KWAHU PRASO RURAL BANK LIMITED

(Registration number CS200542018)

Financial Statements

FOR THE YEAR ENDED 31 DECEMBER 2025

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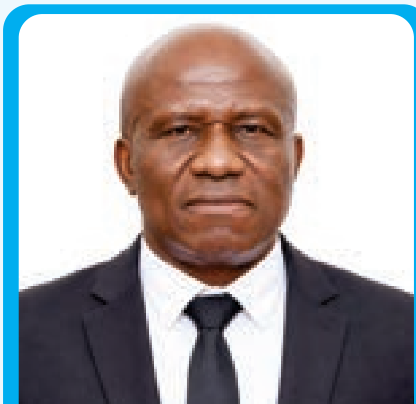
GENERAL INFORMATION

Company Registration Number	CS200542018
Directors	Joseph Atta Appah Francis Adipah Francis Osei-Nsiah Racheal Yeboah Michael Komla Alabi-Adefa
Registered Office	P. O. Box 29 Nkawkaw Eastern Region, Ghana
Business Address	EH-230-357-34
Bankers	ARB Apex Bank PLC GCB Bank PLC Afram Community Bank
Secretary	George Opoku-Agyemang c/o Cocoa Research Institute of Ghana P. O. Box 8 New Tafo
Auditors	Crowe Veritas Chartered Accountants KV1 B.J. Da - Rocha Link Tesano, Near Abeka Junction P. O. Box CT 6372 Cantonments Accra
Legal Advisors	Brainy Law Consult Adoagyiri - Nkawkaw Near Square One

BOARD OF DIRECTORS

MR. JOSEPH APPAH ATTA
(BOARD CHAIRMAN)



LAWYER FRANCIS OSEI NSIAH
(BOARD MEMBER)

MR. FRANCIS ADIPAH
(BOARD MEMBER)

MR. MICHAEL
KOMLA ALABI-ADEFA
(BOARD MEMBER)

MISS. RACHAEL YEBOAH
(BOARD MEMBER)

KEY MANAGEMENT TEAM

MRS. LUCY OPOKU-ARTHUR
(CHIEF EXECUTIVE OFFICER)

MR. BENJAMIN BIOH
(HEAD OF RISK & COMPLIANCE)

MR. BISMARK BOAKYE BOAFO
(HEAD OF OPERATIONS)

MR. BRIGHT MENSAH AMANKWAH
(HEAD OF HUMAN RESOURCE & ADMINISTRATION)

MR. DOUGLAS ADU
(HEAD OF MICRO FINANCE)

MR. ERIC AMOAKO
(HEAD OF CREDIT)

MR. FREDERICK CHALES ASSA
(HEAD OF AUDIT)

MR. SAMUEL AGYARKO
(HEAD OF MARKETING)

MR. KENNETH ASIEDU
(HEAD OF IT)

BRANCH HEADS


DANIEL ABOAGYE OSAFO BINFOH
(EJISU BRANCH MANAGER)


DOMINIC ADDO
(MPRAESO BRANCH MANAGER)


ERNEST AYIREBI
(ANYINAM BRANCH MANAGER)


EVANS KWAKYE OSAFO
(NKAWKAW BRANCH MANAGER)


HENRY OFORI ASANTE
(TAFO BRANCH MANAGER)


IBRAHIM GYANE
(KONONGO BRANCH MANAGER)


MRS. DORCAS ASARE
(KWAHU PRASO BRANCH MANAGER)


MS. REBECCA ACHEAMPONG
(OBO BRANCH MANAGER)

NOTICE OF THE 29TH ANNUAL GENERAL MEETING

Notice is hereby given that the 29th Annual General Meeting of **Shareholders of Kwahu Praso Community Bank Limited** will be held at the **PRESBYTERIAN CHURCH Premises, Kwahu Praso** on **Saturday, 22nd August, 2026 at 9:00am**, to transact the following business:

1. To read the notice convening the meeting.
2. To receive the report of the Chairman of the Board of Directors.
3. To receive and consider the report of the Directors, Statement of Accounts for the year ended 31st December 2025 and the Auditors Reports thereon.
4. To elect new Directors to replace those retiring.
5. To approve the remuneration of Directors.
6. To authorize the Directors to fix the remuneration of the Auditors.
7. To discuss Capitalization of Income Surplus (To consider and approve Bonus Share issues).
8. To pass resolution ratifying the change of name from Kwahu Praso Rural Bank Ltd. to Kwahu Praso Community Bank Ltd. in compliance with regulatory requirement.
9. Any other business.

NOTE

Shareholders may appoint proxies to attend the meeting and vote on their behalf.
Copies of the Directors' Report annexed to the Financial Statements are available for collection at the Bank's Head Office at Kwahu Praso and all the Branches.
Shareholders are kindly requested to come along with their Ghana Card as a means of identification during registration.

By order of the Board.

SIGNED

George Opoku Agyeman
(Board Secretary)

CHAIRMAN'S REPORT - 29TH ANNUAL GENERAL MEETING

INTRODUCTION

Nananom, the Managing Director ARB Apex Bank PLC, President- Association of Rural Banks Eastern Chapter, fellow Directors, Distinguished Shareholders, Crowe Veritas-External Auditors, Staff, distinguished invited guests, friends from the media, ladies and gentlemen.
It is my privilege on behalf of the Board of Directors to present the Board's report for the financial year under review. I would like to express our profound gratitude to our shareholders for your unwavering support, trust and commitment to the Bank. Your continuous confidence has been instrumental in our progress and achievements.

I am pleased to report that your Bank has currently been transitioned and it is now known as KWAHU PRASO COMMUNITY BANK. This transition from Rural Bank to Community Bank marks a significant milestone in the evolution of our Bank. It reflects a renewed commitment to serving the financial needs of the entire community, promoting financial inclusion and supporting sustainable economic development.
While our name has changed, our core mission of delivering accessible, reliable and customer-focused financial services remain unchanged.

ECONOMIC OVERVIEW

During the year under review, the financial sector experienced resilience in the course of the year 2025. The table below summarizes some important economic indicators for the period in which the Bank operated.

INDICATORS	31ST DEC 2025	31ST DEC 2024
POLICY RATE	18%	27%
INFLATION	5.4%	23.8%
EXCHANGE RATE(USD)	40.7%	14.78%
91-DAY T/BILL	11.1%	27.73%
182-DAY T/BILL	12.4%	29%
1-YEAR NOTE	13.0%	30.07%

The overall full year growth of the economy was 5.7% as at the period.
Ghana's economy demonstrated resilience in 2025, recording an estimated real GDP growth of 5.7%, supported by strong performance in the industrial and services sectors. The improved macroeconomic environment, characterized by declining inflation, exchange rate stability and lower interest rates, contributed to enhanced business confidence and economic activities.

THE BANKING INDUSTRY

The general outlook for Ghana's Banking industry in 2025 was positive, supported by improving macroeconomic conditions, stronger profitability and enhanced financial stability.
Customer deposits and total Banking assets continued to expand, reflecting increased public confidence in the Banking system.
Banks recorded significant growth in profits due to higher interest income, improved operational efficiency and lower impairment charges.
Capital adequacy ratios strengthened as Banks rebuilt capital and benefited from regulatory reforms, leaving the industry better positioned to absorb shocks.
Although non-performing loans (NPL) declined, asset quality remained a key risk. Banks were expected to strengthen credit risk management and comply with new regulatory guidelines on loan classification and provisioning.

CHAIRMAN'S REPORT (CONT'D)

OPERATIONAL/FINANCIAL PERFORMANCE

Distinguished Shareholders, the table below illustrates highlights of performance for the reporting period.

INDICATOR	2025	2024	% CHANGE	REMARKS
Total Income	29,005,779	21,340,879	36%	Increased
Total Operating Cost	23,469,005	16,632,627	41 %	Increased
Deposits	101,754,630	79,932,691	27.3%	Increased
Investments with Third Parties	66,673,503	59,198,110	12.6%	Increased
Loans and Advances	33,442,977	19,269,171	73.5%	Increased
Paid up Capital	1,308,452	1,267,902	3%	Increased
Capital Adequacy Ratio	12%	13%		Favourable
Cost to Income Ratio	81%	78%		Average
Profit Before Tax	5,536,774	4,708,252	17.60%	Increased
Profit After Tax	3,555,097	3,099,034	14.71%	Increased
Total Assets	116,895,912	92,674,366	26.14%	Increased

GROWTH

Distinguished Shareholders, the Bank was able to record profit before and after tax of GHC 5,536,774.00 and GHC 3,555,097.00 respectively in the year under review, representing 17.6%. and 14.71% increase respectively over the previous year's figure, despite the economic challenges that affected businesses and cocoa farmers..

Total Income recorded an increase from GH¢21,340,879.00 in 2024 to GH¢ 29.005,779.00 in 2025, representing a percentage increase of 36%.

Total Assets increased from GHC 92,674,366.00 in 2024 to GHC 116,895,912.00 representing 26.14%.

Total Deposit base also increased to GHC 101,754,630.00 in 2025 as compared to GHC 79,932,691.00 in 2024, representing 27% increase.

DEPOSIT MIX HIGHLIGHTS

ACCOUNT	YEAR 2025	YEAR 2024	% CHANGE	REMARKS
Savings	52,331,710	42,146,367	24.16%	Increased
Current	10,300,259	7,452,382	38.21%	Increased
Susu	24,205,106	18,825,347	28.57%	Increased
Fixed Deposit	14,917,555	11,518,593	29.50%	Increased
TOTAL	101,754,630	79,932,691	27.30%	Increased

CHAIRMAN'S REPORT (CONT'D)

LOANS AND ADVANCES

During the year under review, the Bank was able to grant a total loan of GHC 72,026,249.00 out of which GHC 37,892,759.17 was recovered, leaving a gross outstanding loan portfolio of GHC 34,133,489.83 which was still running.
The table below demonstrates the details.

SECTORS	AMOUNT GRANTED	% TOTAL LOANS
Microfinance	22,069,300.00	31.0%
Agriculture/Cocoa	21,504,500.00	30.0%
Trading/ Commerce	16,333,449.00	23.0%
Transport	4,700,000.00	7.0%
Cottage Industries	1,600,000.00	1.60%
Overdraft	1,919,000.00	2.0%
Others	3,900,000.00	5.40%
TOTAL	72,026,249.00	100%

In line with the Bank's mission to improve the living standards of our customers, the Board and Management would continue to be prudent in granting good loan facilities to improve businesses and livelihood.
However, I would still entreat and appeal to recalcitrant loan defaulters to pay up their indebtedness to enable other potential loan customers to benefit from the Bank.

STATED CAPITAL

Following Bank of Ghana's change of our name from Rural to Community Bank, which is a strategic rebranding, comes in its trail the increase of stated capital. Community Banks are currently required to increase their stated capital to GHC 5 million by December 2026.

Distinguished Shareholders, stated capital of the Bank as at 31st December,2025 stood at GHC 1,267,231.63 as compared to the previous year's figure of GHC 1,233,342.00. The current stated capital as at June 2026 stood at GHC 2,113,230.85. This means we have a huge variance to cover. The Board, Management and staff have taken the initiative to purchase more shares and also to intensify the sale of shares to other customers.
We therefore wish to humbly appeal to you to continuously purchase more shares to increase your share value and also refer relatives and acquaintances to purchase shares with the Bank.

BONUS SHARE/DIVIDEND DECLARATION

The Board of Directors have resolved to transfer 40% of the Bank's Retained Earnings to Stated Capital through the issue of bonus shares to all existing shareholders.
The purpose of this is to strengthen the Bank's capital base and to ensure that Kwahu Praso Community Bank meets the new minimum capital requirement set by Bank of Ghana by the end of 2026.
This resolution is subject to final approval by the Bank of Ghana and ratified by you our valued shareholders at this Annual General meeting.

INFRASTRUCTURE DEVELOPMENT AND EXPANSION

The Board and Management would continue to ensure that all branches are given the necessary facelift to portray captivating physical environment at all times.

CHAIRMAN'S REPORT (CONT'D)

HUMAN CAPITAL
Our employees remain the Bank's most valuable asset and the driving force behind our continued growth and success. During the year under review, the Board remained committed to developing a competent, motivated and customer-focused workforce capable of delivering exceptional service.

The Bank invested significantly in staff development through various training programs in credit administration, risk management, customer service, digital banking, compliance, anti-money laundering, leadership development and ESG practices. These initiatives have enhanced staff capacity and improved operational efficiency.
As part of the Boards commitment to build a high performance culture, a Performance Management System had been instituted, to ensure that individual staff performance is aligned with the Bank's strategic goal.

