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Wòe Li; Míe Li

AGAVE RURAL BANK PLC

ANNUAL REPORT & FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2025

SAT. 6TH JUNE, 2026
GLOBAL EVANGELICAL CHURCH, DABALA
9:00AM

EST. 1987

Wòe Li; Míe Li

AGAVE RURAL BANK PLC

ANNUAL REPORTS
AND
FINANCIAL STATEMENTS

31ST DECEMBER 2025

agave rural bank

WE ARE EVOLVING

OUR COMMITMENT REMAINS

Your reliable

AGAVE RURAL BANK PLC

is now

JOIN US

Wòe Li; Míe Li

TABLE OF CONTENT

About Agave Rural Bank PLC - AgRB

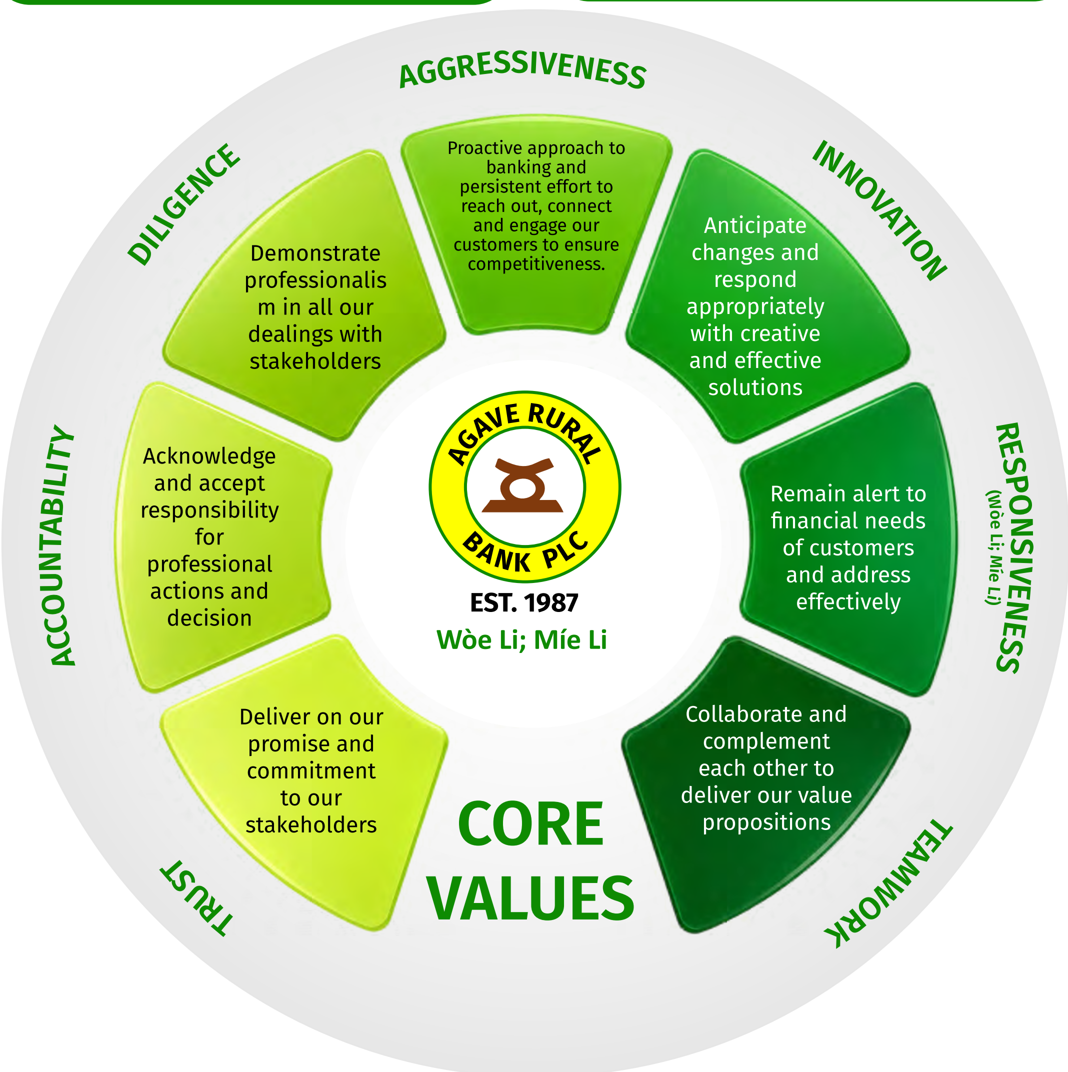
A fast growing and stable Rural Bank operating within the Volta Region of Ghana with 3 branches in Dabala, Sogakope, Aflao and the fourth at Sege in the Greater Accra Region. We offer Financial and advisory services to our clients and also believe in establishing long term relationship with them. Again, we have invested in well trained professionals to deliver high quality services.

MISSION

To be the preferred financial service provider offering our customers innovative and appropriate products and services which enhance stakeholders value whilst being responsive to the environment in which we operate.

VISION

We support our customers create wealth and thereby attain financial security



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AGAVE RURAL BANK PLC

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-Eighth (38th) Annual General Meeting of AGAVE RURAL BANK PLC will be held on Saturday, 6th June 2026 at 10:00 a.m. at the Global Evangelical Church, Dabala, to transact the following business:

ORDINARY BUSINESS

1. To receive and adopt the minutes of the previous Annual General Meeting
2. To receive the Report of the Chairperson for the year ended 31st December, 2025
3. To receive and consider the Financial Statements for the year ended 31st December 2025 together with the Reports of the Directors and the Auditors thereon.
4. To consider the retirement of Directors in accordance with the Company's Regulations and to elect or re-elect Directors.
5. To authorise the Directors to fix the remuneration of the Auditors.
6. To fix the remuneration of the Directors
7. To consider and, if thought fit, approve the recommendation of the Directors for the declaration of a dividend.

SPECIAL BUSINESS

8. To consider and, if thought fit, approve the increase in the Bank's authorized shares from 100,000,000 to 250,000,000.
9. To consider and, if thought fit, pass a resolution to approve the proposed valuation and re-pricing of the Bank's shares
10. To consider and, if thought fit, pass a resolution on the name change from 'Agave Rural Bank Ltd' to Agave Community Bank, PLC

NOTES:

- A member entitled to attend and vote at the meeting may appoint a proxy to attend and vote on his or her behalf. A proxy need not be a member of the Bank. Duly completed and signed proxy forms must be lodged with the Company Secretary at the Bank's Head Office, Dabala, or sent electronically to info@agaveruralbank.com not less than 48 hours before the time of the meeting.
- The 2025 Annual Report and Financial Statements (including the proxy form) will be available on the Bank's website: www.agaveruralbank.com.

BY ORDER OF THE BOARD

AUGUSTINE FRIMPONG

Company Secretary

Dated this 27th day of April, 2026

LENDING RATES REDUCED DRASTICALLY

Apply for a loan now.

New Lending Rates (Per Annum)

Salary Loan	25%
Business Term Loan	27%
Business Overdraft	27%
Susu Loan	27%
Business Asset Finance	27%
Agric Group Loan	30%
Business Group Loan	36%

AGAVE RURAL BANK PLC
EST. 1987
Wòe Li; Míe Li

Head Office:
Address: P. O. Box 52, Dabala, Volta Region
050 135 4448 / 050 131 7147
info@agaveruralbank.com
www.agaveruralbank.com
agave rural bank plc

Sogakope Branch:
050 131 7149
050 958 2298

Dabala Branch:
050 131 7143
050 131 7144

Aflao Branch:
050 131 7133
050 958 2352

Sege Branch
050 131 7134
050 167 8535

CORPORATE INFORMATION

BOARD OF DIRECTORS:	Ms. Francesca Dzifa Bedzra - (Chairperson) Mr. Worlanyo Kwesi Eworyi - (Vice Chairman) Mr. Michael Yao Amekor - (Member) Mr. Jonas Zalabak Gborsong - (Member) Mr. Bernard Edem K. Dzinyela (ESQ) - (Member)
SECRETARY:	Mr. Augustine Frimpong P. O. Box 52, Dabala V/R
REGISTERED OFFICE:	Agave Rural Bank PLC P. O. Box 52 Dabala, Volta Region Ghana
BRANCHES	Dabala, Sogakope, Aflao, Sege
KEY MANAGEMENT	Faith Fenu – Chief Executive Officer Michael Agbetepey – Head, Segments & Channels Christian Kpetigo - Head, Credit Hilas Torvikey – Head, Finance (Resigned: 15/02/2025) Pearl A. Akordor – Head, HR & Admin. (Resigned: 28/08/2025) Naomi Otu-Addo – Head, Risk and Compliance
INDEPENDENT AUDITORS:	Nexia Debrah & Co (Chartered Accountants & Licensed Auditors) BCB Legacy House #44 Nii Amugi Avenue East Adabraka, Accra P. O. Box CT 1552 Cantonments - Accra
BANKERS:	ARB Apex Bank PLC Ecobank Ghana PLC GCB Bank PLC ADB Bank PLC

Ms. Francesca Dzifa Bedzra
(Chairperson)

Mr. Worlanyo Kwesi Eworyi
(Vice Chairman)

Mr. Michael Yao Amekor
(Member)

BOARD OF DIRECTORS

Mr. Jonas Zalabak Gborsong
(Member)

Mr. Bernard Edem K. Dzinyela (ESQ)
(Member)

Mr. Augustine Frimpong
(Secretary)

CHAIRPERSON'S REPORT FOR THE YEAR ENDED 31ST DECEMBER, 2025

1. Opening Salutation and Welcome

Distinguished Shareholders, Honoured Guests, Representatives of the Bank of Ghana and ARB Apex Bank PLC, Management, Staff, Ladies and Gentlemen. On behalf of the Board of Directors, it is my honour to formally welcome you to the 38th Annual General Meeting of Agave Rural Bank Plc and to present to you the Bank's performance for the financial year ended 31st December 2025, as contained in the audited Financial Statements.

