAMAH	92,820		0.16
41	ISAAC A SARPONG	90,900		0.15
42	ADIZA ADAMS	90,840		0.15
43	CHARLLOTE ADJOA DANSEL	90,380		0.15
44	CATHERINE TAKYI	89,920		0.15
45	ENOCH BENJAMIN DONKOH	84,000		0.14
46	SOLOMON QUANDZIE	82,000		0.14
47	TIMOTHY OSAM DUODU	78,400		0.13
48	OLAXY AMINI IDDI	76,670		0.13
49	NANA AMBROSE LINSON ARTHU	67,000		0.11
50	CEPHAS ESSIFUL-ANSAH	60,000		0.10
	TOTAL NUMBER OF SHARES	8,072,392		13.60

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

CUSTOMER CREDIT - 20 LARGEST EXPOSURES AS AT 31ST DECEMBER 2024.

			A M O U N T			SECURITY TYPE		
NO.	NAME OF CUSTOMER	TYPE	SANCTIONED	DISBURSED	OUTSTANDING		VALUE OF SECURITY	
1	IBM PETROLEUM LTD	LOAN	3,000,000.00	3,000,000.00	3,000,000.00	CAR DOCUMENT	3,000,000.00	
2	AGOZIE WILLIAMS TRADING	LOAN	1,000,000.00	1,000,000.00	1,000,000.00	LAND DOCUMENTS	3,558,750.00	
3	DOMNARTZ AD ENT	LOAN	1,000,000.00	1,000,000.00	944,444.45	LAND DOCUMENTS	2,724,100.00	
4	DANNES ANNOTED ENT.	LOAN	1,200,000.00	1,200,000.00	783,922.93	LAND DOCUMENTS	3,708,288.00	
5	EDZIEBA PHARMACY LTD	OVERDRAFT	650,000.00	650,000.00	672,759.93	AND/CAR DOCUMENT	742,700.00	
6	EQUAL RIGHT MOTORS	OVERDRAFT	800,000.00	800,000.00	634,998.11	LAND DOCUMENTS	478,514.00	
7	MAWUENYO FISHMONGERS ASSO.	LOAN	560,000.00	560,000.00	560,000.00	JOINT GUARANTEE		
8	HUMILITY FISH MONGERS ASSO.	LOAN	508,900.00	508,900.00	508,900.00	JOINT GUARANTEE		
9	FIRST TRANSPORT SERVICES LTD	LOAN	1,800,000.00	1,800,000.00	507,300.12	AND / CAR DOCUMENT	2,804,159.00	
10	RICNACAND COMPANY LTD	LOAN	500,000.00	500,000.00	500,000.00	LAND DOCUMENTS	491,920.00	
11	AMSOFF ENTERPRISE	LOAN	700,000.00	700,000.00	466,666.68	LAND DOCUMENTS	2,103,119.00	
12	RAII KUDIRATU RAI KUDIRATU	LOAN	500,000.00	500,000.00	437,500.00	LAND DOCUMENTS	937,180.00	
13	PETROPLUS VENTURES	OVERDRAFT	400,000.00	400,000.00	408,662.29	CAR DOCUMENT	400,000.00	
14	TRINITY FISH MONGERS ASS	LOAN	480,000.00	480,000.00	402,338.47	JOINT GUARANTEE		
15	MOSES AHIAISI	LOAN	400,000.00	400,000.00	400,000.00	LAND DOCUMENTS	976,400.00	
16	ELIMINA SALT PRODUCERS	LOAN	396,100.00	396,100.00	396,100.00	JOINT GUARANTEE		
17	EMMANUEL GHUNNEY	LOAN	450,000.00	450,000.00	394,050.01	LAND DOCUMENTS	452,962.00	
18	ADOM NSA FISH MONGERS ASSO.	LOAN	389,000.00	389,000.00	389,000.00	JOINT GUARANTEE		
19	LIVING BREAD FISH MONGERS ASS	LOAN	380,000.00	380,000.00	380,000.00	JOINT GUARANTEE		
20	GLORY FISH MONGERS ASSOCIATION	LOAN	364,800.00	364,800.00	364,800.00	JOINT GUARANTEE		
			15,478,800.00	15,478,800.00	13,151,442.99			

Total Outstanding loans and Overdrafts as per Balance Sheet

75,861,571.74

Percentage of total 20 largest outstanding loans and overdrafts as per preceding paragraph to total outstanding loans and overdrafts is:-