CORPORATE SOCIAL RESPONSIBILITY
As part of the Bank's policy to give a portion of our profit back to society in which we serve and operate, the Bank continued to support a number of social intervention activities within its area of operation during the period under review. The following were some of the activities sponsored:

1. Cash and assorted items donated to Nkwatia SOS Orphanage Village.
2. Contributions were made towards the orientation programs for newly trained teachers in various Districts in the catchment area.
3. Contributions were made towards Farmers Day Celebrations in five (5) Municipal and District Assemblies where the Bank operates.
4. Donation made towards School Speech Days and sports programs.
5. Cash donations to District Education Directors to attend conferences.
6. Cash donation made to Mpraeso Police Station.
7. Street lights donated to Praso no.2 community.
8. Bags of cement donated to Nkawkaw Central Police.

DIRECTORSHIP
Ladies and Gentlemen, during the year under review, the composition of Board of Directors met the minimum number of five (5). Two new approvals were granted by Bank of Ghana, and I must say the new members have commenced work in earnest and have brought their professional competence at the disposal of the Bank.

Distinguished Shareholders, in accordance with company's regulations, Mr Francis Adipah, a member of the Board, retires by rotation and being eligible, he has offered himself for re-election. We recommend that you re-appoint him to continue the good work he is doing for the Bank.

ACHIEVEMENTS
It is noteworthy to report that during the year 2025, the ARB Apex Bank quarterly Performance Rating still rated the Bank as Strong.

The Bank received an international award as the Most Compliant Rural/Community Bank at the Financial Inclusion Excellence Awards in Malaysia.
Also, our CEO received the following awards:

- The Most Outstanding Female Leader in financial inclusion and Rural Development, at the 11^{th} Feminine Achievement Awards.
- Excellence in Rural Banking Community Development, at the Ghana Outstanding Community Leadership Awards.
- Lifetime Achievement award, at the 6^{th} Ghana Credit Excellence Awards.

CHAIRMAN'S REPORT (CONT'D)

I want to take this opportunity to applaud the Board, Management and Staff for working hard to achieve recognition.

OUTLOOK

Ladies and Gentlemen, the focus for our growth strategy in the ensuing year includes but not limited to the following:

- To ensure greater regulatory compliance, with regards to risk management, corporate governance, Environmental, Social & Governance (ESG) reporting and anti-money laundering controls.
- To ensure credit quality management, by maintaining high asset quality through effective credit appraisal and recoveries.
- To ensure the full implementation of the newly introduced Agency Banking concept.
- To introduce more clients unto the digital banking platforms like the USSD and GhanaPay.
- To grow and further expand the beneficiaries of our cocoa and agric program and expand it to other communities.
- To develop and deepen ICT infrastructure to drive growth.
- To improve upon the Bank's capitalization through increase of sale of shares.
- To enhance employee development and motivation.
- To improve tremendously customer service delivery.

ACKNOWLEDGEMENT / CONCLUSION

Nananom, Distinguished Shareholders, Ladies and Gentlemen, on behalf of the Board, I wish to express my profound appreciation to all Shareholders for your continuous support and encouragement.
To our cherished customers, the bank still owes you deep appreciation for your loyalty and continual doing business with the bank regardless of the competition.

Lastly, I commend the Board of Directors, Management and staff of the Bank for their various vital roles played by all to make the Bank a strong Bank. I am confident that we can continue to count on your reliability and hard work in the ensuing years.

Thank you for your attention and May God bless us all.

Mr Joseph Atta Appah
(Board Chairman, Kwahu Praso Community Bank Ltd)

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act 2019 (Act 992) to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present the state of affairs of the company as at the end of the financial year and the results of its operations and cash flows for the period then ended, in conformity with IFRS Accounting Standards as issued by the International Accounting Standards Board. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

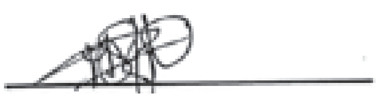
The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the company's cash flow forecast for the year to 31 December 2026 and, in light of this review and the current financial position, they are satisfied that the company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements have been examined by the company's external auditors and their report is presented on pages 27 to 29.

The financial statements set out on pages 30 to 64, which have been prepared on the going concern basis, were approved by the board of directors on 24th April 2026 and were signed on their behalf by:



JOSEPH ATTA APPAH	**RACHEAL YEBOAH**

DIRECTORS' REPORT

The directors have the pleasure in submitting their report on the financial statements of Kwahu Praso Rural Bank Limited for the year ended 31 December 2025.

1. Incorporation

The company was incorporated on 10 June 1982 and obtained its certificate to commence business on the 21 February 1983.

2. Nature of business

Kwahu Praso Rural Bank Limited was incorporated in Ghana with interests in the Banking industry. The company operates in Ghana.
The principal activities of Kwahu Praso Rural Bank Ltd are the following:
(a) To provide current and deposit account for its customers
(b) To accept and discount bills of exchange
(c) To act as agent of the other financial institutions in the country
(d) To provide savings and time deposits account for its customers
(e) To accept securities for safe-custody
(f) To act as executors or trustees of wills of small-scale farmers and small merchants
(g) To provide finance for small scale farmers, merchants, industrialists and co-operatives of such farmers and merchants and industrialists resident in the catchment area of Kwahu Praso Rural Bank
(h) To engage in other commercial or industrialist enterprises in the locality
There have been no material changes to the nature of the company's business from the prior year.

3. Review of financial results and activities

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the requirements of the Companies Act 2019 (Act 992). The accounting policies have been applied consistently compared to the prior year.

The company recorded a net profit after tax for the year ended 31 December 2025 of GH¢ 3,555,097. This represented an increase of 15% from the net profit after tax of the prior year of GH¢3,099,034.
Company revenue increased by 41% from GH¢10,206,776 in the prior year to GH¢14,412,541 for the year ended 31 December 2025.

Company cash flows from operating activities decreased by 32% from GH¢38,610,862 in the prior year to GH¢26,401,076 for the year ended 31 December 2025.
The Bank's financial statement highlights for the year 2025, compared to the prior year (2024) are as follows:

INCOME STATEMENTS	**2025**	**2024**	**% Change**	**Increase/ Decrease**
Interest Income	16,647,095	10,607,018	56.94%	Increase
Other Operating Income	12,358,684	10,733,861	15.14%	Increase
Interest Expense	(2,139,384)	(1,440,646)	48.50%	Increase
Total Operating Expense (including depreciation)	(21,329,621)	(15,191,981)	40.40%	Increase
Net Profit before Tax	**5,536,774**	**4,708,252**	**17.60%**	

DIRECTORS' REPORT (CONT'D)

STATEMENT OF FINANCIAL POSITION				
Total Assets	116,895,912	92,674,366	26.14%	Increase
Total Liabilities	104,038,686	83,449,144	24.67%	Increase
Shareholders' Funds	12,857,226	9,225,222	39.37%	Increase
Investments with Third Parties	66,673,503	59,198,110	12.63%	Increase
Capital Adequacy Ratio	11.61%	13%		

4. Stated capital

Authorised	2025	2024
	Number of shares	
Ordinary shares	10,000,000	10,000,000

Issued	2025 GH¢	2024 GH¢	2025 Number of shares	2024 Number of shares
Ordinary shares	1,308,452	1,189,492	2,655,859	2,525,014

There have been no changes to the authorised or issued share capital during the year under review.

5. Deposit for (ordinary) shares

	2025	2024
Ordinary shares	34,192	78,410

6. Dividends

The Bank's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

7. Directorate and interest register

The directors in office at the date of this report are as follows:

Directors	Term	Designation	Nationality
Joseph Atta Appah	Two (2)	Chairman	Ghanaian
Francis Adipah	One (1)	Non-executive	Ghanaian
Francis Osei-Nsiah	One (1)	Non-executive	Ghanaian
Racheal Yeboah	One (1)	Non-executive	Ghanaian
Michael Komla Alabi-Adefa	One (1)	Non-executive	Ghanaian

Top ten(10) shareholders	
Michael Nketia Frempong	300,000
Eric Kwakye Darfour	65,167
M. N. K. Martey	43,596
Safo Adu	42,839
Fred Adu Dwomor	42,523
Nkwatia Stool Elder	40,000
J. K. Mensah Boakye	39,256
Joseph Kwasi Asiamah	35,542
J. K. Nkrumah	24,111
Asempa Kwabena	22,755

DIRECTORS' REPORT (CONT'D)

8. Directors' interests in contracts

During the financial year, no contracts were entered into which directors or officers of the Bank had an interest and which significantly affected the business of the Bank.

9. Interests in other entities

There were no significant acquisitions or divestitures during the year ended 31 December 2025.

10. Events after the reporting period

The directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

11. Going concern

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

The directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the financial statements have been prepared on a going concern basis. The directors have satisfied themselves that the company is in a sound financial position and that it has access to sufficient borrowing facilities to meet its foreseeable cash requirements. The directors are not aware of any new material changes that may adversely impact the company. The directors are also not aware of any material noncompliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

12. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

- there is, so far as the person is aware, no relevant audit information of which the company's auditors are unaware; and
- the person has taken all the steps that he/she ought to have taken as a director to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

13. Terms of appointment of the auditors

Crowe Veritas were appointed as the company's auditors at the general meeting. Included in profit for the year is the agreed auditors' remuneration (incl. VAT & Levies) of GH¢59,892.

14. Corporate social responsibility

The Bank carried out some corporate social responsibility in the year. Beneficiaries included Kwahu South Muniipal Assembly, Atiwa East District Assembly, Ejisu Municipal Assembly, Asante Akyem Central Municipal Assembly, Kwahu East District Assembly during the Farmers Day celebration. The bank also made donations of 25 bags of cement to Ghana police Service at Nkawkaw, Five (5) pieces of street lights to Praso no. 2 town and an i3HP laptop to the Association of Rural Banks, National.

15. Capacity building of directors

As a measure to advance the technical capacity and knowledge of the directors, the directors attended training, seminars and conferences organised by the Bank of Ghana, Apex Bank, as well as external persons to equip the directors with the requisite skills and knowledge to discharge their duties as required of them by law. During the year there was training in corporate governance, risk management framework, training in Environmental, Sustainability and Governance matters, risk and compliance,

DIRECTORS' REPORT (CONT'D)

risk management framework. Directors also attended a training organised by the Association of Rural Banks on ESG sustainability financing in the year.

The financial statements set out on pages 30 to 64 which have been prepared on the going concern basis, were approved by the board of directors on 24 April 2026, and were signed on its behalf by:

Joseph Atta Appah
(Board Chairman)

RACHEAL YEBOAH
(Director)

CORPORATE GOVERNANCE REPORT

Preamble

Kwahu Praso Community Bank Ltd has good governance practices and ensures that governance is at the center of its core values. The Bank implements effective corporate governance principles in its business operations. The Board ensures that the Bank complies with the relevant provisions on corporate governance under the Companies Act, 2019 (Act 992), the Banks and Specialized-Taking Institutions Act, 2016 (Act 930) and the Corporate Governance Directive by the Bank of Ghana, as well as the principles of best practices.

1. Corporate Governance Philosophy and Commitment

The Board of Directors recognizes that sound corporate governance is fundamental to the long-term success, financial soundness, and sustainability of the Bank. Corporate governance provides the framework through which the affairs of the Bank are directed and controlled, ensuring accountability, transparency, integrity, fairness and responsible stewardship of the Bank's resources.

The Board is committed to maintaining the highest standards of corporate governance by fostering an effective governance culture that promotes ethical leadership, prudent decision-making, sound risk management, regulatory compliance and sustainable value creation for shareholders and other stakeholders.

The Bank's governance practices are guided by the provisions of the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), the Companies Act, 2019 (Act 992), the Bank of Ghana Corporate Governance Directive, the Bank's Constitution, and other applicable laws, regulations and internal policies.

Throughout the year under review, the Board continued to strengthen governance practices by enhancing Board oversight, improving risk governance, reinforcing internal controls, promoting ethical conduct, and ensuring that Management operated within an effective accountability framework.

The Board remains committed to continuously reviewing and improving its governance framework to meet evolving regulatory expectations and international best practices while supporting the Bank's strategic objectives.

1.1 Annual Certification

The Board is aware of its responsibilities to the Bank as the body charged with the institution's governance and policy direction. During the period under review, the directors undertook intensive corporate governance certification training organized by Association of Rural Banks. The directors completed this certification programme on Corporate Governance and other training on Money Laundering and Environmental, Social Governance (ESG).