Today's meeting provides an opportunity to reflect on the performance of the Bank during the 2025 financial year, review the challenges and opportunities within the operating environment, and outline the strategic direction of the Bank going forward. You are all welcome, once again.

2. Economy and Banking Sector Performance

The 2025 financial year marked a significant recovery period for Ghana's economy and banking sector following the economic challenges experienced during the 2022–2023 period.

Key macroeconomic indicators improved considerably during the year under review:

- Inflation declined significantly to approximately 5.4% by the end of 2025;
- Gross Domestic Product (GDP) growth improved to 6.0%, supported largely by strong non-oil sector activities;
- The Ghana Cedi appreciated considerably against the major trading currencies;
- International reserves strengthened substantially, improving the country's external position.

These improvements were largely supported by prudent monetary policy measures, fiscal consolidation efforts, and the implementation of IMF-supported reforms.

The banking sector also recorded notable improvements in profitability, liquidity, capital adequacy, and asset quality during the year. Industry total assets grew by 21.5% to GH¢446.9 billion as at December 2025, while customer deposits increased by 17.8% to GH¢325.3 billion.

The sector also remained profitable, recording Profit After Tax of GH¢15.0 billion compared to GH¢10.4 billion in 2024. Capital Adequacy Ratio improved to 17.5%, significantly above the revised regulatory minimum of 10%.

Although industry credit growth moderated during the year, the banking sector generally remained stable and resilient. The outlook for the sector remains positive, subject to continued regulatory compliance, prudent risk management, and successful recapitalization efforts by banks. (Source: Bank of Ghana Monetary Policy Report, January 2026)

3. Agave Rural Bank Financial Performance

Against this improving but still evolving backdrop, Agave Rural Bank Plc demonstrated resilience, delivering growth in profitability, deposits and asset base while maintaining sound risk management. This achievement was in the context of the departure of two key management personnel; the Head of Finance and the Head of Human Resources and Customer Experience. While the Board took immediate steps to fill these critical roles internally, I would like to especially commend the CEO and his Management team for their resolute leadership in delivering these stellar results amid the manpower deficit.

Key Indicators

Financial Indicator	2025 (GH¢)	2024 (GH¢)	Growth (%)
Profit Before Tax	3,699,902	2,591,365	42.8%
Customer Deposits	50,298,332	39,589,247	27.0%
Loans and Advances	23,988,919	16,940,262	41.6%
Total Assets	62,749,452	47,511,465	32.1%

Profit Before Tax

Profit Before Tax increased by 42.8% from GH¢2.59 million in 2024 to GH¢3.70 million in 2025. This growth was driven by improved operational efficiency, increased business volumes, and enhanced revenue mobilization efforts.

Customer Deposits

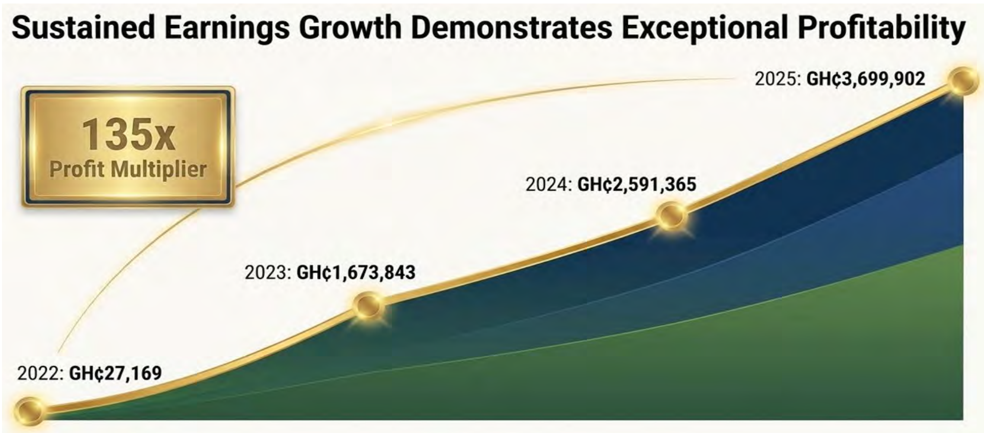
Customer deposits grew by 27%, reflecting continued public confidence in the Bank and the effectiveness of Management's deposit mobilization strategies.

Loans and Advances

Loans and Advances increased by 41.6%, supported by growth within the Group Loan Segment. The Bank continued to maintain a prudent approach to credit administration and risk management while supporting businesses and individuals within our operational areas.

Total Assets

Total Assets also grew significantly by 32.1% to GH¢62.75 million, demonstrating the continued expansion of the Bank's operations and overall financial strength.



Deposits Trend

Loans & Advances Trend

4. Transition to Agave Community Bank PLC

Distinguished shareholders, I would now like to highlight the Bank of Ghana's Revised Microfinance Sector Framework issued in January 2026, which seeks to restore confidence in the sector, strengthen resilience, and safeguard depositor funds. The reforms place clear obligations on institutions to enhance capital adequacy—including the requirement for rural banks to raise minimum stated capital to GH¢5 million—while also transitioning towards a more consolidated and clearly defined industry structure, including the reclassification of rural banks as community banks. In addition, sector players are expected to strengthen governance oversight, enforce prudent credit underwriting, deepen risk management and internal controls, and uphold high standards of compliance and customer protection.

As a Bank, we are fully aligned with these directives and remain committed to building a resilient, well-governed, and sustainable institution in support of inclusive growth. In line with this, the Bank is in the process of transitioning from Agave Rural Bank PLC to Agave Community Bank PLC.

The new identity represents our broader commitment to community development, financial inclusion, and the delivery of innovative financial solutions to individuals, businesses, and underserved communities within our catchment areas.

The transition also reinforces the Bank's commitment to positioning itself as a modern and responsive community-focused financial institution.

5. Dividends

As a result of the Bank's commitment to ensuring full compliance with the revised minimum stated capital requirement for RCBs as prescribed by the Bank of Ghana as well as to strengthen its capital base and support future growth, the Board is recommending a dividend of GH¢0.0272 per share for the 2025 financial year, amounting to a total dividend payout of GH¢1,946,583, more than 100% increase in last year's dividend payment, subject to Bank of Ghana approval.

The proposed distribution will be structured as follows:

- Cash Dividend: GH¢650,000
- Non-Cash Dividend (Bonus Shares): GH¢1,296,583

Under this arrangement, a larger portion of the dividend is proposed to be capitalized as bonus shares to strengthen the stated capital position of the Bank while also rewarding shareholders for their continued support and investment.

The Board believes this approach will support the Bank's long-term stability and position it favourably to meet future regulatory and operational requirements.

6. Stated Capital Review – Regulatory / Strategic

While the Bank has made commendable progress in growing its capital base—evidenced by an increase in stated capital to GH¢3.59 million—we acknowledge that we remain below the GH¢5 million regulatory threshold required under the Bank of Ghana reforms. We will therefore be bringing two critical items for your consideration today; one, a proposal seeking approval for an increase in authorized share capital to 250m shares, from the existing 100m and two, approval for the adoption of a proposed methodology for repricing of shares. As you will recall, I touched on this in my speech last year.

The request to increase the Bank's authorized share capital is to support compliance with regulatory capital thresholds, create sufficient headroom for future capital raising, and enable expansion of the Bank's operations and asset growth strategy.

The share repricing methodology will seek to align the share price with the Bank's improved financial performance and net asset position, reflect the growth in earnings and capital base, and provide a fair and competitive valuation framework for both existing and prospective investors. Additionally, it will enhance capital-raising efforts and improve overall investor participation and liquidity.

7. Digital Banking and Technological Innovation

The Bank continued to leverage technology to improve service delivery and deepen financial inclusion during the year under review.

Key digital banking initiatives undertaken in 2025 included:

- Successful migration to the *992# USSD platform to improve customer access to banking services;
- Continued promotion and deployment of GhanaPay services to enhance digital transactions and financial accessibility;
- Expansion of the Bank's Agency Banking operations through the deployment of RCB Agent Teller POS systems at Aflao, Dabala, Sege, and Sogakope;
- Strengthening of the Bank's third-party agent network, which currently comprises eighty-one active agent locations.

These initiatives have significantly improved customer convenience and expanded access to banking services within our operational areas.

8. Corporate Social Responsibility

As a community-focused institution, the Bank remains committed to advancing the socio-economic development of the communities it serves.

In the 2025 financial year, the Bank invested GH¢57,368 in Corporate Social Responsibility initiatives focused on healthcare, community support, and education, including:

- Support for the Dzebetato Health Centre to enhance healthcare delivery;
- Donations and support for Farmers' Day activities across our operational areas;
- Support for educational and broader community development initiatives.

The Board will ensure that the Bank continues to make meaningful contributions to community development and social welfare.

9. Governance, Board Evaluation, and Management

The Board continues to ensure that the Bank's governance processes are aligned with the regulator's directives and frameworks. Its evaluations confirmed substantial compliance with the Bank of Ghana Corporate Governance Directive and identified areas for continuous improvement.

The Board continued to discharge its oversight responsibilities through its various committees, including:

- Audit, Finance, Administration, Risk and Compliance Committee (AFARCC); and
- Business and Credit Committee (BCC).

The Board also participated in stakeholder engagements and training programmes organized by the Bank of Ghana and other industry stakeholders to strengthen its oversight capacity and remain abreast of ongoing regulatory developments within the banking sector.

The Board is satisfied that the Bank remains a going concern and is adequately positioned to continue operating successfully into the foreseeable future.

10. Retirement/Re-election of directors

Section 24 of the Corporate Governance Directive for Rural and Community Banks issued by the Bank of Ghana in May 2021 provides that a Director shall serve an initial term of three (3) years and may subsequently serve two additional terms subject to re-election.

