

**AGAVE RURAL  
BANK PLC**



**2024**

# **Annual Report and financial statements**



## Agave Rural Bank Authorized Agents and their Locations Sogakope and Sege Zones

NO	AGENTS IN SOGAKOPE AREA - 0501317149	LOCATION
	<b>AGENTS</b>	
1	CHRISTOPHER AGBOVI TRADING ENTERPRISE(CHRISTOPHER AGBOVI)	VUME
2	FAM FRANK MICHAEL FAM DOT VENTURE (GID-NYARKO FORGIVE)	SOKPOE
3	EUNICE VENTURES (NYAMADE EUNICE)	SOKPOE, OPPOSITE FRONTIL STATION
4	WITHOUT HIM ENTERPRISE (AHIABOR PAUL LORLORNU)	SOGAKOPE, TOWARDS SOGASCO
5	AMENUVEVE HARDWARE ENTERPRISE (BOKO VICENT)	BAKPA AVEDO
6	WAAKCLEWZY ENTERPRISE (WILLIAM ATSU KOFI APETORGBOR)	ADIDOME, OPPOSITE MARKET
7	ENAM VENTURE (DORSESE KENNEDY)	SOKPOE, HIGH STREET
8	IN GOD I TRUST (GORDOR DZIFA)	JOHN MILLER STREET, SOGAKOPE
9	GILMAWK VENTURE (KUMAKA MAWULI GILBERT)	ISAAC WOYOME ROAD, SOGAKOPE
10	P AND T NETWORK SOLUTION KORLEY PRINCE)	SOGAKOPE OLD TOWN
11	RHODY ENTERPRISE (KISSERH RHODY)	OPPOSITE NANA AMPADU, UNITY GARDEN
12	FAITH H.G ENTERPRISE (GADASU HOPE)	DUMEGA AYASU LINK, SOGAKOPE
13	KING OF KINGS, SOGAKOPE (AGBI GIDEON KOFI)	DAGADU-GAKPO, AGORKPO
14	K2 SAM VENTURE (SAM MOSES KOFI)	KPOTAME
15	KEEP MOVING VENTURE (FIAHAGBE KENNEDY KWAKU )	SOGASCO ROAD
16	GINA BUSINESS LINK (TOKLO GEORGINA)	TOKLOKPO ROAD
17	MEL-TECH VENTURE (LUTTERODT EUGENE)	SOGAKOPE,ZONGO
18	EXCELLENT BODY CARE SALON (DZADZA FORGIVE )	AGORKPO STREET
19	DEKDLLIS SERVICES (EVANS KWABLA D. DZAKPATA)	MAFI- KUMASI ADIDOME ROAD NEAR WINNERS
20	THY DWELLING PLACE VENTURE (NORNU SAMPSON)	MAFI KUMASI
21	NEW HEIGHT MULTIMEDIA (AVUWADA ROBERT KWABLA)	MAFI-KUMASI, NEAR AMUGA RURAL BANK
22	EDEM BLESS VENTURES (MANYO BLESS)	SOGAKOPE, ECOWAS ROAD Y JUNCTION
23	CUSTOMER CARE B.K ENTERPRISE 1 (BRIGHT KWAME LANDZO)	TORGBUI AGAM STREET, SOGAKOPE
24	CUSTOMER CARE B.K ENTERPRISE 2 (BRIGHT KWAME LANDZO)	AGORKPO INFRONT OF STONE AND BLESSING
25	CUSTOMER CARE B.K ENTERPRISE 3 (BRIGHT KWAME LANDZO)	SOKPOE ALAVANYO STREET
26	PRECIOUS VENTURES (GANU ERNEST KOFI)	SOPKOE LANE 1
27	ADDAE ENTERPRISE (ADDAE JAMES KOFI)	MODZEKPO, SOGAKOPE NEWTOWN