2. Statement of Compliance

The Board affirms its commitment to full compliance with all applicable legal and regulatory requirements governing the operations of the Bank.

During the year under review, the Bank substantially complied with the requirements of:

- The Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930);
- The Companies Act, 2019 (Act 992);
- The Bank of Ghana Corporate Governance Directive;
- Prudential and Supervisory Directives issued by the Bank of Ghana;
- Anti-Money Laundering, Counter Financing of Terrorism and Counter Proliferation Financing (AML/CFT/CPF) Regulations;
- Data Protection legislation;
- Applicable tax laws; and
- Other relevant statutory and regulatory requirements.

CORPORATE GOVERNANCE REPORT (CONT'D)

The Board continued to monitor the Bank's compliance obligations through periodic reports from Management, the Compliance Function, Internal Audit, and Board Committees. Where improvement opportunities were identified, corrective actions were promptly implemented.

3. Corporate Governance Framework

The Bank has established a comprehensive corporate governance framework that promotes effective leadership, accountability, prudent risk-taking, sound internal controls, and responsible management.

The governance framework clearly defines the responsibilities and reporting relationships among the following governance organs:

- Shareholders
- Board of Directors
- Board Committees
- Chief Executive Officer
- Key Management
- Internal Audit Function
- Risk Management Function
- Compliance Function
- External Auditors

The framework ensures appropriate oversight of Management while enabling efficient execution of the Bank's strategic objectives within approved risk tolerance levels.

4. Board Composition and Diversity

The Board comprises highly qualified individuals with diverse professional backgrounds and experience in banking, finance, accounting, law, governance, business management, and taxation. The Board considers diversity in terms of professional expertise, experience, gender, independence, and competencies essential for effective decision-making and strategic oversight.

As at 31 December 2025, the composition of the Board was as follows: Non – Executive Directors: Independent Board Secretary, Female Director, Male Directors.

The Board periodically reviews its composition to ensure that it possesses the requisite balance of skills, knowledge, experience, independence, and diversity necessary to discharge its responsibilities effectively.

4.1 Board of Directors and their profiles

NAME	DESIGNATION	TERM	APPOINTMENT DATE	QUALIFICATION
Joseph Attah Appah	Chairman	2	24th April 2025	Bsc. Accounting
Francis Adipah	Member	1	24th April 2023	MBA. Project Management
Rachael Yeboah	Member	1	21st July 2025	MSc Accounting &Finance/ Chartered Accountant (ICAG)
Michael Komla Alabi Adefa	Member	1	21st July 2025	Post Diploma in Foren sic Audit/ Chartered Inst of Taxation/ MBA Finance
Francis Osei Nsiah	Member	1	5th December 2024	Bachelor of Law/ MBA (Human Resource Management)
George Opoku-Agyemang	Independent Board Secretary	1	10th September 2023	CIHRM/ MBA (Human Resource Management)

CORPORATE GOVERNANCE REPORT (CONT'D)

5. Appointment, Re-election and Independence of Directors

The appointment of Directors is conducted through a transparent process that takes into consideration competence, integrity, experience, independence, and regulatory fit and proper requirements.
The Human Resource and Nomination Committee assists the Board in identifying qualified candidates and reviewing Board succession requirements.

Directors retire by rotation in accordance with the Bank's Constitution and are eligible for re-election by shareholders at the Annual General Meeting, subject to applicable regulatory approvals. The Board is satisfied that the Non-Executive Directors continue to exercise objective and independent judgment in the discharge of their fiduciary responsibilities.

6. Roles and Responsibilities of the Board

The Board is collectively responsible for providing strategic leadership and ensuring the long-term success and sustainability of the Bank.
Its principal responsibilities include:

- Approving the Bank's strategic direction and business plans.
- Establishing the Bank's governance framework.
- Approving annual budgets and capital plans.
- Overseeing financial performance
- Approving major policies.
- Monitoring enterprise risk management.
- Establishing the Bank's risk appetite.
- Ensuring effective internal controls.
- Overseeing regulatory compliance.
- Approving significant credit exposures and investments within delegated authority.
- Appointing and evaluating the performance of the Chief Executive Officer.
- Overseeing succession planning.
- Promoting ethical leadership and sound corporate governance.
- Safeguarding shareholders' investments and depositors' funds.

The Board discharges these responsibilities directly and through its Committees.

7. Separation of the Roles of the Board Chairman and the Chief Executive Officer

The Bank maintains a clear separation between the responsibilities of the Board Chairman and those of the Chief Executive Officer in line with good corporate governance principles and the Bank of Ghana Corporate Governance Directive.

The Board Chairman provides leadership to the Board, facilitates effective governance, promotes constructive dialogue among Directors, ensures the Board functions effectively, and maintains effective engagement with shareholders.

The Chief Executive Officer is responsible for the day-to-day administration of the Bank and the implementation of strategies, policies, and decisions approved by the Board.
The separation of these responsibilities promotes effective oversight, accountability, and balanced decision-making while preventing the concentration of authority in one individual.

CORPORATE GOVERNANCE REPORT (CONT'D)

8. Board Committees

To enhance efficiency and improve governance oversight, the Board operates through specialized Committees with clearly defined Terms of Reference. The committees are as follows:

Risk, Audit and Compliance Committee

The Board Risk, Audit and Compliance Committee assist the Board in fulfilling its oversight responsibilities by ensuring that the Bank maintains an effective risk management framework, sound internal controls, robust compliance systems and a strong internal and external audit function.

The committee functions are not limited to the following:

1. Review and recommend the Bank's Risk Management Framework for Board approval.
2. Oversee the implementation of the Bank's Risk Appetite Statement.
3. Monitor the Bank's overall risk profile, including:
   - Credit Risk
   - Operational Risk
   - Market Risk
   - Liquidity Risk
   - Cybersecurity Risk
   - ICT Risk
   - Strategic Risk
   - Reputational Risk
   - Legal Risk
   - Climate and Environmental Risks

4. Review and approve the annual Internal Audit Plan.
5. Monitor implementation of audit, risk and compliance plans.
6. Review internal audit, risk and compliance reports and management responses.
7. Ensure timely implementation of risk, audit and compliance recommendations.
8. Review unresolved audit issues and ensure prompt resolution.
9. Recommend the appointment or reappointment of External Auditors.
10. Review the External Auditor's scope of work.
11. Monitor implementation of external audit recommendations.
12. Assess auditor independence and objectivity.

Finance and Procurement Committee

The Board Finance and Procurement Committee shall assist the Board in overseeing the Bank's financial management, budgeting, capital planning, procurement activities, asset management, and efficient utilization of financial resources. The committee met four (4) times in the course of the financial year 2025.

The functions of the committee among others include the following:

1. Review the Bank's financial performance.
2. Monitor profitability and financial sustainability.
3. Review monthly, quarterly and annual financial reports.
4. Review budget performance against actual results.
5. Recommend corrective actions where financial performance falls below expectations.
6. Recommend budgets for Board approval.
7. Monitor compliance with regulatory capital requirements.
8. Monitor liquidity levels.
9. Review investment strategies.

CORPORATE GOVERNANCE REPORT (CONT'D)

10. Monitor treasury performance.
11. Review investment portfolio performance.
12. Oversee implementation of the Procurement Policy.
13. Review major procurement plans.
14. Ensure procurement activities comply with approved policies.

Credit Committee
The Committee reviews significant credit facilities, monitors portfolio quality, oversees loan recovery activities, and ensures compliance with the Credit Policy and regulatory requirements.

Human Resource Committee
The Committee oversees Board succession planning, executive appointments, remuneration recommendations, governance matters, and performance management.
Each Committee reports to the Board after every meeting, and the Board retains overall responsibility for all decisions.

9. Board Meetings and Attendance

The Board met quarterly during the year to deliberate on strategic, financial, operational, governance, risk and regulatory matters. Major matters considered during the year included:

- Approval of strategic initiatives.
- Financial performance.
- Credit portfolio quality.
- Enterprise Risk Management.
- Regulatory compliance.
- Capital adequacy.
- Liquidity management.
- Cybersecurity.
- Internal Audit reports.
- Risk and Compliance reports.
- External Audit findings.
- Governance and policy matters.

A summary of meetings held during the year is presented below:

Board /committee	Meetings Held
Board Meetings	6
Risk, Audit and Compliance Committee	4
Finance and Procurement Committee	4
Credit Committee	4
Human Resource Committee	2

The Board is satisfied that Directors maintained excellent attendance throughout the year, enabling effective governance and timely decision-making.

10. Board Evaluation and Continuous Professional Development

The Board recognizes that continuous improvement is essential to effective governance.
Accordingly, the Board periodically evaluates:

- Board effectiveness.
- Committee performance.

CORPORATE GOVERNANCE REPORT (CONT'D)

- Individual Director contributions.
- Governance practices.

Directors participated in various professional development programmes covering:

- Corporate Governance
- Banking Regulation
- Risk Management
- Financial Reporting
- Cybersecurity
- AML/CFT/CPF Compliance
- Environmental and Social Risk Management
- Emerging Banking Risks

The Board believes these programmes enhanced Directors' knowledge and strengthened the quality of Board deliberations.

11. Key Management Personnel

Key Management Personnel (KMP) are the senior management who have the authority and responsibility for planning, directing, and controlling the activities of the bank. They are responsible for implementing the Board's strategic decisions and managing the bank's day-to-day operations. Collectively, Key Management Personnel are responsible for:

- Implementing the strategic direction approved by the Board.
- Managing financial and operational performance.
- Identifying, assessing, and mitigating risks.
- Ensuring compliance with laws, regulations, and regulatory directives.
- Maintaining sound internal controls and corporate governance.
- Safeguarding the bank's assets and reputation.
- Promoting ethical conduct and a strong risk culture.
- Reporting to the Board and its Committees on performance and risk matters.

11.1 Key Management Personnel and their profile

The profile key management personnel is shown below:

NAME	POSITION	QUALIFICATION
Mrs. Lucy Opoku-Arthur	Chief Executive Officer	Associate Member of Chartered Inst. of Bankers (ACIB) /International MBA In Banking & Finance
Mr. Bright Amankwah	Human Resource Manager	BSC. In Administration
Mr. Bismark Boafo Boakye	Operations Manager	MBA Management/ Bachelor of Laws
Mr. Eric Amoako	Credit Manager	MSC. Accounting & Finance/Bachelor of Laws
Mr. Benjamin Bioh	Head of Risk and Compliance	MBA. Accounting / Certified Data Protection Supervisor (CDPS) / CA II
Mr. Fredrick Assa Charles	Head of Internal Audit	MSC. Accounting& Finance.
Mr. Kenneth Asiedu	Head of IT	BSC. Information Technology
Mr. Douglas Adu Asante	Head of Microfinance	MSC. Accounting & Finance
Mr. Samuel Agyarko	Head of Marketing	BSC. Accounting

CORPORATE GOVERNANCE REPORT (CONT'D)

12. Risk Governance and Internal Control

The Board has established a comprehensive Enterprise Risk Management Framework to identify, assess, monitor, mitigate, and report the principal risks facing the Bank.

The Board receives regular reports on:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Compliance Risk
- Information Security Risk
- Cybersecurity Risk
- Strategic Risk
- Reputational Risk

The Internal Audit Function provides independent assurance on the effectiveness of governance, risk management, and internal control systems and reports directly to the Risk, Audit and Compliance Committee.

The Board is satisfied that appropriate internal control systems operated effectively throughout the year and provided reasonable assurance regarding operational effectiveness, financial reporting, safeguarding of assets, and compliance with applicable laws and regulations.

13. Compliance, Ethics and Business Conduct

The Bank maintains a strong ethical culture supported by policies including:

- Code of Conduct.
- Conflict of Interest Policy.
- Whistleblowing Policy.
- Fraud Prevention Policy.
- AML/CFT/CPF Policy.
- Data Protection and Privacy Policy.

All Directors, Management, and employees are expected to conduct business with honesty, integrity, professionalism, and accountability.

14. Conflict of Interest and Related Party Transactions

The Board has established procedures for identifying, declaring, and managing actual or potential conflicts of interest.

Directors are required to disclose any personal interests in matters before the Board and, where appropriate, recuse themselves from deliberations and decision-making.

Any related party transactions undertaken during the year were conducted on arm's length terms and in accordance with applicable laws, regulations, and the Bank's internal policies.