In accordance with this provision, the terms of office of Director Worlanyo Eworyi and Director Michael Yao Amekor will expire before the next Annual General Meeting. Being eligible, they have offered themselves for re-election.

11. Conclusion

The 2025 financial year was a successful one for Agave Rural Bank PLC. The Bank recorded strong growth in its financial performance, continued to strengthen its operational capacity, and remained committed to regulatory compliance and community development.

As we transition towards becoming Agave Community Bank PLC, the Board remains confident in the prospects of the Bank and committed to building a stronger, more resilient, and more inclusive financial institution for the benefit of all stakeholders. We invite you all to journey with us into the next decades of the new Agave Community Bank, Plc.

On behalf of the Board of Directors, I wish to express our sincere appreciation to:

- Our cherished shareholders for their continued confidence and support;
- Management and staff for their commitment, hard work, and dedication;
- Our customers and the larger community for their continued loyalty and trust in the Bank;
- The Bank of Ghana and ARB Apex Bank PLC for their guidance and regulatory support; and

To my fellow Board members, accept my deep and most heartfelt appreciation for your counsel and steadfast support throughout the year. Your leadership and enduring belief in the Bank and our community is what drives our collective pursuit of excellence and I am sincerely grateful.

Thank you to all the stakeholders of Agave Rural Bank PLC. who contributed to the success of the Bank during the year under review. The achievements recorded in 2025 would not have been possible without your support.

Thank you all.

....

Ms. Francesca Dzifa Bedzra
Board Chairperson
Agave Rural Bank PLC

REPORT OF THE DIRECTORS
TO THE MEMBERS OF
AGAVE RURAL BANK PLC

We, the Directors of **Agave Rural Bank Plc,** have the pleasure of submitting our annual report together with the Audited Financial Statements for the year ended December 31, 2025.

DIRECTORS' RESPONSIBILITY
Under the appropriate legislation including the Companies Act 2019 (Act 992) as well as the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930), we the Directors of the Bank acknowledge our responsibility for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the Bank, and of its Profit or Loss and other Comprehensive Income and Cash Flows for that year in accordance with the International Financial Reporting Standards (IFRS), and the pieces of legislation mentioned above including the respective regulations made thereunder.

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

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

The Bank of Ghana has issued a directive on Corporate Governance for Rural and Community Banks (RCBs) which became effective on 31st March 2022 and requires compliance by all RCBs. Our report on this can be found on pages 14-20.

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

FINANCIAL RESULTS AND DIVIDEND
The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and incorporate disclosures in line with the accounting philosophy of the bank. The financial performance and position of the bank are depicted in the attached Financial Statements on pages 26 to 57. Below are the brief highlights of the financial results of the bank for the year 2025 with 2024 in comparison.

	2025 GH¢	2024 GH¢
Profit before tax for the year	3,699,902	2,591,365
From which is deducted a tax charge of	(1,104,458)	(732,123)
	------------	------------
Resulting in a Profit after tax of	**2,595,444**	**1,859,242**
To which must be added the balance brought forward on the Retained Earnings Account at the beginning of the year	2,333,258	1,539,206
	------------	------------
Leaving a balance before statutory and other transfers of	**4,928,702**	**3,398,447**
From which the following transfers were made:		
• Transfer to Statutory Reserve in accordance with Section 34 of the Banking Act 2016 (Act 930)	(648,861)	(464,810)
• Transfer from Credit Risk Reserve as per the BOG directive	(32,624)	19,621
• Transfer to Dividend payable	(800,000)	(620,000)
	------------	------------
Leaving a balance on the Retained Earnings Account to be Carried Forward of	**3,447,217**	**2,333,258**
	==========	==========

REPORT OF THE DIRECTORS (CONT'D)

Subject to the approval of the Bank of Ghana and the generality of the provisions of section 35 of the Banks and Specialized Deposit-Taking Institution Act 2016 (Act 930), the directors recommend the payment of a dividend of **GH¢0.0272** per share for the year amounting to **GH¢1,946,583** (**2024:** GH¢0.0185 per share amounting to **GH¢800,000).**

The directors further propose that out of the total amount recommended for payment as dividends, a third thereof (ie.**GH¢650,000**) be paid in cash and the remaining amount of **GH¢1,296,583** treated as capitalization transfers in support of the proposed issue of bonus shares to existing shareholders.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

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

CORPORATE SOCIAL RESPONSIBILITY

In a clear demonstration of its commitment to community service and social responsibility, the Bank disbursed a total amount of **GH¢57,368** (out of the annual budget of **GH¢100,000** earmarked for donation) towards Dzebetato Health Center, Ghana Academy of Arts, and Farmers Day celebrations. The Board has subsequently approved the rest of the amount for disbursement.

CONFLICT OF INTEREST AND ETHICS

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

APPOINTMENT, RETIREMENT AND RE-ELECTION OF BOARD MEMBERS

In accordance with Section 325 of the Companies Act, 2019 (Act 992), Section 58 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) as well as the Regulations of the Bank, Mr. Michael Yao Amekor and Mr. Worlanyo Kwasi Eworyi retire by rotation and being eligible, offer themselves for re-election.

The Bank is also awaiting the approval of the Bank of Ghana in respect of Mr. Noah Kofi Agbenyadzie and Mr. Charles Kwaku Appeti, who were elected as Directors at the last Annual General Meeting.

GOING CONCERN CONSIDERATIONS

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

REGULATORY ENVIRONMENT AND COMPLIANCE

The Bank of Ghana is currently undertaking a new Microfinance Sector Reform aimed at strengthening financial stability, enhancing corporate governance, and restoring confidence in the specialised deposit-taking sector.

As part of the reform, all Rural and Community Banks are required to change their corporate names to include "Community Bank Plc" and to increase their Stated Capital to a minimum of GH¢5,000,000 by 31st December 2026.

REPORT OF THE DIRECTORS (CONT'D)

AUDITORS AND FEES

Messrs Nexia Debrah & Co were appointed External Auditors of the bank with effect from the 2023 financial year in place of Messrs Accounting Associates (Chartered Accountants & Consultants), whose term of office as Auditors of the bank expired after the audit of the Financial Statements for the year ended 31st December 2022.

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

The remuneration paid or payable to the Auditors at the reporting date was **GH¢50,000 (2024:GH¢45,000).**

MANAGEMENT REPRESENTATION AND APPROVAL OF ACCOUNTS

We certify that the Statement of Comprehensive Income and the Statement of Financial Position referred to in the report of the Auditors together with the notes thereon identified on pages 26 to 57 of this report have been prepared from records, information and representations made by us, the Directors of Agave Rural Bank Plc.

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

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended December 31, 2025, and the Statement of Financial Position at that date together with the notes thereon this **27th day** of **April 2026**

……………………………)
)
) **Directors**
……………………………)

DABALA

27th April 2026

STATEMENT ON CORPORATE GOVERNANCE

INTRODUCTION

Agave Rural Bank Plc is a Bank of Ghana regulated Financial Institution operating in the Volta Region of the Republic of Ghana. The Bank is guided by the Companies Act 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930), including the respective regulations made thereunder.

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

BOARD STRUCTURE, SIZE, COMPOSITION AND QUALIFICATION

The Board of Agave Rural Bank PLC is presently made up of five Directors (5), two of whom were re-elected in the 2024 financial year. All the Directors are Shareholders of the Bank and ordinarily resident in Ghana. The Board members together represent collective expertise, qualifications and experience in Law, Marketing, Governance, Accountancy, Banking and Finance, Auditing and Management that are useful in guiding the Bank's business.

INDEPENDENCE OF THE BOARD

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

BOARD OF DIRECTORS' RESPONSIBILITY

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

As Directors, we are responsible for overseeing the Bank's financial reporting process. In this regard, we are responsible for assessing the Bank's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

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

BOARD SUB-COMMITTEES

The Board of Agave Rural Bank Plc has two (2) sub-committees namely:

- Audit, Finance, Administration, Risk & Compliance Committee (i.e. AFARCC)
- Business and Credit Committee (i.e. BCC)

A) ***Audit, Finance, Administration, Risk & Compliance Sub-Committee***

i. Mr. Worlanyo Kwesi Eworyi - Chairman (Elected: **26th July 2025)**
ii. Mr. Zalabak Jonas Gborsong - Member
iii. Mr. Michael Yao Amekor – Member

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

B) ***Business and Credit Sub-Committee***

i. Mr. Bernard Edem Kofi Dzinyela Esq.- Chairman (Elected: **26th July 2025**)
ii. Mr. Eworyi Worlanyo Kwesi - Member
iii. Mr. Zalabak Jonas Gborsong - Member

BOARD MEETING AND SUB-COMMITTEE MEETING ATTENDANCE
The Board had four (4) scheduled meetings in the year under review. There were also unscheduled meetings (mainly virtual) to address urgent issues. Below is the summary of attendance at Board and Sub-Committee meetings.

Name of Director	Designation	Board Meetings	Audit, Finance, Administration, Risk & Compliance Sub-committee	Business and Credit Sub-committee
Ms. Francesca Dzifa Bedzra	Chairlady	4/4	-	-
Mr. Worlanyo Kwesi Eworyi	Director	4/4	4/4	4/4
Mr. Jonas Zalabak Gborsong	Director	4/4	4/4	4/4
Mr. Michael Yao Amekor	Director	3/4	4/4	-
Mr. Bernard Edem Kofi Dzinyela (ESQ)	Director / Ag Secretary	4/4	-	4/4

PROFILE OF BOARD OF DIRECTORS

Francesca Dzifa Bedzra (Chairperson)

Francesca was appointed as a member of the Board in November 2021. She served as a member of the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC) till August 2023, when she was elected as the Chair of the Board. Francesca holds a BSBA in Banking & Finance from the University of Ghana Business School, a Chartered Institute of Management Accountants (CIMA) certificate in Business Accounting, a Master of Arts degree in Financial Economics from Youngstown State University, Ohio and certificates from Henley Business School, South Africa in Adaptive Leadership and the University of Wits Business School, South Africa, in their Future-Fit Senior Banker Development Programme.