NO	AGENTS IN SEGE AREA 0501317134	LOCATION
	<b>AGENT</b>	
1	EFA FRANKILN ENT	MEPE
2	NOTEYE VENTURES	DAWA
3	AKAGBESCO VENTURES	ADA KASSEH
4	NAC VENTURES	DAWA
5	DAN-NINO LIMITED	AKPLABANYA
6	UNIQUE JOELINA ENT	AKPLABANYA
7	KD SUPERMARKET	KOLUEDOR
8	THE EAGLE EYES MOBILE BUSINESS CENTRE	SEGE
9	ARVIDA DESCENDANT	SEGE
10	JOSH-BIGGZ VENTURES	HOHOE
11	GREAT VISION WITH PASSION VENTURES	SEGE
12	AGBOVE PROSPER GREATER GRACE ENT	MEPE
13	KESORYI MINI MART VENTURES	MEPE



agave rural bank



Dial **\*707#**

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**GAB** GHANA  
ASSOCIATION  
OF BANKS

Toll-free: **0800-000-707**



#### GHANAPAY CHARGES

GhanaPay to GhanaPay	Free transactions amongst GhanaPay users
GhanaPay to Other MoMo	No fees charged.
GhanaPay to users on other mobile money services.	No fees charged.
GhanaPay to Bank	Free transactions
Ability to move money from GhanaPay to one's bank account and vice versa	1% and 0.50 minimum

#### Becoming A GhanaPay Customer

##### REQUIREMENTS

Valid Ghana Card  
Passport (for foreign nationals)  
Registered Active Mobile Number  
GPS Address  
Next of Kin  
Source of Funds  
Occupation  
Note: Bank account not mandatory

## AGAVE RURAL BANK PLC

#### How to register for a wallet

- Download app
- Select ARB Apex Bank
- Select Agave Rural Bank as Branch
- Follow steps to continue



EST. 1987

Wòè Lì; Míe Lì

## AGAVE RURAL BANK PLC

Head Office:  
Address: P. O. Box 52, Dabala, Volta Region  
Tel: +233 (0) 50 135 4448  
Email: [agaveruralbank@gmail.com](mailto:agaveruralbank@gmail.com)  
[info@agaveruralbank.com](mailto:info@agaveruralbank.com)  
Website: [www.agaveruralbank.com](http://www.agaveruralbank.com)

Sogakope Branch:  
Tel: +233 (0) 50 131 7149  
(0) 50 167 8535

Dabala Branch:  
Tel: +233 (0) 50 131 7143  
(0) 50 131 7144

Aflao Branch:  
+233 (0) 50 131 7133  
(0) 50 958 2352

Sege Branch  
Tel: +233 (0) 50 131 7134  
(0) 50 958 2298

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## 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.

## CORE VALUES

### TRUST

Deliver on our promise and commitment to our stakeholders

### ACCOUNTABILITY

Acknowledge and accept responsibility for professional actions and decisions

### DILIGENCE

Demonstrate professionalism in all our dealings with stakeholders

### AGGRESSIVENESS

Proactive approach to banking and persistent effort to reach out, connect and engage our customers to ensure competitiveness.

### INNOVATION

Anticipate changes and respond appropriately with creative and effective solutions

### RESPONSIVENESS (Wòe Li; Míe Li):

Remain alert to the financial needs of customers and address effectively.

### TEAMWORK

Collaborate and complement each other to deliver our value propositions.

### NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Thirty-Seventh (37th) Annual General Meeting of AGAVE RURAL BANK PLC, will be held on Saturday, 26th July 2025 at 10:00 am at the Global Evangelical Church, Dabala.

#### AGENDA

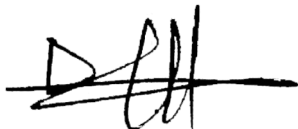
1. To receive the Report of the Chairperson.
2. To receive the Financial Statements for the year ended 31st December 2024 and the Report of the Directors and the Auditors thereon.
3. To consider retirement and election of Directors.
4. To authorize Directors to fix the remuneration of the Auditors.
5. To fix the remuneration of the Directors.
6. To declare dividend.

#### Notes:

- A member is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote in his or her stead. A proxy need not be a member of the Bank. Completed proxy forms must be lodged with the Company Secretary, at the Bank's Head Office, Dabala, or electronically sent to [info@agaveruralbank.com](mailto:info@agaveruralbank.com), not less than 48 hours before the meeting.
- The 2024 Annual Reports and Financial Statements (with the proxy form therein) will be posted on the website of the company ([www.agaveruralbank.com](http://www.agaveruralbank.com)).

Dated this 20th day of June 2025.