15. Directors' Remuneration Policy

The Bank's remuneration philosophy seeks to attract, retain, and motivate competent individuals while supporting prudent risk-taking and long-term sustainability.

The remuneration framework is guided by the principles of:

- Fairness.
- Transparency.
- Accountability.
- Affordability.
- Performance alignment.
- Regulatory compliance.

CORPORATE GOVERNANCE REPORT (CONT'D)

Non-Executive Directors receive fees and sitting allowances approved annually by shareholders at the Annual General Meeting.

The Board periodically reviews the remuneration framework to ensure that remuneration remains competitive, equitable, sustainable and consistent with prudent risk management.

16. Stakeholder Engagement

The Board recognizes that sustainable success depends on maintaining strong relationships with stakeholders.

The Bank actively engages with:

- Shareholders.
- Customers.
- Employees.
- Regulators.
- Business partners.
- Traditional authorities.
- Community leaders.
- Development partners.

Stakeholder engagement is undertaken through Annual General Meetings, customer forums, regulatory meetings, financial literacy programmes, community outreach initiatives, and continuous customer feedback mechanisms.

17. Corporate Social Responsibility and Sustainability

As a Community Bank, the Bank remains committed to supporting the socio-economic development of its catchment area. During the year, the Bank supported initiatives in:

- Education.
- Healthcare.
- Agriculture.
- Financial literacy.
- Youth empowerment.
- Community development.
- Environmental sustainability.

The Board remains committed to integrating environmental, social, and governance (ESG) principles into the Bank's long-term strategy.

18. Governance Outlook

The Board remains committed to strengthening governance by:

- Enhancing Board effectiveness.
- Strengthening succession planning.
- Improving enterprise risk management.
- Enhancing cybersecurity oversight.
- Promoting diversity and inclusion.
- Strengthening regulatory compliance.
- Embedding sustainability considerations into strategic decision-making.
- Leveraging technology to improve governance and operational efficiency.

These initiatives will further strengthen the Bank's resilience and position it for sustainable growth.

CORPORATE GOVERNANCE REPORT (CONT'D)

19. Conclusion

The Board is satisfied that the Bank maintained a sound and effective corporate governance framework throughout the financial year under review.

Through effective oversight, prudent risk management, strong internal controls, ethical leadership and a culture of compliance, the Board continued to safeguard the interests of shareholders, depositors, customers, employees, regulators and the communities served by the Bank.

The Board remains committed to continuously enhancing governance practices to ensure that the Bank remains resilient, well-managed and positioned to deliver sustainable value to all stakeholders.

SUSTAINABILITY REPORT TO THE
SHAREHOLDERS OF KWAHU PRASO RURAL BANK LIMITED.

1. Introduction

Kwahu Praso Community Bank Limited (KPCBL) Environmental, Social and Governance (ESG) report for the year ended 31st December 2025 outlines the efforts, plans, initiatives, and the future prospects of implementation.

The Bank of Ghana (BoG), after a one (1) year moratorium period, would begin enforcement of reporting and implementation from Community Banks (CBs) commencing January 2027.

Prior to the start of the ESG journey, the Bank together with management has gone the extra mile in preparing a policy document to be adopted as a guide through its journey.

The Bank has also appointed a dedicated Staff who has been trained to own and serve as a bridge between all Stakeholders and also retrain the staff body on the tenets of ESG and Sustainability

2. The ESG/Sustainability Goals

KPCB Ltd. fully believes in the importance of protecting the natural ecosystem, maintaining a healthy working environment and also undertaking business activities devoid of unethical practices.

These goals are structured in the three (3) pillars captured below

ENVIRONMENTAL -To be more intentional about our environment; both in and outside of our workspace, by being conscious of wastages; efficient use of power/ energy, water management, waste segregation, and cutting down on emissions.

SOCIAL - To create a vibrant and healthy work environment to enhance the total wellbeing of staff and the people in the various communities we operate.

GOVERNANCE- To ensure the highest moral, ethical, and integrity among management and directors of the Bank.

3. Plans To Achieve Our ESG Goals

(i) Final approval and adoption of the Bank's sustainability policy framework.
(ii) Appointment of dedicated ESG Champions in the various branches.
(iii) Comprehensive training for all staff and board members by the end of 2026
(iv) Introduction of sustainability volunteers for outreach trainings and other Climate vested/ friendly activities like School and Church visitations and tree planting.
(v) Planning on the use of electric vehicles (EVs) and solar energy in place of fossil fuels in the short to medium term on a pilot basis. This would enable us cut down on emissions by 20%.
(vi) Deliberate use of paper, electricity, water and proper waste management (introduction of labeled bins)
(vii) Deliberate creation of opportunity for gender equality on roles. We intend to increase such opportunities by 30% for a start.

STRATEGIES AND INITIATIVES BY THE BANK.

Plastics & Water Usage:

i. The Introduction of **Water Dispensers** at all Branches and Head Office has been successful.
ii. **Disposable Cups** are being used by only customers.
iii. **Styrofoam bowls** and **disposable plastic spoons and food packaging** shall be phased out gradually from official gatherings.
iv. **Paper** and or **Bamboo** bowls, plates and spoons shall be the alternative in the short term.

SUSTAINABILITY REPORT (CONT'D)

v. Also, **service providers** and **vendors** contracted by the bank including caterers as part of the contract will have to indicate their use of sustainable products like paper packaging or bamboo table wares.

vi. Members will be encouraged to bring or keep reusable cups, bowls and napkins to the office (Dept. & Branch).

Paper Usage and Printing

i. Directors have been provided with **Mobile Tablets** in place of the usual bulky printed reports during meetings.

ii. Minimize printing of documents are at all levels much as possible.

iii. **Quarterly Measurements** of paper usage at all units/ branches to be instituted to ascertain and ensure prudence in usage.

iv. Constant reminders to staff to opt for **"Front and Back"** printing orientation with adjusted font sizes.

Fuel Usage Petrol/Diesel

i. Bank to consider gradual acquisition of **EVs, (Electric Vehicles)**starting with compact sedans

ii. Minimal to zero usage of traditional Generator sets by the Bank in the medium to long term

iii. Bank to consider assisting staff to shift to **Electrical Mobility** (Vehicles, Motorbike, Scooters, etc.)

Green Financing and Gender Inclusivity

i. Bank to consider **partnering firms** in sustainable and climate friendly services/ products to grant special rates when stakeholders solicit/patronize them through our financing.

ii. Bank to create **special credit/ loan product(s)** for existing and potential customers into green/sustainable products and services.

iii. Bank to deliberately promote **women led businesses** in our catchment areas.

Electricity, light and heating

i. Offices/ Banking Hall with two (2) or more A/Cs shall have one (1) of them switched off from 4:00pm.

ii. The last person to exit any unit after close of day shall act as the watch-dog to ensure all electrical gadgets are switched off.

iii. Lights, Fans, A/Cs and other electronics alike should be switched off when an officer is going to be away for more than 30 minutes.

iv. **Quarterly Measurements** of electricity usage at all units/ branches to be instituted to ascertain and ensure prudence in usage.

CONCLUSION

The Bank is well positioned to implement the roll out of this new ESG and sustainability initiatives within the financial ecosystem.

At KPCBL, we believe that our staff, the people, and the communities we operate in, are the fulcrum on which we function and exist.

We also remain resolute in maintaining and promoting a healthy environmental integrity, driving social equity and upholding high standards of operation.

Crowe Veritas
KV 1
B. J. da Rocha Link
Tesano - Accra
P. O. Box CT 6372
Cantonments, Accra
GPS: GA 167-9103
T: +233 (0)302 243 952
M: +233 (0)508 349 942
info@crowe.com.gh
www.crowe.com.gh

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KWAHU PRASO RURAL BANK LIMITED

Opinion

We have audited the financial statements of Kwahu Praso Rural Bank Limited (the company) set out on pages 12 to 46, which comprise the statement of profit or loss and other comprehensive income for the year ended 31 December 2025; and the statement of financial position as at 31 December 2025; the statement of changes in equity; and the statement of cash flows for the year then ended; and notes to the financial statements, including material accounting policy information and other explanatory notes..

In our opinion, the accompanying financial statements of Kwahu Praso Rural Bank Limited for the year ended 31 December 2025 present fairly, in all material respects, the financial position and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930),) the Anti-Money Laundering Act, 2008 (Act 749) and the requirements of the Companies Act 2019 (Act 992).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants'; International Code of Ethics for Professional Accountants (including International Independence Standards) (Parts 1, 3 and 4A) (IESBA Code) and other independence requirements applicable to performing audits of financial statements in Ghana. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and in accordance with other ethical requirements applicable to performing audits in Ghana. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Kwahu Praso Rural Bank Limited financial statements for the year ended 31 December 2025", which includes the Directors' Report as required by the Companies Act 2019 (Act 992). The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or 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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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 the financial statements in accordance with the International Financial Reporting Standards, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930),) and the requirements of the Companies Act 2019 (Act 992), for determining that the basis of preparation is acceptable in the circumstance and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (CONT'D)

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

Crowe Veritas

For and on behalf of Crowe Veritas (ICAG/F/116
Chartered Accountants
Accra

24 April 2026

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

All Amounts in Cedi	Note(s)	2025	2024
Interest income	3	16,647,095	10,607,018
Interest expense	4	(2,139,384)	(1,440,646)
Net interest income		**14,507,711**	**9,166,372**
Fees and commission income	5	3,205,601	2,358,563
Other operating income	6	9,153,083	8,375,298
Loss allowance on loans & advances	7	(1,067,691)	(187,069)
Operating expense	8&9	(19,750,110)	(14,855,668)
Operating profit		**6,048,594**	**4,857,496**
Finance costs	10	(514,097)	(149,244)
Net profit before taxation		**5,534,497**	**4,708,252**
Taxation	11	(1,979,400)	(1,609,218)
Net profit after tax transferred to retained income		**3,555,097**	**3,099,034**

The accounting policies on pages 34 to 43 and the notes on pages 44 to 64 form an integral part of the financial statements .

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2025

All Amounts in Cedi	Note(s)	2025	2024
Assets			
Current Assets			
Cash and cash equivalents	12	11,049,392	8,714,550
Financial assets held at amortised cost	13	66,673,503	59,198,110
Loans and advances to customers	14	33,442,977	19,269,171
Current tax receivable	22	320,835	41,522
Other assets and receivable	15	1,445,242	1,095,040
Available-for-sale financial assets	16	147,654	110,154
Property, plant and equipment	18	3,743,710	4,161,502
Intangible assets	19	70,435	84,317
Total Assets		**116,893,748**	**92,674,366**
Equity and Liabilities			
Liabilities			
Current Liabilities			
Customers' deposits payable	20	101,754,630	79,932,691
Accounts payable	21	1,969,031	1,438,932
Current tax payable	22	-	44,426
Long Term Borrowings	24	-	387,853
Short Term Borrowings	24	-	1,422,126
Staff retirement fund	25	297,530	149,115
Deferred tax	17	17,494	74,001
Total Liabilities		**104,038,685**	**83,449,144**
Equity			
Stated capital	26	1,308,452	1,189,492
Deposit for shares	27	34,192	78,410
Reserves (Statutory and Capital)	28&29	2,267,672	1,823,015
Retained earnings		9,244,747	6,134,305
		12,855,063	9,225,222
		12,855,063	**9,225,222**
Total Equity and Liabilities		**116,893,748**	**92,674,366**

Joseph Atta Appah

Racheal Yeboah

The accounting policies on pages 34 to 43 and the notes on pages 44 to 64 form an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

All Amounts in Cedi	Ordinary shares	Capital reserve	Statutory reserve	Total reserves	Retained income	Total attributable to equity holders of the bank	Deposits for shares	Total equity
Balance at 01 January 2024	**1,050,000**	**39,404**	**1,396,232**	**1,435,636**	**3,706,496**	**6,192,132**	**183,342**	**6,375,474**
Profit for the year	**-**	**-**	**-**	**-**	**3,099,034**	**3,099,034**	**-**	**3,099,034**
Issue of shares	-	-	-	-	-	-	34,560	34,560
Transfer between reserves	-	-	387,379	387,379	(387,379)	-	-	-
Deposit for shares to be registered	139,492	-	-	-	-	139,492	(139,492)	-
Dividends	-	-	-	-	(283,846)	(283,846)	-	(283,846)
Total contributions by and distributions to owners of company recognised directly in equity	**139,492**	**-**	**387,379**	**387,379**	**(671,225)**	**(144,354)**	**(104,932)**	**(249,286)**
Balance at 01 January 2025	**1,189,492**	**39,404**	**1,783,611**	**1,823,015**	**6,134,307**	**9,146,814**	**78,410**	**9,225,224**
Profit for the year	**-**	**-**	**-**	**-**	**3,555,097**	**3,555,097**	**-**	**3,555,097**
Issue of shares	118,960	-	-	-	-	118,960	(118,960)	-
Transfer between reserves	-	-	444,657	444,657	(444,657)	-	-	-
Unregistered deposit for shares	-	-	-	-	-	-	74,742	74,742
Total contributions by and distributions to owners of company recognised directly in equity	**118,960**	**-**	**444,657**	**444,657**	**(444,657)**	**118,960**	**(44,218)**	**74,742**
Balance at 31 December 2025	**1,308,452**	**39,404**	**2,228,268**	**2,267,672**	**9,244,747**	**12,820,871**	**34,192**	**12,855,063**
	26		28					

Note(s)
The accounting policies on pages 34 to 43 and the notes on pages 44 to 64 form an integral part of the financial statements.
* The translation deficit represents the cumulative position of translation gains and losses arising from the conversion of the net assets of the foreign subsidiary companies, and also the long term loan to a subsidiary company, to the reporting currency.