Her professional experience spans over 15 years across the Global Business Advisory and Banking industries, in Business Valuation, Corporate Litigation, Mergers & Acquisitions, Strategy Development & Execution and Corporate Debt Financing.

As the Board Chair, she leads the Board in setting strategic goals and ensuring the Bank is profitable and provides leadership for the effective management of the Bank. She also ensures that all corporate governance directives are strictly adhered to by all members. She currently works as a Strategy Enablement Manager of the Corporate and Investment Banking unit at Stanbic Bank, Ghana.

STATEMENT ON CORPORATE GOVERNANCE (CONT'D)

Michael Yao Amekor
Michael Yao Amekor is a distinguished Ghanaian corporate executive, finance strategist, and board director whose career spans banking, corporate governance, real estate management, and institutional leadership. Known for his sharp strategic thinking and principled approach to governance, he has steadily built a profile as one of Ghana's forward-looking voices in community banking and financial sector development.

Yao Amekor joined the Board of Agave Community Bank Plc in August 2020, bringing with him a wealth of financial expertise and governance experience. He has served the Bank in several capacities, including as Chairman of the Board, where he provided strategic oversight across governance, risk management, and institutional growth, and as Chairman of the Board's Business and Credit Committee. He currently serves on the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC), continuing to lend his expertise to the Bank's drive for sound financial management and regulatory excellence.

His influence extends well beyond Agave Community Bank. As Vice President of the Volta/Oti Chapter of the Association of Rural Banks (ARB), Yao Amekor is a key advocate for rural and community banking interests across the region. He also serves as a Director of ARB Apex Bank Plc, where he contributes to policy direction and sector-wide governance, advancing the structural integrity and long-term competitiveness of Ghana's rural banking industry.

In his principal professional role, Yao Amekor serves as Managing Director of TF Properties Ltd, a subsidiary of Teachers' Fund LBG - a position he has held since June 2022. Under his stewardship, the company has undergone significant strategic and operational transformation. He oversees a diversified commercial real estate portfolio with assets exceeding GHS 300 million, driving initiatives focused on strengthening shareholder value, operational efficiency, tenant relations, and long-term asset performance.

Yao Amekor holds a Master of Business Administration (MBA) in Finance and Strategy from the Olin Business School, Washington University in St. Louis, Missouri, USA; a Master of Science (MS) in Economics and Finance from Southern Illinois University Edwardsville; and a Bachelor of Science (BSc) in Business Administration (Banking and Finance) from the University of Ghana Business School, Legon, an academic pedigree that anchors the rigour and depth he brings to every leadership role.

A trusted voice in Ghana's banking and corporate sectors, Yao Amekor remains deeply committed to the mission of inclusive, community-centred financial development, and to the institutions that make it possible.

Jonas Zalabak Gborsong
Jonas was appointed as a member of the Board in November 2021. Upon his appointment, he was elected as the Chair for the Audit, Finance, Administration, Risk and Compliance committee (AFARCC) and the Vice Chairman of the Board from 2023 financial year to August 2024.

Jonas is a Regulatory and Capital Management Manager at Stanbic Bank Ghana. He has over 22years' experience in the Banking industry. He has extensive taxation expertise and a strong record of providing sound financial and regulatory advice to C-level Management directly impacting the companies bottom-line. He advises Executive Management on how best to deploy capital to increase profitability and undertakes periodic capital management planning reporting and forecasting. He is an external facilitator at the National Banking College.

Jonas is a Chartered Accountant and a member of the Association of Chartered Certified Accountants (ACCA) and holds a Chartered Tax Practitioner certificate from the Chartered Institute of Taxation, Ghana. He holds an MSC in Development Finance from the University of Ghana and a certificate in Corporate Tax Management and a Bachelor of Science in Business Administration, Accounting, from the University of Ghana Business School, Legon.
Jonas is results driven; and has overseen prudential returns on an asset base of GH¢36.7 billion at Stanbic Bank Ghana.

Bernard Kofi Edem Dzinyela (ESQ)
Bernard was appointed as a member of the Board in November 2021 and is the Chairman of the Business and Credit Committee (BCC). He also served as the Acting Board Secretary until November, 2025.

He holds a Bachelor of Arts degree in Economics and Sociology and a Bachelor of Law degree, all from the University of Cape Coast and a three-year post-secondary Teacher's Certificate "A" from the University of Cape Coast. He further went to the Ghana School of Law and was called to the bar in 2018.

Bernard is a private legal practitioner in Accra with vast experience in providing legal representation in court, reviewing documents, drafting of court processes and legal opinions. He is an astute lawyer and brings highly valued legal acumen to bear on the Board.

Worlanyo Kwesi Eworyi
Worlanyo was appointed as a member of the Board on 18th January 2024. He is the Chairman of the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC).

Eworyi holds a Master of Business Administration from the Kwame Nkrumah University of Science & Technology, a member of the Institute of Chartered Accountants, Ghana, Bachelor of Science in Accounting, from the University of Ghana Business School and a Higher National Diploma in Accounting from the Ho Technical University.

Worlanyo currently works with the Republic Bank Ghana Plc as a Branch Manager. He supervises both business and operational schedules at the Branch. He also worked at the Internal Audit Department from 2007 to 2015. He rose through the ranks to become a Team Leader. He has been involved in periodic audit of branches and departments.

As a professional teacher, he also enjoys teaching on a part time basis. He is currently a Lecturer at the Institute of Chartered Accountants.

BOARD EVALUATION
At the end of the 2025 financial year, the Board of Directors conducted an internal self-evaluation, and this has been placed on file. In order to minimize or eliminate bias and ensure objectivity in the evaluation process, an external evaluation exercise was also conducted by a consultant. The results were formally presented to the Board at its 4th quarter 2025 meeting held in March 2026.

PROFILE OF KEY MANAGEMENT PERSONNEL

Faith Fenu (CA) – Chief Executive Officer (Appointed: 15th August 2024)
Faith joined the Bank in December 2005 as an Accounts Clerk. He served through the ranks until he was appointed the Chief Executive Officer. He has over 19 years' experience in the Rural Banking environment. He holds a Higher National Diploma in Accounting from the Accra Technical University and a Post Chartered Diploma in Forensic Audit. He is a Chartered Accountant and a member of the Institute of Chartered Accountants, Ghana.

Prior to his appointment, he was the Head of Internal Audit, responsible for leading the audit department and ensuring the Bank adheres to all regulations. He was also responsible for ensuring the department evaluates the adequacy and efficiency of the Bank's internal controls to deter /prevent fraud and/or misappropriation.

He is currently the Chief Executive Officer, having been approved by Bank of Ghana in August 2025. As the CEO, he leads the day-to-day administration and strategic implementation of key decisions of the Bank.

Michael Agbetepey (ACIB, CCP)
Michael is the Head of Segments and Channels, with over 20 years of experience in the Rural Banking environment. As the Head of Segments and Channels, he is responsible for leading the Business team in developing and maintaining business relationships, deploying financial solutions, acquiring new customers, meeting, and deepening existing client relationships, and achieving profitability and growth targets whilst ensuring seamless customer experience

The role is responsible for product marketing and profitability and ensuring that all four branches of the bank operate optimally and remain within expenditure levels.

Michael is extensively trained in corporate governance, rural banking and microfinance, regulatory compliance with excellent knowledge of banking operations, law relating, fraud awareness and prevention and also passionate about providing exceptional customer service.

Michael holds a Bachelor of Commerce (Accounting & Finance) degree from the University of Cape Coast and a Master's degree in Development Finance from the University of Ghana Legon. He is a Chartered Banker, and a Chartered Credit Professional.

Naomi Otu-Addo
Naomi joined the Bank in December 2005 as an Accounts Clerk and has served through the ranks. In 2021, she was appointed the Head of Risk & Compliance, a position she still holds till date. She has over 18 years' experience in the rural banking environment. She holds a Higher National Diploma in Accounting from the Cape Coast Technical University and a Bachelor of Commerce degree from the University of Cape Coast. She also holds an MBA in Finance from the University of Cape Coast.

As the Head of Risk & Compliance, she is responsible for leading the department and ensuring the Bank complies with all regulations both internally and externally. She is also responsible for ensuring that there are no breaches in the operations of the Bank. All issues relating to Anti-Money Laundering (AML) and KYC/ KYE come under her purview.

Christian Delanyo Kpetigo (CCP)
Christian joined the Bank in October 2010 as a Project Officer and has served through the ranks

and assumed the position of Head of Credit in September, 2023. Before his current role, he was the Head of Operations, a position he held from March 2020. He has over 15 years' experience in the rural banking environment. He holds a Bachelor of Science degree in Agricultural Technology from the University for Development Studies. Tamale. He is also a fellow of the Chartered Institute of Credit Management, Ghana.

As the Head of Credit, he is responsible for leading the credit department in monitoring and overseeing the effective management of credit facilities of the Bank. He is also responsible for managing the loan portfolio of the Bank.

BOARD SECRETARY

Augustine Frimpong was appointed as Board Secretary on 10th October 2025.

Augustine holds a Master of Business Administration from the University of Professional Studies (UPSA), a member of the Institute of Chartered Accountants, Ghana, Bachelor of Commerce from the University of Cape Coast and a Post Graduate Certificate in Public Administration from the Ghana Institute of Management and Public Administration (GIMPA).

Augustine currently works with the South Tongu District Assembly, Sogakope as an Assistant Director 1. He is a data analyst and specialized in report writing.

The Board Secretary reports to the Board of Directors through the Board Chairman. The duties and responsibilities of the Board Secretary include but are not limited to;

1. Assisting the Board Chairman to organize and conduct Board meetings.
2. Ensuring minutes of meetings are filed timely with the regulators.
3. Assisting in organizing Annual General Meetings.