BY ORDER OF THE BOARD



BERNARD EDEM KOFI DZINYELA ESQ  
(AG. BOARD SECRETARY)

**CORPORATE INFORMATION****BOARD OF DIRECTORS:**

Ms. Francesca Dzifa Bedzra - (Chairperson)  
 Mr. Michael Yao Amekor  
 Mr. Jonas Zalabak Gborsong  
 Mr. Woelinam Yao Dogbe (Retired: 18/11/2024)  
 Mr. Bernard Edem K. Dzinyela Esq (Ag Board Secretary)  
 Mr. Worlanyo Kwesi Eworyi  
 Mr. Dominic Sena Kwasi Agbo (Resigned: 31/12/2024)

**ACTING SECRETARY:**

Mr. Bernard Edem K. Dzinyela Esq.  
 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**

Fenu Faith - Ag. CEO  
 Odei Gideon - CEO (Resigned 21/3/2024)  
 Agbetepey Michael – Head, Segments & Channels  
 Kpetigo Christian - Head, Credit  
 Hilas Torvikey – Head, Finance (Resigned: 15/02/2025)  
 Akordor Pearl A. – Head, Human Resource & Admin.  
 Otu-Addo Naomi – 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

**BOARD OF DIRECTORS**



**Francesca Dzifa Bedzra**  
(Board Chairperson)



**Dominic Sena Agbo**  
(Vice Chairman)  
Resigned 31/12/2024



**Bernard Edem K. Dzinyela ESQ**  
(Ag. Secretary)



**Woelinam Yao Dogbe**  
(Member)

Retired 18/11/2024



**Michael Yao Amekor**  
(Member)



**Jonas Zalabak Gborsong**  
(Member)



**Worlanyo Kwasi Eworyi**  
(Member)

**BOARD CHAIRPERSON'S STATEMENT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2024****1. INTRODUCTION**

It is my pleasure and privilege to welcome you to the 37<sup>th</sup> Annual General Meeting of Agave Rural Bank PLC and to present the Chairperson's statement for the 2024 financial year, ending 31<sup>st</sup> December, 2024.

Dear Shareholders, despite a challenging economic environment during the year under review, our bank delivered robust performance, achieving strong gains across all key financial indicators. These key indicators include a 55% growth in profit before tax, a 47% growth in customer deposits and a growth of 44% in total assets of the bank.

**2. FINANCIAL PERFORMANCE OF THE BANKING SECTOR**

The banking sector continues to be profitable, well-capitalized and liquid. Assets of the banking sector grew by 33.8 percent in 2024. Capital Adequacy Ratio (CAR) with reliefs grew marginally to 14.0 percent in December 2024 from 13.9 percent in December 2023.

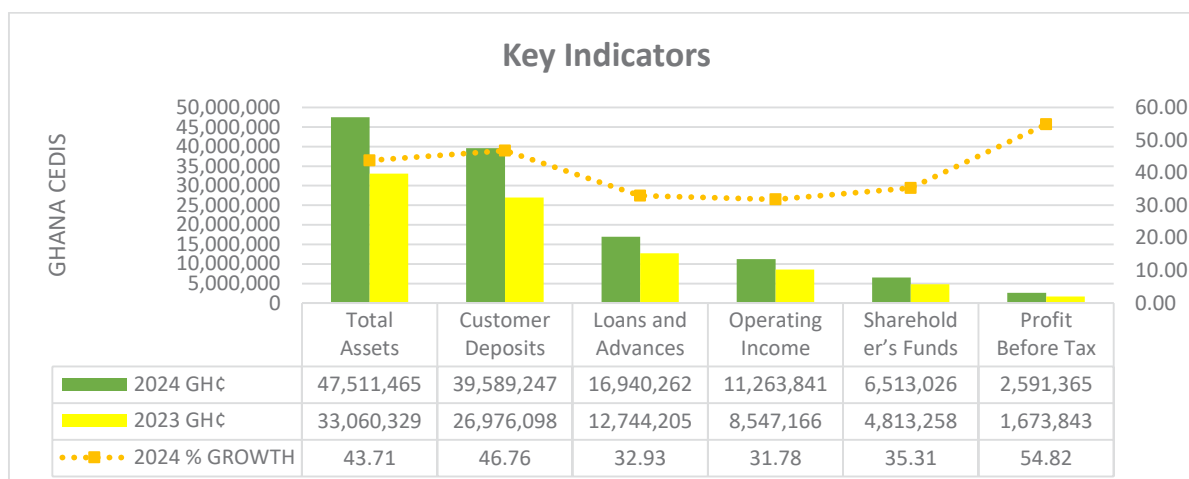
Capital adequacy ratio (CAR) without reliefs rose to 11.3 percent in December 2024, higher than the 8.3 percent recorded in December 2023. Profits went up in 2024 relative to 2023, but the pace of growth slowed, resulting in the moderation of profitability indicators during the period.