STATEMENT OF CASH FLOWS

All Amounts in Cedi	Note(s)	2025	2024
Cash flows from operating activities			
Profit before taxation		5,534,497	4,708,252
Adjustments for non-cash items:			
Depreciation, amortisation, and impairments		2,151,691	808,520
Gains on sale of assets and liabilities		(8,026)	(145,556)
Changes in working capital:			
(Decrease) in other assets		(1,417,893)	(656,198)
(Increase) decrease in other liabilities		530,099	513,539
Increase in customer deposits		21,821,939	36,466,841
Increase (decrease) in deferred income		-	(1,174,434)
Increase in staff retirement fund		148,415	78,721
Cash generated from operations		**28,760,722**	**40,599,685**
Dividends paid		-	(283,846)
Tax paid	30	(2,359,646)	(1,704,979)
Net cash from operating activities		**26,401,076**	**38,610,862**
Cash flows from investing activities			
Purchase of property, plant and equipment	18	(734,300)	(2,798,099)
Proceeds from sale of property, plant and equipment	18	90,000	150,000
Purchases of intangible assets	19	-	(10,465)
Loan advances receivable from customers (at amortised cost)	14	(14,173,806)	(1,909,681)
Purchases of Available-for-sale (investments)	16	(37,500)	(37,500)
Net cash from investing activities		**(14,855,606)**	**(4,605,745)**
Cash flows from financing activities			
Proceeds from issued shares	26	118,960	139,492
Deposits for shares	27	(44,217)	(104,932)
Cash receipt from borrowed funds	24	(1,809,979)	1,809,979
Net cash from financing activities		**(1,735,236)**	**1,844,539**
Total cash movement for the year		**9,810,234**	**35,849,656**
Cash and cash equivalents at the beginning of the year		67,912,660	32,063,004
Cash and cash equivalents at the end of the year	12	**77,722,894**	**67,912,660**

The accounting policies on pages 34 to 43 and the notes on pages 44 to 64 form an integral part of the financial statements.

ACCOUNTING POLICIES

Corporate information

Kwahu Praso Rural Bank Limited is a private limited company incorporated and domiciled in Ghana with registration number CS200542018. The company was incorporated on 10 June 1982 and issued with certificate to commence business on 21 February 1983. The Bank has its registered office at Kwahu Praso in the Eastern Region of Ghana.

Principal activity

The principal activities of Kwahu Praso Rural Bank Ltd are the following:
(a) To provide current and deposit account for its customers
(b) To accept and discount bills of exchange
(c) To act as agent of the other financial institutions in the country
(d) To provide savings and time deposits account for its customers
(e) To accept securities for safe-custody
(f) To act as executors or trustees of wills of small-scale farmers and small merchants
(g) To provide finance for small scale farmers, merchants, industrialists and co-operatives of such farmers and merchants and industrialists resident in the catchment area of Kwahu Praso Rural Bank (h) To engage in other commercial or industrialist enterprises in the locality

1. Material accounting policies

Management has considered the principles of materiality in IFRS Practice Statement 2 Making Materiality Judgements, and only those accounting policies which are considered material have been presented in these financial statements.

1.1 Basis of preparation

The financial statements have been prepared on the going concern basis in accordance with, and in compliance with, IFRS Accounting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards Interpretations Committee ("IFRS IC") interpretations issued and effective at the time of preparing these financial statements and the Companies Act 2019 (Act 992).

The financial statements have been prepared on the historic cost convention, unless otherwise stated in the accounting policies which follow and incorporate the material accounting policies set out below. They are presented in Cedis, which is the company's functional currency.
These accounting policies are consistent with the previous period.

1.2 Significant judgements and sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management, from time to time, to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Key sources of estimation uncertainty

Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. For details of the key assumptions and inputs used, refer to the individual notes addressing financial assets.

ACCOUNTING POLICIES (CONT'D)

Fair value estimation
Several assets and liabilities of the company are either measured at fair value or disclosure is made of their fair values.
Observable market data is used as inputs to the extent that it is available.

1.3 Property, plant and equipment

Property, plant and equipment are tangible assets which the company holds for its own use and which are expected to be used for more than one year.
An item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the company, and the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost. Cost includes all of the expenditure which is directly attributable to the acquisition or construction of the asset, including the capitalisation of borrowing costs on qualifying assets and adjustments in respect of hedge accounting, where appropriate.

Expenditure incurred subsequently for major services, additions to or replacements of parts of property, plant and equipment are capitalised if it is probable that future economic benefits associated with the expenditure will flow to the company and the cost can be measured reliably. Day to day servicing costs are included in profit or loss in the year in which they are incurred.

Property and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Bank from either their use or disposal. Gains or losses on derecognition of an item of property and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in profit or loss.

Property, plant and equipment is subsequently measured at cost less accumulated depreciation and impairment losses, except for land which are stated at revalued amounts. The revalued amount is the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Amounts recognised in the revaluation reserve are not distributable to shareholders.

Revaluations are made based on management's assessment that this interval will ensure that that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

Gains and losses on revaluation are recognised in other comprehensive income and accumulated in the revaluation reserve in equity. However, losses are recognised in profit or loss to the extent that they exceed amounts previously accumulated from gains in equity. Subsequent gains are recognised in profit or loss to the extent that they reverse revaluation decreases of the same asset previously recognised in profit or loss.

Depreciation of an asset commences when the asset is available for use as intended by management. Depreciation is charged to write off the asset's carrying amount over its estimated useful life to its estimated residual value, using a method that best reflects the pattern in which the asset's economic benefits are consumed by the company. Leased assets are depreciated in a consistent manner over the shorter of their expected useful lives and the lease term. Depreciation is not charged to an asset if its estimated residual value exceeds or is equal to its carrying amount. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale or derecognised.

ACCOUNTING POLICIES (CONT'D)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Rate
Bank premises	Straight line	5%
Managers bungalow	Straight line	5%
Furniture and fixtures	Straight line	20%
Motor vehicles	Straight line	20%
Equipment	Straight line	20%
Generator	Straight line	20%
Computer	Straight line	33%
Bank office improvement cost	Straight line	20%
Bungalow furniture & fittings	Straight line	20%

The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

There were no indicators of impairment for property, plant and equipment and no impairment tests were performed.

1.4 Intangible assets

Intangible assets comprise computer software licenses. Intangible assets are initially recognised at cost.
Intangible assets are subsequently measured at cost less any accumulated amortisation and impairment losses.
Amortisation is provided to write down the intangible assets, on a straight line basis.
Intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analysed to assess whether their carrying amount is fully recoverable. An impairment loss is recognised if the carrying amount exceeds the recoverable amount.
The useful life and amortisation method of intangible assets are reviewed at the end of each reporting period. No material changes were made.
There were no indicators of impairment for intangible assets and no impairment tests were performed.

1.5 Financial instruments

Financial instruments are recognised when the company becomes a party to the contractual provisions.
They are measured, at initial recognition, at fair value plus transaction costs, if any, except for financial instruments at fair value through profit or loss which exclude transaction costs.
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis.
The material accounting policies for each type of financial instrument held by the company are presented below:
Loans receivable at amortised cost

Loans and receivables comprise cash and cash equivalents, loans and advances to customers and other assets.

Loans and receivables are initially recognized at fair value plus incremental direct transaction costs and are subsequently measured at amortized cost using the effective interest method less any impairment losses.

ACCOUNTING POLICIES (CONT'D)

The amortised cost, calculated using the effective interest method, is the amount recognised initially, minus principal repayments, plus cumulative amortisation of interest, adjusted for any loss allowance.
Interest income is calculated by applying the effective interest rate to the gross carrying amount of the loan in the application of the effective interest method. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
Refer to the loss allowances and write offs accounting policy for impairment of loans receivable.
Gains or losses arising on the derecognition of loans receivable are included in profit or loss in derecognition gains (losses) on financial assets at amortised cost.

Trade and other receivables
Other assets and receivable, excluding, when applicable, VAT and prepayments, are measured, subsequent to initial recognition, at amortised cost.
The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.
The accounting policy for impairment of other assets and receivable is set out in the loss allowances and write offs accounting policy.

Impairment of financial assets
Loss allowances are recognised for expected credit losses on trade and other receivables, advances and loans and other assets.
A provision matrix is used as a practical expedient when determining expected credit losses. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast conditions.

All other loss allowances are measured at an amount equal to lifetime expected credit losses (lifetime ECL) when there has been a significant increase in credit risk (risk of default) since initial recognition. If the credit risk has not increased significantly since initial recognition, then the loss allowance for that instrument is measured at 12 month expected credit losses (12 month ECL). The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective instruments. This means that at each reporting date, the ECL for a specific instrument will either be based on lifetime ECL or 12 month ECL depending on the credit risk at reporting date compared to the credit risk at initial recognition.

Irrespective of the outcome of the above assessment, the credit risk on an instrument is always presumed to have increased significantly since initial recognition if the contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

By contrast, if an instrument is assessed to have a low credit risk at the reporting date, then it is assumed that the credit risk of the receivable has not increased significantly since initial recognition.
The measurement of expected credit losses incorporates the probability of default, loss given default and the exposure at default, taking the time value of money, historical data and forward-looking information into consideration.

The movement in credit loss allowance is recognised in profit or loss with a corresponding adjustment to the carrying amount of the instrument through a loss allowance account.

As an exception, for investments at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income and accumulated in the reserve for valuation of financial instruments, rather than through a loss allowance account. The movement in loss allowance is recognised in profit or loss.

ACCOUNTING POLICIES (CONT'D)

The company writes off an instrument when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Instruments written off may still be subject to enforcement activities under the company's recovery procedures. Any recoveries made are recognised in profit or loss.

Assets classified as available-for-sale
Available-for-sale financial assets comprise investment in equity securities.
These assets are initially measured at fair value plus any direct attributable transaction costs. Subsequent to initial recognition, they are initially measured at fair value and changes therein are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in the fair value reserve is reclassified to profit or loss. Unquoted equity securities whose fair value cannot be measured reliably are carried at cost.

The Bank assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. In general, the Bank considers a decline of 20% to be significant and a period of nine months to be prolonged. However, in specific circumstances a smaller decline or a shorter period may be appropriate.

Impairment losses are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortization, and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss.
If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can objectively be related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through other comprehensive income.

(c) Renegotiated loans
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.

If the cash flows of the renegotiated asset are substantially different, then the contractual rights to cash flows from the original financial asset is derecognized and the new financial asset is recognized at fair value. The impairment loss before an expected restructuring is measured as follows:

If the expected restructuring will not result in derecognition of the existing asset, then the estimated cash flows arising from the modified financial asset are included in the measurement of the existing asset based on their expected timing and amounts discounted at the original effective interest rate of the existing financial 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 discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Trade and other payables
Customers' deposits payable, excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.
For customers' deposits payable which contain a significant financing component, interest expense is calculated using the effective interest method, and is included in profit or loss.

ACCOUNTING POLICIES (CONT'D)

Financial liabilities at fair value through profit or loss
Financial liabilities which are held for trading are mandatorily measured at fair value through profit or loss.
Fair value gains or losses on these liabilities are recognised in profit or loss.
For financial liabilities designated at fair value through profit or loss, the portion of fair value adjustments which are attributable to changes in the company's own credit risk, are recognised in other comprehensive income and accumulated in equity in the reserve for valuation of financial instruments. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, then that portion is also recognised in profit or loss.
Interest paid on financial liabilities at fair value through profit or loss is included in finance costs.