CONFLICT OF INTEREST AND ETHICS

In compliance with the Directive, Directors recognize that as agents of shareholders, they are in a fiduciary relationship and they act in absolute good faith with clarity of conscience and mind, and in the supreme interest of the Bank and its shareholders at all times material. There is always an avenue for Directors to file Disclosure of Interest with the Bank. No such conflict however arose during the 2025 financial year.

PROFESSIONAL DEVELOPMENT AND TRAINING OF DIRECTORS

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

A. Governance, Risk & Compliance meeting with RCBs 7th - 8th March, 2025

1	Mr. Amekor, Michael Yao	7th - 8th March, 2025
2	Mr. Dzinyela, Bernard Edem Kofi Esq.	7th - 8th March, 2025

B. Sustainable Financing - ARB Apex Bank Plc - 28/07/2025

i Mr. Gborsong Zalabak Jonas

C. Risk Management Training – ARB Apex Bank Plc - 11/07/2025

i Mr Eworyi Worlanyo Kwesi

D. Bank of Ghana stakeholder engagement on the micro finance reforms on - 10/ 12/2025

S/N	Name of Director	Training Organized By
1	Ms Bedzra, Francesca Dzifa	Bank of Ghana (2025)
2	Mr. Worlanyo Kwesi Eworyi	Bank of Ghana (2025)
3	Mr. Gborsong, Zalabak Jonas	Bank of Ghana (2025)
4	Amekor Yao Amekor	Bank of Ghana (2025)

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

Opinion
We have audited the Financial Statements of **Agave Rural Bank Plc** which comprise the Statement of Financial Position at 31st December 2025, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, together with the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 26 to 57.

Subject to the comments made under the basis of opinion section of our report, in our opinion, these Financia1 Statements give a true and fair view of the financial position of Agave Rural Bank Plc at 31st December 2025, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930).

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

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

Balance of Doubtful Recovery
The portfolio of Investments included amounts originally considered and disclosed as 182-day Treasury bill investments made through the Gold Coast Securities Limited (now Black Shield Capital Management limited) amounting to **GH¢3,004,634 (2024: GH¢3,004,634)**.

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

For various stated reasons published by the SEC, the Operating License of Gold Coast Securities Limited (now Black Shield Capital Management limited) was revoked and placed under Receivership. The bank made a claim for **GH¢3,054,634** from the Receiver of Gold Coast Security Limited and same amount was verified, certified and accepted by the Receiver.

The Receiver subsequently made a down payment of **GH¢50,000** on 30th September 2021 from the certified amount to the bank, leaving the balance of **GH¢3,004,634**. The payment of the remaining balance due from the Receiver of Gold Coast Security Limited has been stalled pending the outcome of the court case initiated by the owners of Gold Coast Security Limited challenging the revocation of its license.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF AGAVE RURAL BANK PLC (CONT'D)

The visibility, clarity and certainty for the recovery of the unpaid balance from the Receiver of the Gold Coast Security Limited is presently unknown due to the uncertainty surrounding the pending court case. Under the circumstances, the amount has been reclassified and disclosed as part of Long-Term Investments.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1.0 Revenue recognition
(i.e. *Interest Income GH¢*15,241,748)
Refer to Note 3 to the Financial Statements.

Revenue is recognized and recorded in the Financial Statements on an accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured. Majority of the Bank's revenues were derived from rate sensitive assets and the reliability and accuracy of such revenues relate in a large measure to the financial profile and features of such assets.

How the matter was addressed in our audit

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

2.0 Existence and Valuation of Loans and Advances
(GH¢23,988,919)
Refer to Note 12 to the Financial Statements.

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

How the matter was addressed in our audit

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

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

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF AGAVE RURAL BANK PLC (CONT'D)

3.0 Existence and Valuation of Investments

(GH¢28,924,976)
Refer to Note 10 and 14 to the Financial Statements.

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

How the matter was addressed in our audit
For such investments, we inspected investment certificates issued by the investee entities and recomputed earned interest up to the reporting date. We generally confirmed additions and redemptions to supporting documentation for all investment types. We reviewed independent statements issued by custodial and depository entities and reconciled to the ledgers of the company and tested the valuation of quoted investments to the market.

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

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

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

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

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

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

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

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF AGAVE RURAL BANK PLC (CONT'D)

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

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

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

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

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

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

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

- Provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be considered to bear on our independence, and where applicable, related safeguards.

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

Other Matter

Without forming the basis of any qualification in our audit report whatsoever, we highlight and draw attention to the obvious fact that the provisions made by the bank for corporate tax are subject to the agreement of the Ghana Revenue Authority.

REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF AGAVE RURAL BANK PLC (CONT'D)

Report on Legal and other Regulatory Requirements

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

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

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

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

(c) The Bank of Ghana has issued a set of corporate governance directives which became effective on 31st March 2022. Among other things, this required the board to give a declaration in the annual report and audited financial statements as to the compliance or otherwise of the bank to this directive. The required declaration is embodied in the directors' statement on corporate governance which can be found on pages 6 to 12 of this report. The outcome of our review indicates that there are other areas where improvements can be made. These include succession planning and remuneration policies.

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

Chartered Accountants (ICAG/F/2026/069)

BCB Legacy House
#44 Nii Amugi Avenue
East Adabraka, Accra
P. O. Box CT 1552
Cantonments -Accra
Ghana.
April 28, 2026

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2025

	Notes	2025 GH¢	2024 GH¢
Interest Income	3	15,241,748	11,894,196
Interest Expenses	4	(1,433,633)	(1,191,995)
Net Interest Income		**13,808,115**	**10,702,201**
Commissions and Fees	5	398,845	335,543
Other Operating Income	6	248,314	226,097
Total Operating Income		**14,455,274**	**11,263,841**
Charge for Credit Losses	12(d)	(130,911)	(72,462)
Operating Costs	7	(10,624,461)	(8,600,014)
Profit before Taxation		**3,699,902**	**2,591,365**
Taxation	18(i)	(1,104,458)	(732,123)
Profit after Taxation		**2,595,444**	**1,859,242**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**2,595,444**	**1,859,242**

Earnings Per Share (EPS)

Basic and Diluted Earnings per Share		**0.0507**	**0.0538**

STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2025

	NOTES	2025 GH¢	2024 GH¢
ASSETS			
Cash and Bank Balances	9	4,218,476	1,420,995
Short Term Investments	10	23,455,722	18,987,046
Apex Bank Deposit Reserve	11	2,562,805	2,007,703
Loans and Advances to Customers	12(a)	23,988,919	16,940,262
Long Term Investment	14	5,469,254	6,124,251
Deferred Tax	18(iii)	46,463	34,434
Equity Investments	13	182,564	145,064
Other Assets	15	604,417	521,547
Property and Equipment	19(a)	2,144,387	1,258,134
Intangible Assets	19(b)	76,445	72,029
TOTAL ASSETS		**62,749,452**	**47,511,465**
LIABILITIES & SHAREHOLDERS' FUNDS			
Liabilities			
Customer Deposits	16	50,298,332	39,589,247
Creditors and Accruals	17	2,684,130	1,352,995
Taxation	18(iv)	36,488	56,197
Total Liabilities		**53,018,950**	**40,998,439**
Shareholders' Funds			
Stated Capital	21	3,585,295	2,163,264
Revaluation Reserve	22	43,070	43,070
Retained Earnings Account	23	3,447,217	2,333,258
Statutory Reserves	20	2,580,509	1,931,648
Credit Risk Reserve	25	74,411	41,786
Total Shareholders' Funds		**9,730,502**	**6,513,026**
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		**62,749,452**	**47,511,465**
Net Asset per Share (GH¢ per Share)		**0.14**	**0.15**

....)
)
) **Directors**
....)

27th April 2026

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2025

		2025	2024
	GH¢	GH¢	GH¢
Operating Activities			
Profit before Tax		3,699,902	2,591,364
Add:			
Profit on Disposal			-
Depreciation		440,075	286,918
Amortisation		30,237	15,534
Cash Inflow/(Outflow) before Changes in Operation Assets and Liabilities		**470,312**	**302,452**
Decrease /(Increase) in Long term investment	617,497		121,021
Decrease /(Increase) in Short term investment	(19,059,803)		(11,745)
Decrease /(Increase) in Loans and Advances	(7,048,657)		(4,196,056)
Decrease/(Increase) in Other Assets	(82,870)		(273,951)
Increase in Trade and other Liabilities	10,709,085		12,613,149
Increase in Customer Deposits	1,331,135		171,442
		(13,533,613)	**8,556,263**
Cash flow from Operating Activities			
Tax Paid		(1,136,197)	(778,038)
		(10,499,595)	**10,672,041**
Investing Activities			
Property and Equipment Purchased	(1,360,981)		(361,600)
Intangible Asset Purchased	-		(21,942)
Proceed on disposal of assets	-		-
		(1,360,981)	(383,542)
Cash Outflow from Investing Activities		**(1,360,981)**	**(383,542)**
Financing:			
Proceeds from Issue of Shares	1,422,030		460,528
Dividend Paid	(800,000)		(620,000)
Loan repayments	-		(159,472)
Net Cash Outflow from Financing		622,031	**(159,472)**
Net Increase/(Decrease) in Cash and Cash Equivalent		**(11,238,545)**	**10,129,028**
Cash and Cash Equivalents at January 1		21,207,340	11,078,313
Cash and Cash Equivalents at December 31		**9,968,795**	**21,207,341**
Analysis of Cash and Cash Equivalents as shown in the Balance Sheet			
Apex Deposits Reserve		2,562,805	2,007,703
Cash and Bank Balances		4,218,475	1,420,995
Treasury Bill Redeemable within 91 Days		3,187,515	17,778,642
		9,968,795	**21,207,341**