In the outlook, elevated credit risk remained the main downside risk to the banking sector. The industry's Non-Performing Loans (NPL) ratio increased to 21.8 percent in December 2024, from 20.6 percent in December 2023.

On a component basis, investment growth moderated in 2024 compared to 2023, primarily due to a decline in money market rates during the review period. Investments increased by 12.9 percent to GH¢113.1 billion as of December 2024, a significant slowdown from the 47.5 percent growth recorded in December 2023.

The slowdown in growth in investments reflected in growth in short-term investments, which moderated to 9.1 percent in December 2024, down from 133.8 percent growth observed in December 2023 on account of the decline in rates on the money market. Long-term investments also grew by 15.4 percent in December 2024 relative to 16.8 percent growth realised in December 2023.

**(Source: Bank of Ghana, monetary policy report, Jan 2025)**

**3. HIGHLIGHTS OF KEY 2024 FINANCIAL PERFORMANCE COMPARED TO 2023**

a. **Customer deposits**

Customer deposits rose from GH¢26.98 million in 2023 to GH¢39.59 million in 2024, representing a strong year-on-year growth of 46.76%. This notable increase was largely driven by sustained customer confidence in the bank.”

b. **Loans and Advances**

The portfolio increased by GH¢4,200,000.00 to GH¢16,940,262.00 in 2024, primarily due to robust activities in the business group loan segment.

c. **Operating Income**

A year-on-year increase across all revenue lines contributed to the growth in operating income, which rose by approximately 32% - from GH¢8.54 million in 2023 to GH¢11.26 million in 2024.

d. **Profit Before Tax**

The profit before tax saw a significant growth of 54.82% on the 2023 figure of GH¢1,673,843 to GH¢2,591,365

e. **Total assets**

Total assets increased significantly by approximately 44% compared to prior year, with earning assets contributing about 75% of the total assets of GH¢47,511,465 in 2024.

f. **Capital adequacy ratio (CAR)**

This ratio indicates our strong capital position and continues to grow year on year. The CAR for 2023 was 21.70% as against 22.93% in 2024. The Bank of Ghana’s regulatory bench mark is 10%

#### 4. **CORPORATE GOVERNANCE**

The Board continues to ensure that the Bank’s governance processes are aligned with the regulator’s directives and frameworks.

##### **4.1 Board Committees**

The Board has two main committees: the Business and Credit Committee (BCC) and the Audit, Finance, Administration, Risk, and Compliance Committee (AFARCC). These Committees assist the Board in carrying out its responsibilities.

##### **4.2 Board Development**

The Board encourages Directors to undertake continuing education and training to develop and maintain the skills and knowledge needed to perform their role as Directors effectively.

#### 5. **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, stipulates that a director has three (3) years to serve on the Board and thereafter two additional terms. In line with this provision, no director is eligible to retire and to be re-elected.

#### 6. **BOARD CHANGES**

Mr. Dominic Sena Agbo, who joined the Board on January 18, 2024, resigned on December 31, 2024. Additionally, Mr. Woelinam Dogbe, whose mandate was renewed by shareholders



at the 36th Annual General Meeting, did not submit himself for the Bank of Ghana approval processes, leading to the expiration of his tenure on November 18, 2024. Consequently, the Board currently has five members, with plans to increase this to seven members, to enhance decision-making.

## **7. RESPONDING TO COMMUNITY NEEDS**

As part of our long-standing tradition of aiding the communities in which we do business, the Bank supported the South Tongu District Assembly, Ada West District Assembly, Ketu South District Assembly and the Ministry of Agriculture with various farming equipment during the 2024 Farmer's Day celebration, which was held at various locations within those districts.

Additionally, we supported the Dabala Senior High Technical School with ceiling fans for use in their girls' dormitory.

The Bank also renovated and painted the Dabala Police Station and donated furniture to them.