17.34%

INDUSTRY REQUIREMENT IS 25% WHILE THE ACTUAL IS 17.34% WHICH GIVES A FAVOURABLE VARIANCE OF 7.66%

NYAKROM RURAL BANK PLC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2024

REPORT FOR THE MONTH OF 31ST DECEMBER 2024

LARGE EXPOSURES - ADVANCES AND DEPOSITS

10 LARGEST DEPOSITORS

	NAME	TYPE OF ACCOUNT	% TOTAL	OUTSTANDING DEPOSIT
1	ALEX SETH KOFI NYARKOH	Normal Savings Account	0.75	1,047,147.48
2	AMOA H ERIC AMOA H ERIC	Ordinary Current Account	0.52	728,601.75
3	NYAKROM PENTECOST CO - OPERATIVE	Normal Savings Account	0.48	660,630.77
4	DUKES PETROLEUM CO LTD	Ordinary Current Account	0.46	633,345.88
5	DESMOND AKROBETTOE TUTU	Fixed Deposit	0.36	500,000.00
6	NRB STAFF ANIDASO SAVINGS	savings Account	0.35	484,932.08
7	PRINCE NIAKOH	savings Account	0.29	402,987.89
8	KWOFI ROBERT	Fixed Deposit	0.29	400,000.00
9	MONICA DONKOH	Fixed Deposit	0.29	400,000.00
10	AMOA H ERIC AMOA H ERIC	Fixed Deposit	0.29	400,000.00
11	TOTAL			5,657,645.85
12	TOTAL DEPOSITS AS PER BALANCE SHEET			138,957,716.15
13	Percentage of total 10 largest depositors as per (11) total deposit as per (12)			4.07%

ACCOUNTANT

MANAGER

NYAKROM RURAL BANK PLC
CAPITAL ALLOWANCE COMPUTATION
FOR THE YEAR ENDED 31 DECEMBER, 2024

	<u>POOL 1</u>	<u>POOL 2</u>	<u>POOL 3</u>	<u>CLASS 4</u>	<u>TOTAL CAPITAL ALLOWANCE</u>
	40%	30%	20%	10%	
W.D.V B/FWD	639,147	872,190	2,108,750	2,988,535	
Additions	844,063	671,800	710,184	90,000	
	1,483,210	1,543,990	2,818,934	3,078,535	
Depreciation Allowance	(593,284)	(463,197)	(563,787)	(307,854)	<u>(1,928,121)</u>
W.D.V C/FWD	<u>889,926</u>	<u>1,080,793</u>	<u>2,255,147</u>	<u>2,770,682</u>	

NYAKROM RURAL BANK PLC
INCOME TAX COMPUTATION
FOR THE YEAR ENDED 31 DECEMBER, 2024

	GH¢	GH¢
Net Profit Before Tax		4,699,661
<u>Add Back:</u>		
Depreciation	1,505,988	
Impairment Loss on Financial Assets	896,310	
		<u>2,402,297</u>
Adjusted Profit		7,101,958
Capital Allowances		(1,928,121)
Chargeable Income		<u><u>5,173,837</u></u>
Tax Thereon @ 25%		<u><u>1,293,459</u></u>

NYAKROM RURAL BANK PLC
DEFERRED TAX COMPUTATION
2024 YEAR OF ASSESSMENT

	2024	2023
	GH¢	GH¢
Land & Buildings	3,337,086	3,370,892
Furniture & Fittings	1,479,849	1,362,326
Office Equipment	513,183	561,858
Computer	1,053,320	683,192
Motor Vehicles	968,446	734,579
Carrying Amount PPE	<u>7,351,885</u>	<u>6,712,847</u>
Carrying Amount - Intangible Assets		
Total Carrying Amount	7,351,885	6,712,847
Tax Basis		
Pool One (1)	889,926	639,147
Pool Two (2)	1,080,793	872,190
Pool Three (3)	2,255,147	2,108,750
Class four (4)	2,770,682	2,988,535
Total Tax Basis	<u>(6,996,547)</u>	<u>(6,608,622)</u>
Temporary difference	<u>355,337</u>	<u>104,225</u>
	355,337	104,225
Deferred tax Liability @ 25%	<u>88,834</u>	<u>26,056</u>
Deferred tax Liability on Revaluation @ 25%	<u>587,939</u>	<u>783,919</u>
	<u><u>676,773</u></u>	<u><u>809,975</u></u>