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2025

	Stated Capital GH¢	Credit Risk Reserve GH¢	Statutory Reserve Fund GH¢	Revaluation Reserve GH¢	Retained Earnings GH¢	Total GH¢
2025						
Balance at 1st January	2,163,264	41,786	1,931,648	43,070	2,333,258	6,513,026
Issue of Shares for Cash	1,422,031	-	-	-	-	1,422,031
Net (Loss)/ Profit for the Year	-	-	-	-	2,595,444	2,595,444
Transfer from Retained Earnings	-	-	648,861	-	(648,861)	-
Transfer from Credit Risk Reserve	-	32,625	-	-	(32,625)	-
Dividend paid	-	-	-	-	(800,000)	(800,000)
Balance at 31st December	**3,585,295**	**74,411**	**2,580,509**	**43,070**	**3,447,217**	**9,730,502**

	Stated Capital GH¢	Credit Risk Reserve GH¢	Statutory Reserve Fund GH¢	Revaluation Reserve GH¢	Retained Earnings GH¢	Total
GH¢						
2024						
Balance at 1st January	**1,702,737**	**61,407**	**1,466,838**	**43,070**	**1,539,206**	**4,813,258**
Issue of Shares for Cash	460,527	-	-	-	-	460,527
Net (Loss)/ Profit for the Year	-	-	-	-	1,859,241	1,859,241
Transfer from Retained Earnings	-	-	464,810	-	(464,810)	-
Transfer from Credit Risk Reserve	-	(19,621)	-	-	19,621	-
Dividend paid	-	-	-	-	(620,000)	(620,000)
Balance at 31st December	**2,163,264**	**41,786**	**1,931,648**	**43,070**	**2,333,258**	**6,513,026**

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2025

1. THE REPORTING ENTITY

1.1 The Company

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

The bank is domiciled in Ghana with its head office and network of Branches located within the Volta region of Ghana. The registered office is at Dabala in the Volta Region of Ghana.

The audited Financial Statements were authorized for issue by the Board of Directors on **27th day of April 2026**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the bank for the year ended 31st December 2025 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

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

2.1 Income Recognition

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

Interest Income

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

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

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

Commissions and Fees

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

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

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

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument.

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

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

2.3.3 Classification and Measurement categories of financial assets and liabilities

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

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

The Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 2.4.8. Financial liabilities are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 2.4.8.

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

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

(a) **Business model assessment**

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

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.

- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed

- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

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

(b) **The SPPI Test**

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

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

2.3.5 Financial assets or financial liabilities held for trading.

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

2.3.6 Equity instruments at FVOCI

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

2.3.7 Debt issued and other borrowed funds.

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

2.3.8 Financial assets and financial liabilities at fair value through profit or loss

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

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

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

2.4 Derecognition of financial assets and liabilities

2.4.1 Derecognition due to substantial modification of terms and conditions

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

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

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

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

2.4.2 Derecognition other than for substantial modification

(a) Financial assets

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

If cash flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see write-off policy - 2.8). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

(b) Financial liabilities

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

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

(c) Offsetting

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

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

2.5 Impairment of financial assets

2.5.1 Overview of the ECL principles

The Bank records the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL in this section all referred to as 'financial instruments. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined in note 2.6.2.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

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

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

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

2.5.2 The calculation of ECLs

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

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

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period if the facility has not been previously derecognized and is still in the portfolio.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

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

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

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

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

The mechanics of the ECL method are summarized below:

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

2.5.3 Forward looking information

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

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

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

2.5.4 Restructured financial assets.

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

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

2.6 Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. Collateral valuations are performed at inception of the credit facility and revaluation of the collateral is performed every three years.

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

2.7 Collateral repossessed.

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

2.8 Write-off policy

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could

generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.
Recoveries of amounts previously written off are recognized when cash is received and are included in 'net impairment loss on financial assets' in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

All credit facility write-offs shall require endorsement by the Board of Directors and the Central Bank.

2.9 *Determination of Fair Value*

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

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

2.10 Cash and Cash Equivalents

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

2.11 Equity Investment

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

2.12 Property and Equipment

(a) **Tangible Fixed Assets**

Items of property and equipment are stated at cost less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance cost are charged to profit and loss during the financial period in which they occur.

Depreciation is recognized in the profit or loss on a straight-line basis to write off the cost less residual amount over their estimated useful lives as follows:

Freehold Land and Building	3%
Motor Vehicle	25%
Office Equipment	25%
Office Furniture & Fittings	20%
Power Plant	15%
Computer equipment	33%

(b) Intangible Assets

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

Intangible Asset -T24 License & Microsoft License 10%

2.13 Income Tax

Current Tax

In accordance with the most recent tax legislation, the current income tax expense of rural banks is calculated at 25% of chargeable income. There are tax sensitive income and expenditure items which precipitate a numerical difference between the reported profits or losses and chargeable income for a particular period.

Where these differences exist and are material, reconciliation is prepared to enable an easy identification of the effective tax rate for any period of assessment.

Deferred Tax

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

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

2.14 Provisions

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

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

2.15 Stated Capital and Reserves

(a) Stated Capital

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

(b) Statutory Reserves

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

(c) Capital Surplus/Reserves

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

(d) Retained Earnings

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

(e) Credit Risk Reserve

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

2.16 Post Balance Sheet Events

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

2.17 Employment Benefit

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

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

National Pension

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

2.18. Leases

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

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2025 GH¢	2024 GH¢
3. INTEREST INCOME		
Interest on Loans and Advances	11,045,775	7,931,695
Interest on Government Securities & Other Investments	4,195,973	3,962,501
	15,241,748	**11,894,196**
4. INTEREST EXPENSE		
Interest on Savings Accounts	808,134	572,954
Interest on Fixed Deposits	620,471	619,041
Interest paid on Borrowing	5,028	-
	1,433,633	**1,191,995**
5. COMMISSIONS AND FEES		
Commission on Turnover	165.969	170,889
Commitment Fees (**Note 26**)	32,876	164,654
	398,845	**335,543**
6. OTHER OPERATING INCOME		
Sundry income (SMS Charges, COT, ETC.)	248,314	226,097
	248,314	**226,097**
7. OPERATING COSTS		
Staff Related Costs (**See note 8**)	6,701,953	5,417,914
Depreciation (**See note 18)**	440,075	286,918
Amortisation (**See note 18)**	30,237	15,534
Directors' Remuneration	163,379	143,050
Audit Fees	50,000	45,000
Computerization Expenses	467,804	352,218
Donation	57,368	50,636
General and Administrative Expenses	2,713,654	2,288,744
	10,624,461	**8,600,014**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2025 GH¢	2024 GH¢
8. STAFF RELATED COSTS		
Medical expenses	78,310	99,567
Staff Training	143,842	133,278
Salaries, wages & allowances	6,479,801	5,185,069
	6,701,953	**5,417,914**

9. CASH AND BANK BALANCES

	2025 GH¢	2024 GH¢
ARB Apex bank	1,412,131	287,153
Other banks Clearing Account	477,216	325,206
Cash on hand	2,329,129	808,636
	4,218,476	**1,420,995**

10. SHORT TERM INVESTMENTS

	2025 GH¢	2024 GH¢
(i). Treasury Bills Redeemable within 91 days		
At Maturity Value	3,200,000	18,450,878
Less: Unearned Discount at reporting dates	(12,485)	(672,236)
	3,187,515	**17,778,642**
(ii). Treasury Bills Redeemable within 182 days		
At Maturity Value	2,400,000	1,300,000
Less: Unearned Discount at reporting dates	(62,695)	(91,596)
	2,337,305	**1,208,404**
(iii). Treasury Bills Redeemable within 364 days		
At Maturity Value	13,500,000	-
Less: Unearned Discount at reporting dates	(569,098)	-
	12,930,802	**-**
iv). Fixed Deposit		
Apex Certificate of Deposit (ACOD)	5,000,000	-
Total (i)+(ii)+(iii)+(iv)	**23,455,722**	**18,987,046**

11. APEX BANK DEPOSIT RESERVE

	2025 GH¢	2024 GH¢
Balance at 1st January	2,007,703	1,417,497
Net Investments during the year	555,102	590,206
Balance at 31st December	**2,562,805**	**2,007,703**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2025 GH¢	2024 GH¢

12. LOANS AND ADVANCES

(a) Analysed by Type of Facility

	2025 GH¢	2024 GH¢
Overdraft	1,976,482	1,367,815
Loans	22,554,626	15,990,736
	24,531,108	**17,358,551**
Less Provision for Credit Losses	(366,624)	(295,224)
Deferred Income on Commitment Fees **(See Note 26)**	(175,565)	(123,065)
	23,988,919	**16,940,262**

<u>Impairment Statistics</u>

	2025	2024
(i) Credit loss provision ratio	0.53%	0.42%
(ii) Cumulative credit loss provision ratio	1.49%	1.74%

The above constitute loans and advances to customers and staff. The maximum amount due from officers of the bank during the year amounted to **GH¢206,784 (2024: GH¢275,662).**

(b) Analysed by Type of Customer

	2025 GH¢	2024 GH¢
Private Enterprises and institutions	3,722,430	7,904,074
Individuals	4,556,417	3,134,637
Others	16,252,261	6,319,840
	24,531,108	**17,358,551**
Less Provision for Credit Losses	(366,623)	(295,224)
Deferred Income on Commitment Fees (See Note 26)	(175,565)	(123,065)
	23,988,919	**16,940,262**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2025 GH¢	2024 GH¢
(c) Analysed by Business Segment		
Agriculture & fishing	1,927,647	918,445
Cottage industries	-	-
Transport	41,650	88,809
Trading	19,387,406	13,616,436
Others	3,174,405	2,734,861
	24,531,108	**17,358,551**
Less: Provision for Credit Losses	(366,624)	(295,224)
Deferred Income on Commitment Fees **(See Note 26)**	(175,565)	(123,065)
	23,988,919	**16,940,262**