## **8. DIVIDEND**

In line with section 35 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), the Board recommends, subject to the approval of the Bank of Ghana, a dividend of GH¢0.0185 per share, amounting to GH¢800,000, a 29.03% increase on the 2023 figure of GH¢620,000.

The Board further proposes that, out of the total amount recommended for payment as dividends, GH¢600,000.00 be paid in cash and GH¢200,000.00 as bonus shares to qualified existing shareholders. There is little doubt about how much we value our esteemed shareholders and the Board remains committed to continuous exploration of options to redistribute the accumulated wealth of the bank to you. These options include but not limited to; objectively evaluating our share price to reflect the true value of the bank, conducting a Rights issue, stock dividend payments as well as Regulator advocacy to allow for increased proportion of profits payout.

## **9. DIGITAL BANKING SOLUTIONS**

### **a. RCB Agent Teller POS**

Dear Shareholders, it is exciting to note that, you can deposit cash into your account at a different rural bank or withdraw cash through our RCB teller agent POS at any of our branches (Aflao, Dabala, Sege and Sogakope). Just walk into any of our branches for the service.

### **b. 3<sup>rd</sup> Party Agent POS**

AgRB has Eighty-One (81) 3<sup>rd</sup> Party agency banking locations across the four zones (Aflao, Dabala, Sege and Sogakope), in various stages of activation, to bring the bank closer to our customers and shareholders. Customers can deposit, withdraw cash, buy airtime and also check their account balances at these locations. Please refer to the inside of the cover pages for the list of 3<sup>rd</sup> party Agents near you. These locations will be fully active soon.

### **c. USSD (\*992#) MOBILE BANKING**

We have upgraded our short code for mobile banking from \*447\*314# to the current one \*992#. You can use this service to check your account balance, mini statements, pay bills, perform transfers to other banks, deposits and withdrawals on your account etc.

d. **GHANAPAY (\*707#)**

This is a digital wallet service designed to function seamlessly like other mobile wallets (such as MTN, Telecel, and AirtelTigo). Your funds are securely held with a licensed bank, earning interest of up to 5% per annum. The service offers a wide range of convenient transactions, including deposits to and withdrawals from your bank account-anytime, anywhere.

**10. CONCLUSION**

Dear Shareholders, the year under review was marked by a challenging and uncertain business environment. Nevertheless, our bank remained focused and resilient, delivering strong results. While economic headwinds persist, there are encouraging signs of gradual recovery and renewed momentum in the broader economy. We are optimistic that these emerging opportunities will support sustainable growth in the years ahead.

Our bank continues to demonstrate strength, stability, and strategic clarity. We remain confident in our ability to navigate the evolving landscape and are fully committed to meeting-and exceeding-the expectations of all stakeholders.

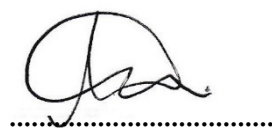
**11. APPRECIATION**

On behalf of the Board, I extend our sincere appreciation to you all, our customers, shareholders and community, for your unwavering support, trust, and confidence. It is your continued belief in our vision that drives us forward.

The Board further commends our Acting CEO, Faith Fenu, his management team and the entire staff of the Bank for their commitment and dedication in delivering these excellent set of results.

Finally, I wish to convey our profound gratitude to the Bank of Ghana, ARB Apex Bank PLC, the Association of Rural Banks – Ghana and specially to the Volta Chapter, and all other valued stakeholders, both present and absent, for their steadfast support, guidance, and partnership. Your continued collaboration remains instrumental to our progress and success.

Thank you all very much



**Francesca Dzifa Bedzra**

**(Board Chairperson)**

## REPORT OF THE DIRECTORS

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, 2024.

### DIRECTORS' RESPONSIBILITY

Under the appropriate legislation including the Companies Act 2019 (Act 992) as well as the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930), we the Directors of the Bank acknowledge our responsibility for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the Bank, and of its Profit or Loss and other Comprehensive Income and Cash Flows for that year in accordance with the International Financial Reporting Standards (IFRS), and the 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 31<sup>st</sup> March 2022 and requires compliance by all RCBs. Our report on this can be found on pages 14 to 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 30 to 57. Below are the brief highlights of the financial results of the bank for the year 2024 with 2023 in comparison.