The changes in fair value attributable to changes in own credit risk which accumulated in equity are not reclassified to profit or loss. Instead, they are transferred directly to retained earnings on derecognition.

Cash and cash equivalents
Cash and cash equivalents are stated at carrying amount which is deemed to be fair value. Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortised cost in the statement of financial position. For the purposes of the Statement of Cash Flows, Cash and Cash equivalents comprise cash on hand, deposits held at the banks and investments in money market instruments and bank balance.

Derecognition
The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
The company derecognises financial liabilities when its obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Reclassification
The company only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.
The reclassification date is the beginning of the first reporting period following the change in business model which necessitates a reclassification.
Financial liabilities are not reclassified.

1.6 Tax

Current tax assets and liabilities
Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.
Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

ACCOUNTING POLICIES (CONT'D)

Deferred tax assets and liabilities
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base used for taxation purposes.
Deferred tax is not raised on the initial recognition of goodwill or of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss), nor gives rise to equal taxable and deductible temporary differences at the time of the transaction.

A deferred tax liability is recognised for all taxable temporary differences.
A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised.
A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The deferred tax rate applied to assets is determined by the expected manner of recovery. Where the expected recovery of the asset is through sale, the capital gains tax rate is applied. The normal tax rate is applied when the expected recovery is through use. A combination of these rates is applied if the recovery is expected to be partly through use and sale.

Deferred tax assets are reviewed at each reporting date and are reduced if it is no longer probable that the related tax benefit will be realised. Such reductions are reversed when the probability of future taxable profits improves. The review by management has not resulted in the reduction of the deferred tax assets.

Tax expenses
The income tax expense consists of current and deferred tax. It is recognised in profit or loss, except for the tax on transactions recognised directly in equity or other comprehensive income. Tax on these transactions is also recognised in equity or other comprehensive income.

1.7 Leases
The Bank assesses whether a contract is, or contains a lease, at the inception of the contract.

Company as lessee
A lease liability and corresponding right-of-use asset are recognised at the lease commencement date, for all lease agreements for which the company is a lessee, except for short-term leases of 12 months or less, or leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straightline basis over the term of the lease.

Lease liability
Lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect lease payments made. Interest charged on the lease liability is included in finance costs.

ACCOUNTING POLICIES (CONT'D)

Right-of-use assets
Right-of-use assets are presented as a separate line item on the Statement of Financial Position.
They are measured initially at the initial amount of the lease liability plus upfront payments and initial direct costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.
As an exception, when the underlying assets are land and buildings, the company adopts the revaluation model consistent with the accounting policy for land and buildings which are owned by the company. The accounting policy for the revaluation model is explained in the property, plant and equipment accounting policy.
Right-of-use assets are depreciated, from commencement date, over the shorter period of lease term and useful life of the underlying asset.

Refer to the accounting policy for property, plant and equipment for details of useful lives of underlying assets.
The residual value, useful life and depreciation method of each asset are reviewed at the end of each reporting period. No material changes were made.

Company as lessor
Leases for which the Bank is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. Lease classification is made at inception and is only reassessed if there is a lease modification.

Operating leases
Lease payments from operating leases are recognised on a straight-line basis over the term of the relevant lease.
Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and are expensed over the lease term on the same basis as the lease income.
Modifications made to operating leases are accounted for as a new lease from the effective date of the modification. Any prepaid or accrued lease payments relating to the original lease are treated as part of the lease payments of the new lease.

1.8 Impairment of assets
Management assesses, at the end of each reporting period, whether there is any indication that property, plant and equipment and intangible assets may be impaired. If any such indication exists, then the recoverable amount of the asset is determined.
The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. If the recoverable amount cannot be determined for an individual asset, then it is determined for the cash generating unit to which the asset belongs.
An impairment loss is recognised for an asset if the recoverable amount of the asset or cash generating unit is less than the carrying amount. The impairment loss is determined as the difference between the two amounts.
Impairment losses are recognised immediately in profit or loss.

1.9 Stated capital and equity
Equity instruments issued by the Bank are recognised at the proceeds received, net of direct issue costs.

(a) Ordinary shares are recognised at no par value and classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity net of any tax effects.

(b) Dividends on ordinary shares are recognised in equity and as a liability in the company in the period in which they are approved by the shareholders. Dividend proposed are disclosed as a note in the financial statement.

ACCOUNTING POLICIES (CONT'D)

1.10 Employee benefits

Short-term employee benefits
Short-term employee benefits, which consist of those payable within 12 months after the service is renderd [such as paid annual leave and sick leave, bonuses, and medical care], are recognised in the period in which the service is rendered and are not discounted.
The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.
The expected cost of bonus payments is recognised as an expense when there is a constructive obligation to make such payments as a result of past performance.

Social security contributions
The company contributes to a defined contribution pension/retirement scheme that is regulated by the National Pension Act, 2008 (Act 766). Under this law the total contribution is made up of the first tier managed by the Social Security and National Insurance Trust (SSNIT) and the second tier managed by an appointed licensed trustee, Glico Pension Trustee Company Limited. The company's obligation is therefore limited to the required contributions and the pension and retirement liabilities and obligations rest with the Social Security & National Insurance Trust (SSNIT) and the appointed licensed trustee.

1.11 Provisions and contingencies

The company recognises provisions in circumstances where it has a present obligation resulting from past events, which can be measured reliably and for which it is probable that the company will be required to settle the obligation.
There is always a degree of estimation uncertainty involved with provisions as they are measured at management's best estimate of the amount which will be required to settle the obligation. When the effect of discounting is material, the provision is measured at the present value of such amounts.

Provisions are not recognised for future operating losses.

1.12 Revenue from contracts with customers

The Bank recognises revenue as follows:
- Interest income
- Fees and commission

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable.

Interest income
Interest income from investment is recognized when it is probable that the economic benefits will flow to the Bank and the amount of the income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate. The effective interest method is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Fees and commission
Fees and commission income and expenses that are integral to the effective interest rate of a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income and expenses are recognised on an accrual basis when the related services are performed. Loan commitment fees

ACCOUNTING POLICIES (CONT'D)

for loans that are not likely to be drawn down are deferred, together with related direct costs and recognized on a straight line basis over the commitment period. Other fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are performed.

1.13 Interest expense

Interest expense are recognised in profit or loss using the effective interest method. When calculating the effective interest rate, the Bank estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation includes all transaction costs, fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributal to the acquisition or issue of a financial liability.

Interest expense presented in the statement of profit or loss includes interest on financial assets and financial liabilities measured at amortised cost calculated on an effective interest basis. Once a financial asset or a group of similar financial assets have been written down as aresult of an impairment loss, interest income is recognised using the rate used to discount future cash flows for the purpose of measuring the impairment loss.

1.14 Borrowing costs

All borrowing costs are recognised as an expense in the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

All Amounts in Cedi	2025	2024

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the company has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:
Lack of exchangeability - amendments to IAS 21

The amendments apply to currencies which are not exchangeable. The definition of exchangeable is provided as being when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations. The amendments require an entity to estimate the spot exchange rate at measurement date when a currency is not exchangeable into another currency. Additional disclosures are also required to enable users of financial statements to understand the impact of the non-exchangeability on financial performance, financial position and cash flow.

The effective date of the amendment is for years beginning on or after 01 January 2025.
The company has adopted the amendment for the first time in the 2025 financial statements.
The impact of the amendment is not material.

2.2 Standards and interpretations not yet effective

The company has chosen not to early adopt the following standards and interpretations, which have been published and are mandatory for the company's accounting periods beginning on or after 01 January 2026 or later periods:

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

If a parent loses control of a subsidiary which does not contain a business, as a result of a transaction with an associate or joint venture, then the gain or loss on the loss of control is recognised in the parents' profit or loss only to the extent of the unrelated investors' interest in the associate or joint venture. The remaining gain or loss is eliminated against the carrying amount of the investment in the associate or joint venture. The same treatment is followed for the measurement to fair value of any remaining investment which is itself an associate or joint venture. If the remaining investment is accounted for in terms of IFRS 9, then the measurement to fair value of that interest is recognised in full in the parents' profit or loss.

The effective date of the amendment is to be determined by the IASB.

It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures

Amendments were made to this disclosure-based Standard, resulting in further changes to the disclosures required of subsidiaries qualifying under IFRS 19. The amendments to IFRS 19 become effective concurrently with the original Standard.

The effective date of the amendment is for years beginning on or after 01 January 2027.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The company expects to adopt the amendment for the first time in the 2027 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
This is a new standard which may be applied by subsidiaries which do not have public accountability. It is a disclosure only standard and provides for reduced disclosures for qualifying subsidiaries to apply, while still remaining compliant with the recognition, measurement and presentation requirements of IFRS Accounting Standards. The reduced disclosures provided in IFRS 19 may be applied by the subsidiary in their consolidated, separate or individual financial statements, provided that the ultimate or any intermediate parent produces consolidated financial statements available for public use that comply with IFRS Accounting Standards. A subsidiary has public accountability, and may not apply IFRS 19, if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

The effective date of the standard is for years beginning on or after 01 January 2027.
The company expects to adopt the standard for the first time in the 2027 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements
This is a new standard which replaces IAS 1 Presentation of Financial Statements and introduces several new presentation requirements. The first relates to categories and subtotals in the statement of financial performance. Income and expenses will be categorised into operating, investing, financing, income taxes and discontinued operations categories, with two new subtotals, namely "operating profit" and "profit before financing and income taxes" also being required. These categories and sub totals are defined in IFRS 18 for comparability and consistency across entities. The next set of changes requires disclosures about management-defined performance measures in a single note to the financial statements. These include reconciliations of the performance measures to the IFRS defined subtotals, as well as a description of how they are calculated, their purpose and any changes. The third set of requirements enhance the guidance on grouping of information (aggregation and disaggregation) to prevent the obscuring of information.

The effective date of the standard is for years beginning on or after 01 January 2027.
The company expects to adopt the standard for the first time in the 2027 financial statements.
It is unlikely that the standard will have a material impact on the company's financial statements.

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards
Annual Improvements to IFRS Accounting Standards - Volume 11 - Hedge Accounting by a First-time Adopter Amendment to reduce inconsistency in wording of the requirements in IFRS 9 Financial Instruments in relation to hedge accounting requirements for a first-time adopter.

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures
Annual Improvements to IFRS Accounting Standards - Volume 11 - Gain or loss on derecognition - Amendment to delete an obsolete reference that remained in IFRS 7 after the publication of IFRS 13 Fair Value Measurement, as well as to improve consistency of wording of the requirements of IFRS 7 with IFRS 13 concepts regarding disclosure of a gain or loss on derecognition.

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Amendments to IFRS 9 Financial Instruments
Annual Improvements to IFRS Accounting Standards - Volume 11 - Derecognition of lease liabilities. The amendment clarifies that if a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss.

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 Financial Instruments
Annual Improvements to IFRS Accounting Standards - Volume 11 - Transaction price. The amendment clarifies that trade receivables must be measured initially, in accordance with IFRS 9, at the amount determined by applying IFRS 15 Revenue from Contracts with Customers.
The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendment to IFRS 9 and IFRS 7
Two amendments were made which deal with contracts referencing nature-dependent electricity and may not be applied to other contracts by inference. In terms of these contracts, buyers of nature-dependent electricity may have no practical ability to avoid making sales of unused electricity.

In the first instance, the amendments allow for entities to satisfy the "own-use" requirement when considering whether contracts to buy or sell non-financial items fall within the scope of IFRS 9. This will apply if the entity is, or expects to be a net purchaser of electricity. If the contract qualifies under the amendment, then the "own-use" requirement will be met and the contract will fall outside the scope of IFRS 9.

The second amendment deals with hedge accounting. It allows an entity to designate as the hedged item a variable nominal amount of forecast electricity transactions that is aligned with the variable amount of nature-dependent electricity expected to be delivered by the generation facility.
Additional disclosure will be required relating to each of these amendments.

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IAS 7 Statement of Cash Flows
Annual Improvements to IFRS Accounting Standards - Volume 11 - Cost method - Amendment to replace the term 'cost method' with 'at cost' following the earlier removal of the definition of cost method from IFRS Accounting Standards.