(d) Movement in the Expected Credit Losses (ECL) per IFRS 9 Model

	2025 GH¢	2024 GH¢
Balance on the Provision at 1st January	295,224	222,762
Additional Provision for the year	130,911	72,462
Specific Bad debt written off	(59,510)	-
Balance on the Provision at 31st December	**366,624**	**295,224**

The above provision for credit losses (Expected Credit Losses) is done using IFRS 9 Expected Credit Loss (ECL) model. Impairment of loans is recognized – on an individual or collective basis – in three stages under IFRS 9 as follows:

(e) Per IFRS Expected Credit Losses

	2025 GH¢	2024 GH¢
Expected Credit Losses (ECL) Stage 1	195,533	156,266
Expected Credit Losses (ECL) Stage 2	48,883	40,167
Expected Credit Losses (ECL) Stage 3	122,208	98,790
	366,624	**295,224**

(f) Movement in the Expected Credit Losses (ECL) per BoG Guidelines

	2025 GH¢	2024 GH¢
Balance on the Provision at 1st January	337,009	284,168
Additional Provision for the year	104,025	52,841
Balance on the Provision at 31st December	**441,034**	**337,009**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(g) Expected Credit Losses (ECL) per BoG Guidelines

Category	Percent Provision		
Current	1%	237,032	170,963
Other Loans Especially Mentioned (OLEM)	10%	58,069	2,759
Substandard	25%	22,946	21,325
Doubtful	50%	32,484	7,413
Loss	100%	90,503	134,549
		411,034	**337,009**

(h) Movement in the Expected Credit Losses (ECL) per IFRS 9 Model

Movement per IFRS 9 – ECL Model (Profit and Loss)	71,400	72,462
Movement per BoG Directive	(104,025)	(52,841)
Transfer (from)/to retained earnings	**(32,625)**	**19,621**

Rural and Community Banks (RCBs) are also required by the Bank of Ghana (BoG) to compute expected credit losses using the BoG guidelines. Where possible, this involves the individual assessment of loans and advances outstanding having regard to factors that may impair or impede the ability of loan holders to retire the loans on time. The general outcome of the assessment and review processes leading to the impairment provision at the reporting date is as stated above.

13. EQUITY INVESTMENTS

	Shares GH¢	Cost/ Value GH¢	2025 GH¢	2024 GH¢
Ordinary Shares in ARB Apex Bank at Cost	90,077	0.85	76,314	76,314
Non-Renounceable Rights Issue:	58,349	0.55	105,750	68,750
	148,426	**1.40**	**182,064**	**145,064**

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

14. LONG TERM INVESTMENT

a. Gold Coast Investment

Balance at 1st January	3,004,634	3,004,634
Accrued Interest	-	-
Balance at 31st December	**3,004,634**	**3,004,634**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2025 GH¢	2024 GH¢
b. Cocoa Bond Investment		
At Cost	2,358,327	2,987,214
Accrued Interest	106,293	132,403
At Amortized Cost	**2,464,620**	**3,119,617**
Grand Total(a + b)	**5,469,254**	**6,124,251**

a. Gold Coast investment

This investment has been maintained at its historical value regardless of the lack of certainty with regards to its recoverability. The bank made a claim for **GH¢3,054,634** from the Receiver of Gold Coast Security Limited and same amount was verified or accepted. The Receiver subsequently made a down payment of **GH¢50,000** on 30th September 2021 from the certified amount to the bank, leaving a balance of **GH¢3,004,634.** The balance of the investment remains the same at the reporting date**.**

b. Cocoa Bond Investment

This investment was originally a cocoa bill which under a domestic debt exchange program (DDEP) has been rescheduled in terms of the timing of its repayment to five (5) years.

15. OTHER ASSETS

	2025	2024
Stationery Stock	139,198	120,154
Prepayment	100,772	133,195
Interest receivable	269,950	202,175
Sundry debtors	94,497	66,023
	604,417	**521,547**

16. CUSTOMER DEPOSITS

Analysed by Type of Account

	2025	2024
Susu Savings	7,218,557	4,189,946
Time deposit	5,728,778	4,318,144
Current accounts	9,279,199	8,229,049
Savings accounts	28,071,798	22,852,108
	50,298,332	**39,589,249**

17 CREDITORS AND ACCURALS

	2025	2024
Interest payable	115,497	164,927
Dividend payable	626,182	443,285
Sundry creditors	976,839	744,783
Inter-Agency Balance	965,612	-
	2,684,130	**1,352,995**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. TAXATION

		2025	2024
		GH₵	GH₵
(i)	**Tax Expense**		
	Current Tax (see note 19 iv)	931,492	615,247
	Growth and Sustainability Levy (GSL)	184,995	129,568
	Deferred Tax (see note 19 iii)	(12,029)	(12,692)
	Total to Profit or Loss	**1,104,458**	**732,123**

(ii) Reconciliation of Effective Tax Rate

	2025	2024
Profit before Tax	**3,699,902**	**2,591,364**
Income tax @ 25% (2024: 25%)	924,975	647,841
Tax Effect of Non-deductible Expenses	155,386	67,758
Tax Effect of Allowance Utilized and Losses c/f	(148,869)	(100,353)
Current Tax Charge in P/L	**931,492**	**615,246**
Effective Tax Rate	**25.18%**	**23.74%**

(iii) Deferred Tax Account

	2025	2024
Balance at January 1	(34,434)	(21,743)
Release during the year	(12,029)	(12,692)
Balance at December 31	**(46,463)**	**(34,434)**

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

Explained by:		
Property, Plant and Equipment	89,084	70,138
Loans and Advances	(135,547)	(104,572)
	(46,463)	**(34,434)**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(i) 2025 YEAR OF ASSESSMENT (YOA)

	Balance at 1/1/25 GH¢	Charge in P & L A/c GH¢	Tax Audit Adjustment GH¢	Tax Credit/ Payments GH¢	Balance at 31/12/25 GH¢
A. Corporate Tax					
2022 - 2024	51,881	-	-	(56,197)	(4,316)
2025	-	931,492	-	(900,000)	31,492
Totals (A)	**51,881**	**931,492**	**-**	**(956,197)**	**27,176**
B. Growth & Sustainability Levy					
2023 - 2024	4,317		-	-	4,317
2025	-	184,995	-	(180,000)	4,995
Total (B)	**4,316**	**184,995**	**-**	**(180,000)**	**9,312**
Total (A&B)	**56,197**	**1,116,487**	**-**	**(1,136,197)**	**36,488**

Corporate Income Tax is charged at 25% (**2024:** 25%) of Taxable Profits. All tax liabilities and credits are subject to the Agreement of the Domestic Tax Revenue Division of the Ghana Revenue Authority.

Growth and Sustainability Levy

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

(ii) 2024 YEAR OF ASSESSMENT (YOA)

	Balance at 1/1/24 GH¢	Charge in P & L A/c GH¢	Tax Audit Adjustment GH¢	Tax Credit/ Payments GH¢	Balance at 31/12/24 GH¢
A. Corporate Tax					
2022	(37,500)				(37,500)
2023	104,151	-	-	(66,652)	37,499
2024	-	615,247	-	(563,365)	51,881
Totals (A)	**66,651**	**615,247**	**-**	**(630,017)**	**51,880**
B. Growth & Sustainability Levy					
2023	22.769			(22,769)	-
2024	-	129,568		(125,251)	4,317
Total (B)	**22,769**	**129,568**	**-**	**(148,020)**	**4,317**
Total (A&B)	**89,420**	**744,815**	**-**	**(778,038)**	**56,197**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19(a) PROPERTY AND EQUIPMENT

2025	H. land & Building GH₵	Office Equip't GH₵	Motor Vehicles GH₵	Furniture & Fittings GH₵	Computer Access. GH₵	Genset GH₵	Total GH₵
Cost							
At 1/1/25	791,734	515,985	716,509	480,456	462,274	54,122	3,021,081
Additions	579,015	253,547	166,880	152,989	173,897	-	1,326,328
At 31/12/25	**1,370,749**	**769,532**	**883,389**	**633,445**	**636,172**	**54,122**	**4,347,409**
Depreciation							
At 1/1/25	295,773	345,802	487,473	274,423	325,713	33,762	1,762,946
Charge for the year	36,137	104,635	114,857	76,044	104,325	4,007	440,075
At 31/12/25	**331,910**	**450,437**	**602,330**	**350,467**	**430,110**	**37,769**	**2,203,022**
Net Book Value							
At 31/12/25	**1,038,839**	**319,095**	**281,059**	**282,979**	**206,062**	**16,353**	**2,144,387**

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

19(b) INTANGIBLE ASSET

	2025 GH₵	2024 GH₵
Balance as at 1st January	262,003	240,061
Payment during the year	34,653	21,942
	296,656	**262,003**
Amortisation		
Balance as at 1st January	189,974	174,440
Amortised during the year	30,237	15,534
Balance as at 31st December	**220,211**	**189,974**
Carrying amount	**76,445**	**72,029**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

19(c) PROPERTY AND EQUIPMENT

2024	H. land & Building GH¢	Office Equip't GH¢	Motor Vehicles GH¢	Furniture & Fittings GH¢	Computer Access. GH¢	Genset GH¢	Total GH¢
Cost							
At 1/1/24	**791,734**	**430,232**	**610,979**	**409,020**	**363,394**	**54,122**	**2,659,481**
Additions	-	85,753	105,530	71,436	98,881	-	361,600
At 31/12/24	**791,734**	**515,985**	**716,509**	**480,456**	**462,274**	**54,122**	**3,021,081**
Depreciation							
At 1/1/24	**274,063**	**295,877**	**407,168**	**206,149**	**263,016**	**29,755**	**1,476,029**
Charge for the year	21,710	49,925	80,305	68,274	62,697	4,007	286,918
At 31/12/24	**295,773**	**345,802**	**487,473**	**274,423**	**325,713**	**33,762**	**1,762,946**
Net Book Value							
At 31/12/24	**495,961**	**170,183**	**229,036**	**206,033**	**136,561**	**20,360**	**1,258,134**

20. STATUTORY RESERVE FUND

	2025 GH¢	2024 GH¢
At January 1st	1,931,648	1,466,838
Transferred from Retained Earnings Account	648,861	464,810
At December 31st	**2,580,509**	**1,931,648**

The Statutory Reserve Fund is required under Section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) to be set aside cumulatively from annual profit after tax. Depending on the ratio of the existing Statutory Reserve Fund to paid up capital, the proportion of after-tax profits required to be transferred to this reserve fund ranges from 12.5% to 50%.