	2024 GH¢	2023 GH¢
Profit before tax for the year	2,591,365	1,673,843
From which is deducted a tax charge of	(732,123)	(492,882)
Resulting in a Profit after tax of	<b>1,859,242</b>	<b>1,180,961</b>
To which must be added the balance brought forward on the Retained Earnings Account at the beginning of the year	1,539,206	602,896
Leaving a balance before statutory and other transfers of	<b>3,398,447</b>	<b>1,783,857</b>
From which the following transfers were made:		
• Transfer to Statutory Reserve in accordance with Section 34 of the Banking Act 2016 (Act 930)	(464,810)	(295,240)
• Transfer from Credit Risk Reserve as per the BOG directive	19,621	50,589
• Transfer to Dividend payable	(620,000)	-
<b>Leaving a balance on the Retained Earnings Account to be Carried Forward of</b>	<b>2,333,258</b>	<b>1,539,206</b>

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**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¢0.0185 per share amounting to **GH¢800,000 (2023:GH¢620,000)**.

The directors further propose that out of the total amount recommended for payment as dividends, **GH¢600,000** be paid in cash and **GH¢200,000** as bonus shares to existing shareholders supported by a transfer to the Stated Capital.

**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¢50,000** (out of the annual budget of **GH¢50,636** earmarked for donation) towards the renovation of buildings at Dabala Police Station, Dabala Senior High Technical School, and Sogakope Technical and Vocational Training Institute.

**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. Woelinam Yao Dogbe's tenure of office as a director of the Bank expired on 18<sup>th</sup> November 2024. However, he did not take steps to renew his interest to continue to serve the Bank as a director by submitting the required documentation for the consideration and approval of the Bank of Ghana. He is consequently deemed to have retired effective the 18th day of November 2024.

Mr. Dominic Sena Kwasi Agbo was appointed as Director with effect from 18<sup>th</sup> January 2024 and resigned from the Board with effect from 31<sup>st</sup> December, 2024.

**GOING CONCERN CONSIDERATIONS**

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

**AUDITORS AND FEES**

Messrs Nexia Debrah & Co were appointed External Auditors of the bank 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 31<sup>st</sup> 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 is **GH¢45,000 (2023:GH¢35,000)**.


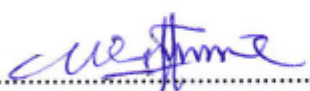
**REPORT OF THE DIRECTORS (CONT'D)****MANAGEMENT REPRESENTATION AND APPROVAL OF ACCOUNTS**

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 30 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, 2024, and the Statement of Financial Position at that date together with the notes thereon this 25<sup>th</sup> day of April 2025.

  
 ..... )  
 ..... )  
  
 ..... )

**Directors****DABALA****25<sup>th</sup> April 2025**

## 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 (i.e.. AFARCC)
- Business and Credit Committee (i.e.. BCC)

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

- Mr. Zalabak Jonas Gborsong – Chairman (Until: 27/09/2024)
- Mr. Woelinam Yao Dogbe – Chairman (From 28/9/2024 to 18/11/2024)
- Mr. Worlanyo Kwesi Eworyi – (Chairman effective: 19/11/2024)
- Mr. Michael Yao Amekor – Member

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

- Mr. Woelinam Yao Dogbe – Chairman (Until: 27/09/2024)
- Mr. Bernard Edem Kofi Dzinyela Esq.- Chairman (Elected: 27/09/2024)
- Mr. Dominic Sena Agbo – Member (Resigned: 31/12/2024)
- 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. Jonas Zalabak Gborsong	Director	4/4	1/4	1/4
Mr. Michael Yao Amekor	Director	4/4	1/4	3/4
Mr. Woelinam Yao Dogbe	Director	3/4	-	3/4
Mr. Bernard Edem Kofi Dzinyela Esq.	Director / Ag Secretary	4/4	-	4/4
Mr. Worlanyo Kwesi Eworyi	Director	4/4	4/4	
Mr. Dominic Sena Agbo	Vice Chairman	4/4	1/4	3/4

## 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 2024, 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.

### Michael Yao Amekor

Michael was appointed to the Board in August 2020. He serves as a member of the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC) and is also the Vice President of the Association of Rural Banks for the Volta/Oti Chapter. He previously served as Chairman of the Board and chaired the Board's Business and Credit Committee.