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

Amendments to IFRS 9 and IFRS 7: Amendments to the Classification and Measurement of Financial Instruments
The amendments clarify the classification of financial assets with environmental, social and corporate governance (ESG) and similar features, as such features could affect whether the assets are measured at amortised cost or fair value. The amendment also clarifies the date on which a financial asset or financial liability is derecognised in cases where liabilities are settled through electronic payment systems.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

The effective date of the amendment is for years beginning on or after 01 January 2026.
The company expects to adopt the amendment for the first time in the 2026 financial statements.
It is unlikely that the amendment will have a material impact on the company's financial statements.

3. Revenue

Interest from loans and advances	15,771,455	10,147,759
Loans	793,771	262,841
Overdraft	81,869	196,418
Interest on overdue loans and others	16,647,095	10,607,018

4. Interest expense

Interest on fixed deposits	1,533,898	1,049,599
Interest on savings	605,486	391,047
	2,139,384	1,440,646

5. Fees and commission income

Commitment and processing fees	1,962,629	1,062,449
Commissions received	1,242,972	1,296,114
	3,205,601	2,358,563

6. Other operating income

Gains (losses) on disposals Property, plant and equipment	18	8,026	145,556

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Fair value gains (losses)		
Treasury bills	8,740,027	7,602,322
ARB Apex Placement - ACOD	405,030	627,420
	9,145,057	**8,229,742**
Total other operating gains (losses)	**9,153,083**	**8,375,298**

7. Provision for impairment on loans

Balance as at 1st January	881,342	695,749
Increase in provision for impairment	1,067,691	187,069
Bad debt write-off	(98,338)	(1,476)
	1,850,695	**881,342**

8. Depreciation and amortisation

Depreciation		
Property, plant and equipment	1,070,118	608,616
Amortisation		
Intangible assets	13,882	12,835
Total depreciation, amortisation and impairment		
Depreciation	1,070,118	608,616
Amortisation	13,882	12,835
	1,084,000	**621,451**

9. Other operating expenses

Salaries	6,127,183	4,085,010
Employer's contribution	704,443	490,057
Provident fund	320,108	224,434
Staff bonus	911,816	661,027
Staff training and development	583,938	454,833
Staff retirement	-	181,000
Other staff cost	2,315,655	1,545,650
Directors' remuneration	117,500	55,300
Audit fees (VAT & levies incl.)	59,892	42,415
Audit expenses	97,160	71,637

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Board meeting expenses	269,861	303,398
Rent	253,864	218,645
Medical expenses	108,691	57,654
Travelling expenses	566,156	462,015
Printing & stationery	328,828	231,426
Repairs & Maintenance	671,599	455,182
Postage, telephone & telegram	66,145	79,935
Insurance	227,116	199,406
Insurance expense (GDPC)	313,582	130,394
Electricity & Water	321,342	239,486
Advertising & Publicity	32,573	48,549
Subscriptions	48,006	35,153
Donations & Charitable contributions	33,031	22,790
Police guard	157,884	129,837
Specie expenses	33,420	34,290
Motor vehicle running cost	536,470	559,140
Generator running cost	88,272	102,242
Fines & Penalty	12,000	460,401
Cleaninig & sanitation	130,662	103,971
Computerisation expenses	779,129	533,657
Business promotion	229,108	191,904
Legal fees	15,223	12,881
Microfinance expenses	471,500	349,067
Bank charges	56,252	32,202
Annual General Meeting	114,702	95,688
Loan recovery expenses	31,150	50,717
Funeral grant	14,000	7,700
Cashier efficiency allowance	19,500	20,006
Susu collection expenses	1,082,354	767,440
Rates	17,500	22,500
Impairment losses on investment	361,995	400,344
Consultancy	-	16,050
Entertainment	36,500	48,784
	18,666,110	**14,234,217**

Operating expense summary

Depreciation & amortization (NOTE 8)	1,084,000	621,451
Other operating expense (NOTE 9)	18,666,110	14,234,217
	19,750,110	**14,855,668**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

10. Finance Costs

Interest paid	**514,097**	**149,244**

This represents an interest on loan facility with ARB Apex Bank Ltd & Rural Enterprise Development Fund.

11. Taxation

Major components of the tax expense

Current		
Corporate income tax - current period	1,759,182	1,204,233
Growth and sustainability levy	276,725	235,413
	2,035,907	**1,439,646**
Deferred		
Movement in deferred tax	(56,507)	169,572
	1,979,400	**1,609,218**

Reconciliation of the tax expense

Reconciliation between accounting profit and tax expense.

Accounting profit	5,534,497	4,708,252
Tax at the applicable tax rate of 25% (2024: 25%)	1,383,624	1,177,063
Tax effect of adjustments on taxable income		
Non-deductible expenses	644,066	358,865
Deferred tax effect	(56,507)	169,572
Tax incentives not recognised in income statement	(268,508)	(331,695)
Growth & sustainability levy	276,725	235,413
	1,979,400	**1,609,218**

12. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	5,151,470	4,361,923
Bank clearing balance	803,961	595,711
5% Reserve (ARB Apex Bank)	5,093,961	3,756,916
	11,049,392	**8,714,550**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

13. Financial assets held at amortised cost

Investments held by the company which are measured at fair value, excluding debt instruments measured at fair value through other comprehensive income are as follows:

Designated at fair value through profit or loss:		
GoG Bonds	1,000,000	1,000,000
REPO	5,049,166	-
ARB Apex Bank - ACOD	6,509,562	6,300,000
Gold Coast Bank Capital Ltd	1,085,986	1,601,376
GoG Teasury bills	53,028,789	50,296,734
	66,673,503	**59,198,110**

14. Loans & advances to customers

Loans & advances to customers are presented at amortised cost, which is net of loss allowance, as follows:

Loans (individual)	20,060,159	10,919,816
Principal in arrears	3,558,403	1,043,248
Others	8,019,935	5,893,356
Private/Public enterprise	2,494,993	1,706,444
Interest in arrears	410,308	168,398
Commission accrued	749,874	419,251
Provision for impairment	(1,850,695)	(881,342)
	33,442,977	**19,269,171**

Split between non-current and current portions

Current assets	33,442,977	19,269,171

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Exposure to credit risk
Loans & advances to customers inherently exposes the company to credit risk, being the risk that the company will incur financial loss if counterparties fail to make payments as they fall due.

Credit loss allowances
The following tables set out the carrying amount, loss allowance and measurement basis of expected credit losses for loans & advances to customers by credit rating grade:

2025

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans (individual)	Bank of Ghana	20,060,159	-	20,060,159
Principal in arrears	Bank of Ghana	3,558,403	-	3,558,403
Others	Bank of Ghana	8,019,935	-	8,019,935
Private/Public	Bank of Ghana	2,494,993	-	2,494,993
Interest in arrears		410,308	-	410,308
Commission accrued		749,874	-	749,874
Provision for impairment		-	(1,850,695)	(1,850,695)
		35,293,672	**(1,850,695)**	**33,442,977**

2024

Instrument	Basis of loss allowance	Gross Carrying amount	Loss allowance	Amortised cost
Loans (individual)	Bank of Ghana	10,919,816	-	10,919,816
Principal in Arrears	Bank of Ghana	1,043,248	-	1,043,248
Others	Bank of Ghana	5,893,356	-	5,893,356
Private/Public Enterprise	Bank of Ghana	1,706,444	-	1,706,444
Interest in arrears		168,398	-	168,398
Commission accrued		419,251	-	419,251
Provision for impairment				
		-	(881,342)	(881,342)
		20,150,513	**(881,342)**	**19,269,171**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

15. Other assets and receivable

Stationery	213,414	173,455
Other receivables	265,958	29,148
Prepayments	965,870	892,437
Total other assets and receivables	**1,445,242**	**1,095,040**

16. Available for sale financial assets

ARP Apex Bank This is investment in equity with Apex Bank stated at cost.	147,654	110,154

Split between non-current and current portions

Current assets	147,654	110,154

17. Deferred tax

Deferred tax liability

Property plant and equipment	(17,494)	(74,001)

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax liability	(17,494)	(74,001)

Reconciliation of deferred tax asset / (liability)

At beginning of year	(74,001)	95,571
Charged/(Credit) to P/L	56,507	(169,572)
	(17,494)	**(74,001)**

18. Property, plant and equipment

	2025			2024		
	Cost or revaluation	**Accumulated depreciation**	**Carrying value**	**Cost or revaluation**	**Accumulated depreciation**	**Carrying value**
Bank Premises						
Bank office renovation	200,855	(120,292)	80,563	200,855	(110,249)	90,606
Generator	1,448,021	(757,391)	690,630	1,448,021	(535,417)	912,604
Furniture and fixtures	276,260	(202,766)	73,494	276,260	(186,254)	90,006
Motor vehicles	538,497	(330,038)	208,459	485,698	(267,120)	218,578
Equipment	3,397,227	(1,410,977)	1,986,250	3,221,768	(865,778)	2,355,990
Computer & Accessories	951,281	(506,599)	444,682	715,475	(388,910)	326,565
Bungalow furniture & fittings	807,378	(570,481)	236,897	649,493	(499,707)	149,786
Total	45,775	(23,040)	22,735	34,073	(16,706)	17,367
	7,665,294	**(3,921,584)**	**3,743,710**	**7,031,643**	**(2,870,141)**	**4,161,502**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Reconciliation of property, plant and equipment - Company

	Bank premises	Bank office renovation	Generator	Furniture and fixtures	Motor vehicles	Equipment	Computer accessories	Bungalow furniture & fittings	Total
Cost									
At 01 January 2024	200,855	1,059,016	276,260	429,452	1,222,824	577,409	579,673	24,073	4,369,562
Additions	-	389,005	-	56,246	2,134,962	138,066	69,820	10,000	2,798,099
Disposals	-	-	-	-	(136,018)	-	-	-	(136,018)
At 31 December 2024	**200,855**	**1,448,021**	**276,260**	**485,698**	**3,221,768**	**715,475**	**649,493**	**34,073**	**7,031,643**
Additions	-	-	-	52,799	276,109	235,806	157,885	11,702	734,301
Disposals	-	-	-	-	(100,650)	-	-	-	(100,650)
At 31 December 2025	**200,855**	**1,448,021**	**276,260**	**538,497**	**3,397,227**	**951,281**	**807,378**	**45,775**	**7,665,294**
Depreciation and impairment									
At 01 January 2024	(100,206)	(361,059)	(177,070)	(225,031)	(750,993)	(319,616)	(446,050)	(13,074)	(2,393,099)
Disposals	-	-	-	-	131,574	-	-	-	131,574
Depreciation	(10,043)	(174,358)	(9,184)	(42,089)	(246,359)	(69,294)	(53,657)	(3,632)	(608,616)
At 31 December 2024	**(110,249)**	**(535,417)**	**(186,254)**	**(267,120)**	**(865,778)**	**(388,910)**	**(499,707)**	**(16,706)**	**(2,870,141)**
Disposals	-	-	-	-	18,676	-	-	-	18,676
Depreciation	(10,043)	(221,974)	(16,512)	(62,918)	(563,875)	(117,689)	(70,774)	(6,334)	(1,070,119)
At 31 December 2025	**(120,292)**	**(757,391)**	**(202,766)**	**(330,038)**	**(1,410,977)**	**(506,599)**	**(570,481)**	**(23,040)**	**(3,921,584)**
Carrying amount									
Cost	200,855	1,448,021	276,260	485,698	3,221,768	715,475	649,493	34,073	7,031,643
Accumulated depreciation and impairment	(110,249)	(535,417)	(186,254)	(267,120)	(865,778)	(388,910)	(499,707)	(16,706)	(2,870,141)
At 31 December 2024	**90,606**	**912,604**	**90,006**	**218,578**	**2,355,990**	**326,565**	**149,786**	**17,367**	**4,161,502**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

All Amounts in Cedi								2025	2024
Cost	200,855	1,448,021	276,260	538,497	3,397,227	951,281	807,378	45,775	7,665,294
Accumulated depreciation and impairment	(120,292)	(757,391)	(202,766)	(330,038)	(1,410,977)	(506,599)	(570,481)	(23,040)	(3,921,584)
At 31 December 2025	**80,563**	**690,630**	**73,494**	**208,459**	**1,986,250**	**444,682**	**236,897**	**22,735**	**3,743,710**

19. Intangible assets

	2025			2024		
	Cost / Valuation	**Accumulated amortisation**	**Carrying value**	**Cost / Valuation**	**Accumulated amortisation**	**Carrying value**
Computer software	138,817	(68,382)	70,435	138,817	(54,500)	84,317