During the year, the Bank recorded a profit after tax of GH¢2,595,444 **(2024:** GH¢1,859,242**)** and transferred 25% (**2024**: 25%) thereof amounting to GH¢648,861 **(2024:** GH¢464,810) to the Statutory Reserve Fund.

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. STATED CAPITAL

	2025		2024	
	No. of Shares	Amount	No. of Shares	Amount
		GH¢		GH¢
Authorized:				
Ordinary Shares@ 31st December	100,000,000	-	100,000,000	-
	100,000,000	**-**	**100,000,000**	**-**
Issued for:				
Cash Consideration				
At January 1	43,265,512	2,163,264	34,054,718	1,702,736
Additions	28,440,616	1,422,031	9,210,794	460,528
At December 31	**71,706,128**	**3,585,295**	**43,265,512**	**2,163,264**

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

Capital Adequacy

	2025		2024	
	Required by Regulation	Actually Achieved	Required by Regulation	Actually Achieved
Capital Adequacy Ratio	10%	**27.37%**	10%	**22.93%**

22. REVALUATION RESERVE

	2025 GH¢	2024 GH¢
Balance at January 1st	43,070	43,070
Revaluation Surplus	-	-
	43,070	**43,070**

23. RETAINED EARNINGS

	2025	2024
Balance at January 1st	2,333,258	1,539,206
Profit/(Loss) for the year	2,595,444	1,859,241
Balance before Statutory and Other Transfers	4,928,702	3,398,447
Transfer to Statutory Reserve (Note 21)	(648,861)	(464,810)
Transfer from Credit Risk Reserve	(32,624)	19,621
Dividend Paid	(800,000)	(620,000)
Balance at December 31st	**3,447,217**	**2,333,258**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

24. EARNINGS PER SHARE

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

	2025 GH¢	2024 GH¢
Profit attributable to Ordinary Shareholders	**2,595,444**	**1,859,241**
	=========	========
Weighted Average Number of Ordinary Shares	**51,159,300**	**34,569,437**
	=========	=========
Basic Earnings per Share (in Ghana Cedis)	**0.0507**	**0.0548**
	=========	========

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

25. CREDIT RISK RESERVE

Credit risk reserves are funds set aside by financial institutions to cover potential losses from borrowers defaulting on their debts, serving as a buffer against unexpected financial downturns. It is established to mitigate the financial impact of credit losses, which occur when borrowers fail to repay their debts as agreed.

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

26. DEFERRED INCOME

	2025 GH¢	2024 GH¢
At January 1st	123,065	100,808
Commitment Fees Accrued during the year	285,376	186,911
	----------	---------
	408,441	**287,719**
Transferred to Income (**Note 5**)	(232,876)	(164,654)
	----------	----------
At December 31st	**175,565**	**123,065**
	========	========

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

27. FINANCIAL RISK MANAGEMENT

Overview

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

- credit risk
- liquidity risk
- market risks

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

Risk management framework

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

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

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

(i) **Credit risk**

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

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

Receivables from Investment Portfolios and Advances to Customers

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

Allowances for impairment

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

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

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

Exposure to credit risks

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

	2025	2024
	GH¢	GH¢
Investments with Gold Coast Securities	3,004,634	3,004,634
Cocoa Bond Investment	2,464,620	3,119,617
Total Investment Risk Exposure	**5,469,254**	**6,124,251**
Other Assets	604,417	521,547
Loans and Advances to Customers	23,988,919	16,940,262
Total Company Credit Risk Exposure	**24,593,336**	**17,461,809**
Total Risk-Free Investments (In Government Securities)	23,455,722	18,987,046
	48,049,058	**42,573,106**

The total balance of **GH¢23,455,722 (2024: 18,987,046)** as part of the investment portfolio is risk free which are basically in Treasury Bills and Government of Ghana bonds.

Impairment losses

The aging of Investment and accounts receivable at the reporting date was:

	2025			2024		
	Gross GH¢	Impairm't GH¢	Net GH¢	Gross GH¢	Impairm't GH¢	Net GH¢
Current (less than 365 days)	47,896,326	130,911	47,765,415	36,211,048	72,462	36,138,586
Impaired (above 365 days)	90,504	-	90,504	134,549	-	134,549
	47,986,830	**130,911**	**47,855,919**	**36,345,597**	**72,462**	**36,273,135**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(ii) Liquidity risk

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

			Contractual cash flows		
	Carrying Amount GH¢	Total GH¢	6 months or less GH¢	6 – 12 months GH¢	Above 1 Yr GH¢
31st December 2025					
Susu Savings Scheme	7,218,559	7,218,559	7,218,559	-	-
Current Account	9,279,198	9,279,198	9,279,198	-	-
Time Deposits	5,728,778	5,728,778	5,728,778	-	-
Savings Account	28,071,798	28,071,798	28,071,798	-	-
Accounts Payable	2,684,130	2,684,130	2,684,130	-	-
	52,982,463	**52,982,463**	**52,982,463**	**-**	**-**

(iii) Market risk

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

Foreign currency risk

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

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

Interest rate risk

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

(iv) Operational risk

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

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

(v) Capital management

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

28. CAPITAL COMMITMENTS

There were no capital commitments not provided for in the Financial Statement at the reporting dates.

29. SUBSEQUENT EVENTS

All events subsequent to the reporting dates have been considered and where valid incorporated into the statement of financial position of the bank.

30. CONTINGENT LIABILITIES

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

31. RELATED PARTY TRANSACTIONS

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

a. Remuneration of Key Management Personnel

	2025 GH¢	2024 GH¢
Basic Salaries	428,421	605,478
Other Staff Cost	211,594	255,472
Social Security	55,694	78,712
	695,714	**939,665**

b. Loans to key Staff

	2025	2024
Balance at January 1st	**82,904**	91,175
Net Movement	**(82,904)**	(8,268)
Balance at December 31st	**-**	**82,904**

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

32. SHAREHOLDING STRUCTURE

(i) Number of Shares Outstanding

Earnings and dividend per share are based on **71,706,128** (**2024: 43,265,512**) ordinary shares outstanding.

(ii) Directors Shareholding:

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

	No. of Shares	% of Issued Capital
Michael Yao Amekor	8,562,539	11.94%
Jonas Zalabak Gborsong	524,434	0.73%
Eworyi Worlanyo Kwesi	349,037	0.49%
Francesca Dzifa Bedzra	238,793	0.33%
Bernard Edem K. Dzinyela	60,210	0.08%
TOTAL	**9,735,013**	**13.57%**

(iii) Number of Shareholders

The Bank had 1,919 shareholders as at 31st December 2025 distributed as follows:

Holding	No. of Members	Total Holding of Shares	Percentage Held
1 – 1,000	161	105,021	0.15 %
1,001 – 3,000	477	984,551	1.37%
3,001 – 5,000	329	1,309,264	1.83 %
5,001 – 10,000	401	2,883,294	4.02%
Exceeding 10,000	551	66,423,998	92.63 %
	1,919	**71,706,128**	**100%**

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AGAVE RURAL BANK PLC
PROXY FORM

ANNUAL GENERAL MEETING of the Agave Rural Bank PLC to be held on Saturday, 6th June 2026, at the Global Evangelical Church, Dabala at 10:00am prompt

I/We____being a member(s) of____________________________hereby appoint Prof./Dr./Hon./Mr./Mrs./Rev_________________________________

With a duly sealed proxy form to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on Saturday, 6th June, 2026.

....

Signature (authorized signatory)

Name..

Designation...

Company Seal/Stamp

....

Signature (authorized signatory)

Name..

Designation...

Company Seal/Stamp

RESOLUTION FROM THE BOARD	FOR	AGAINST
1. To consider the retirement of Directors in accordance with the Company's Regulations and to elect or re-elect Directors.		
2. To authorise the Directors to fix the remuneration of the Auditors.		
3. To fix the remuneration of the Directors		
SPECIAL RESOLUTIONS		
4. To consider and, if thought fit, approve the recommendation of the Directors for the declaration of a dividend.		
5. To consider and, if thought fit, approve the increase in the Bank's authorized shares from 100,000,000 to 250,000,000.		
6. To consider and, if thought fit, pass a resolution to approve the proposed valuation and re-pricing of the Bank's shares		
7. To consider and, if thought fit, pass a resolution on the name change from 'Agave Rural Bank Ltd' to Agave Community Bank, PLC		

Please indicate with an 'X' in the appropriate square how you wish your vote(s) be casted on the resolution set out above. Unless otherwise instructed, the proxy will vote or abstain from voting at his/her discretion.

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AGAVE RURAL BANK LOANS

New Lending Rates (Per Annum)

Salary Loan	25%
Business Term Loan	27%
Business Overdraft	27%
Susu Loan	27%
Business Asset Finance	27%
Agric Group Loan	30%
Business Group Loan	36%

AGAVE RURAL BANK PLC
EST. 1987

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agave rural bank plc

Sogakope Branch:
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050 958 2298

Dabala Branch:
050 131 7143
050 131 7144

Aflao Branch:
050 131 7133
050 958 2352

Sege Branch
050 131 7134
050 167 8535