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Reconciliation of intangible assets	Bank software (Temenos 24)	Total
At 01 January 2023		
Cost	128,352	128,352
At 01 January 2024		
Additions	128,352	128,352
At 31 December 2024	10,465	10,465
At 31 December 2025	**138,817**	**138,817**
At 01 January 2023	**138,817**	**138,817**
	(32,088)	(32,088)
Depreciation and impairment		
At 01 January 2024	(41,665)	(41,665)
Amortisation	(12,835)	(12,835)
At 31 December 2024	**(54,500)**	**(54,500)**
Amortisation	(13,882)	(13,882)
At 31 December 2025	**(68,382)**	**(68,382)**
Carrying amount		
Cost	128,352	128,352
	(41,665)	(41,665)
Accumulated amortisation and impairment	**86,687**	**86,687**
At 31 December 2023		
Cost		
Accumulated amortisation	138,817	138,817
	(54,500)	(54,500)
At 31 December 2024	**84,317**	**84,317**
Cost		
	138,817	138,817
Accumulated amortisation	(68,382)	(68,382)
At 31 December 2025	**70,435**	**70,435**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

20. Customers' deposits payable

Financial instruments:		
Savings accounts	52,331,710	42,146,369
Current accounts	10,300,259	7,452,382
Fixed deposits	14,917,555	11,518,593
Susu deposits	24,205,106	18,815,347
-	**101,754,630**	**79,932,691**

Financial instrument and non financial instrument components of trade and other payables

At amortised cost	101,754,629	79,932,689

21. Accounts payable

Accrued payables	398,237	276,956
Other payables	1,868,324	1,161,976
	2,266,561	**1,438,932**

22. Current tax payable

Corporate tax	Balance 01.01.2025	Charge for the year	Payments in the year	Balance 31.12.2025
2020	(8,409)	-	-	(8,409)
2021	222,732	-	-	222,732
2022	(366,550)	-	-	(366,550)
2023	(93,529)	-	-	(93,529)
2024	204,234	-	(139,646)	64,588
2025	-	1,759,182	(1,850,000)	(90,818)
	(41,522)	**1,759,182**	**(1,989,646)**	**(271,986)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Growth & Sustainability levy				
2023	9,014	-	-	9,014
2024	34,512	-	-	34,512
2025	-	276,725	(307,500)	(30,775)
	2,004	**2,035,907**	**(2,297,146)**	**(259,235)**

23. Leases (company as lessee)

Details pertaining to leasing arrangements, where the company is lessee are presented below:

Occupancy cost		
Rent	253,864	218,645

24. Long term Borrowings

Held at amortised cost		
ARP Apex Bank loan	-	1,809,979

25. Staff retirement fund

Provisional fund towards retirement of staff members	(297,530)	(149,115)

26. Stated capital

Authorised		
Ordinary shares	10,000,000	10,000,000
Reconciliation of number of shares issued:		
Reported as at 01 January 2025	2,525,014	2,525,014
Issue of shares – ordinary shares	130,845	-
	2,655,859	**2,525,014**
Issued		
Ordinary	1,308,452	1,189,492

There is no unpaid liability on any share.There are no calls or installments unpaid, and there are no treasury shares held. There was an increase of GHs139,491.85 in the stated capital during the year under review.

27. Deposit for (ordinary) shares

	2025	2024
Ordinary shares	34,192	785,410

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

This represents funds received from individuals for the purchase of shares of the bank which is yet to be authorised or regularised with relevant authorities, It decreased by GHs 3,668 (2024: decreased by GHs 104,932) during the year under review.

28. Statutory Reserve

The transfer to the statutory reserve is based on Banks and Specialized Deposit Taking Institution Act, 2016 (Act 930), which requires that bank or specialised deposit-taking institution shall establish and maintain a reserve fund into which shall be transferred out of net profits for each year.

(a) Where the amount of the reserve fund is less than fifty per cent of the paid-up capital of the bank or specialiseddeposit taking institution, an amount which is not less than fifty per cent of the net profit for the year;

(b) Where the amount of the reserve fund is fifty per cent or more but less than one hundred per cent of the paid-upcapital of the bank or specialised deposit-taking institution, an amount which is not less than twenty-five per cent of the net profit for the year; or

(c) Where the amount of the reserve fund is equal to one hundred per cent or more of the paid-up capital of the bank or specialised deposit-taking institution, an amount equal to twelve and half per cent of the net profit for the year.

Balance as at 1st January	1,783,611	1,396,232
Transfer from retained income	444,657	387,379
Balance as at 31st December	**2,228,268**	**1,783,611**

29. Capital reserve

Capital reserve	39,404	39,404

30. Tax paid

Balance at beginning of the year	(2,904)	(268,237)
Current tax recognised in profit or loss	(2,035,907)	(1,439,646)
Balance at end of the year	(320,835)	2,904
	(2,359,646)	**(1,704,979)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

31. Related parties

Relationships	
Directors	Joseph Atta Appah Francis Adipah Francis Osei-Nsiah Rachael Yeboah Michael Komla Alabi-Adefa

Compensation to directors	117,500	55,300
Directors' remuneration	**117,500**	**55,300**

32. Financial instruments and risk management

Capital risk management

The company's objective when managing capital (which includes share capital, borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the company's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The company manages capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, repurchase shares currently issued, issue new shares, issue new debt, issue new debt to replace existing debt with different characteristics and/or sell assets to reduce debt.

The company monitors capital utilising a number of measures, including the gearing ratio. The gearing ratio is calculated as net borrowings (total borrowings less cash) divided by shareholders' equity.

Borrowings	24	-	1,809,979
Customer deposits	20	101,754,629	79,932,689
Total borrowings		**101,754,629**	**81,742,668**
Cash and cash equivalents	12	(77,722,894)	(67,912,660)
Net borrowings		**24,031,735**	**13,830,008**
Equity		12,855,063	9,225,225

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Financial risk management

Overview
The company is exposed to the following risks from its use of financial instruments:
- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

The board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The board has established the risk committee, which is responsible for developing and monitoring the company's risk management policies. The committee reports quarterly to the board of directors on its activities.

The company's risk management policies are established to identify and analyse the risks faced by the company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The company audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and the risk committee.

Credit risk
Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The company is exposed to credit risk on loans and advances to customers, available-for-sale financial assets, other assets and receivable, contract receivables, lease receivables, cash and cash equivalents, loan commitments and -.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits and monitoring. The company only deals with reputable counterparties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counterparty is analysed individually for creditworthiness before terms and conditions are offered. The analysis involves making use of information submitted by the counterparties as well as external bureau data (where available). Counterparty credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counterparties is continuously monitored.

Credit risk exposure arising on cash and cash equivalents is managed by the group through dealing with wellestablished financial institutions with high credit ratings.

Credit loss allowances for expected credit losses are recognised for all debt instruments, but excluding those measured at fair value through profit or loss. Credit loss allowances are also recognised for loan commitments and financial guarantee contracts.

In order to calculate credit loss allowances, management determine whether the loss allowances should be calculated on a 12 month or on a lifetime expected credit loss basis. This determination depends on whether there has been a significant increase in the credit risk since initial recognition. If there has been a significant increase in credit risk, then the loss allowance is calculated based on lifetime expected credit losses. If not, then the loss allowance is based on 12 month expected credit losses. This determination is made at the end of each financial period. Thus the basis of the loss allowance for a specific financial asset could change year on year.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Management apply the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account. Trade receivable and contract assets which do not contain a significant financing component are the exceptions and are discussed below.

Where necessary, the assessment for a significant increase in credit risk is made on a collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis, helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

For trade receivables and contract assets which do not contain a significant financing component, the loss allowance is determined as the lifetime expected credit losses of the instruments. For all other trade receivables, contract assets and lease receivables, IFRS 9 permits the determination of the credit loss allowance by either determining whether there was a significant increase in credit risk since initial recognition or by always making use of lifetime expected credit losses. Management have chosen as an accounting policy, to make use of lifetime expected credit losses. Management does therefore not make the annual assessment of whether the credit risk has increased significantly since initial recognition for trade receivables, contract assets or lease receivables.

The maximum exposure to credit risk is presented in the table below:

		2025			2024		
		Gross carrying amount	Credit loss allowance	Amortised cost / fair value	Gross carrying amount	Credit loss allowance	Amortised cost / fair value
Loans and advances	14	35,293,672	(1,850,695)	33,442,977	20,150,513	(881,342)	19,269,171
Available-for-sale financial assets	16	147,654	-	147,654	110,154	-	110,154
Other assets & receivables	15	1,445,242	-	1,445,242	1,095,040	-	1,095,040
Cash and cash equivalents	12	77,722,894	-	77,722,894	67,912,725	-	67,912,725
		114,609,462	**(1,850,695)**	**112,758,767**	**89,268,432**	**(881,342)**	**88,387,090**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Liquidity risk

The company is exposed to liquidity risk, which is the risk that the company will encounter difficulties in meeting its obligations as they become due.

The company manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations and long and short term borrowings. Committed borrowing facilities are available for meeting liquidity requirements and deposits are held at central banking institutions.

The management of liquidity risk is governed by the Bank's liquidity policy. Responsibility for the management of liquidity risk lies with the Bank's Assets and Liability Management Committee (ALCO), which is chaired by the Chief Executive Officer. ALCO is responsible for both statutory and prudential liquidity as well as compliance with regulatory requirements. The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in demand or needs for liquidity created by customer behavior or abnormal market conditions. ALCO emphasizes the macimization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes.

Liquidity is managed on a short to medium-term basis. in the short term, the focus is on ensuring that cash flow demands can be met as and when required. The focus, in the medium term, is on ensuring that the balance sheet remains structurally sound and aligned to the bank's strategy.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of surplus funds. Lending is normally funded by liability in the same currency. The Bank also maintains significant levels of marketable securities to meet compliance with prudential investment of surplus funds. ALCO oversees structural foreign currency and interest rate exposures that arise within the bank.

(a) Market risk is the risk of loss arising from adverse changes in market conditions (interest rates, exchange ratesand equity prices) during the year. Positions that expose the Bank to market risk can be trading or non-trading related. Trading risk comprises positions that the Bank holds as part of its trading or market-making activities wheras non trading risk includes discretionary positions that the Bank undertake for liquidity.

(b) Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Operational risk is inherent in the Bank's business activities and, as with other risk types, is managed through an overall framework designed to balalnce strong corporate oversight with well-defined independent risk management. The Bank endeavors to minimize operational losses by ensuring that effective infrastructure, controls, systems and individuals are in place throughout the organization.

There have been no significant changes in the liquidity risk management policies and processes since the prior reporting period.

The maturity profile of contractual cash flows of non-derivative financial liabilities, and financial assets held to mitigate the risk, are presented in the following table. The cash flows are undiscounted contractual amounts.

2025

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

2025		Less than 1 year	Total	Carrying amount
Current liabilities				
Customer deposits		101,754,629	101,754,629	101,754,629

2024		Less than 1 year	Total	Carrying amount
Non-current liabilities				
Borrowings	24	1,422,126	1,422,126	1,422,126
Current liabilities				
Customer deposits	20	79,932,689	79,932,689	79,932,689
Borrowings	24	387,853	387,853	387,853
		81,742,668	**81,742,668**	**81,742,668**

Interest rate risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk.

The debt of the company is comprised of different instruments, which bear interest at either fixed or floating interest rates. The ratio of fixed and floating rate instruments in the loan portfolio is monitored and managed, by incurring either variable rate bank loans or fixed rate bonds as necessary. Interest rate swaps are also used where appropriate, in order to convert borrowings into either variable or fixed, in order to manage the composition of the ratio. Interest rates on all borrowings compare favourably with those rates available in the market.

The company policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

There have been no significant changes in the interest rate risk management policies and processes since the prior reporting period.

33. Quantitative disclosures

	2025	2024
i. Capital Adequacy Ratio	12%	13%
ii. Current Asset Ratio	109%	108%
iii Cost to Income Ratio	81%	78%
iv.Credit to Deposit Ratio	33%	24%

PROXY AUTHORIZATION

I / We...being a shareholder of Kwahu Praso Rural Bank Ltd.

hereby appoint..as my / our proxy to vote on my / our behalf at the Annual General Meeting of the Bank to be held at the Kwahu Praso Presbyterian Church Premises on Saturday, 22nd August, 2026. and at any adjournment thereof.

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

..
Signature of Shareholder(s)