Currently, Yao Amekor is the Managing Director of TF Properties Ltd, a subsidiary of the Teachers' Fund LBG, a position he has held since June 2022. In this role, he has led the strategic transformation of the company, managing a diverse portfolio of commercial real estate assets with an annual balance sheet exceeding GHS 300 million. He is responsible for enhancing shareholder value, improving tenant relations, and optimizing asset performance across the portfolio.

He holds an MBA in Finance and Strategy from the Olin Business School, Washington University in St. Louis, Missouri, USA. He also earned an MSc in Economics and Finance from Southern Illinois University, Edwardsville, USA, and a BSc in Business Administration (Banking and Finance) from the University of Ghana Business School, Legon.

#### **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) from 2023 financial year to August 2024 when a new election was held to replace him with Woelinam Yao Dogbe. He holds a Chartered Tax Practitioner certificate from the Chartered Institute of Taxation, Ghana, Master of Science in Development Finance from the University of Ghana and is a Chartered Accountant, a member of the Association of Chartered Certified Accountants (ACCA) and the Institute of Chartered Accounts (ICA), Ghana. He also holds 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 a Regulatory and Capital Management Manager at Stanbic Ghana. He has over 15 years' 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.

Jonas is results driven; and has overseen prudential returns on an asset base of GH¢24.6 billion.

#### **Woelinam Yao Dogbe**

Woelinam was appointed as a member of the Board in November 2021 and until the expiration of his tenure on 18<sup>th</sup> November 2024, served as the Chairman of the Business and Credit Committee (BCC) of the Board up to 27<sup>th</sup> September 2024, and thereafter the Chairman of the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC) until his retirement in November 2024. Woelinam is a Chartered Banker and an International Finance Corporation (IFC) Certified Environmental and

Social Risk Management (ESRM) Consultant with 15 years' professional experience across financial services, management consulting, and private enterprise. He has worked with top-tier Financial institutions including Standard Chartered Bank, Fidelity Bank Ghana, United Bank for Africa (UBA), and Bayport Savings & Loans. He is an innovative and analytical person with effective communication skills and excellent organizational skills.

Woelinam holds a Master's degree in Business Administration from the University of Bradford, United Kingdom and a Bachelor of Science in Psychology from the University of Ghana, Legon.

#### **Bernard Kofi Edem Dzinyela, Esq.**

Bernard Kofi Edem Dzinyela is a committed legal practitioner and Founding Partner of Shield Attorneys PRUC, located in North Legon, Accra. With a multidisciplinary background in education, economics, and law, Bernard brings a well-rounded perspective to his legal practice.

He began his academic journey at Mawuli Senior Secondary School in Ho, where he obtained his Senior Secondary School Certificate (SSCE). He proceeded to the Akatsi Teacher Training College in the Volta Region, earning a Teacher's Certificate 'A', qualifying him as a professional educator. Bernard initially served as a teacher in several basic schools within the South Tongu District of the Volta Region.

Furthering his education, Bernard enrolled at the University of Cape Coast (UCC), where he earned a Bachelor of Arts degree in Social Sciences, majoring in Economics and Sociology. He later taught Economics and Social Studies at Dabala Senior High Technical School (DASTECH).

His passion for law led him back to the University of Cape Coast, where he obtained his Bachelor of Laws (LLB) degree. Upon completion, he was admitted to the Ghana School of Law, where he earned his Professional Practicing Certificate (BL), qualifying him to practice before all courts in Ghana, including the Supreme Court.

Bernard completed his internship at the Court of Appeal, Accra, under the mentorship of Justice Margarete Araba Welbourne JA (Mrs.) and Justice Aduamah JA. He undertook his pupillage at the distinguished law firm Messrs. Kulendi@Law, founded by Justice Yoni Kulendi JSC, Mrs. Joyce Attafuah, and Mrs. Ama Opoku-Amponsah, based at Airport Residential Area, Accra.

After several years of intensive training and practice at Kulendi@Law, Bernard briefly joined

S&S Legal in Osu. He later partnered with his colleague and friend Benjamin Taiwo Adenkanla to co-found Shield Attorneys PRUC, where he continues to offer diligent and results-driven legal services.

Bernard also holds a Master of Laws (LLM) in Corporate and Commercial Law from the University of Ghana, Legon, reinforcing his expertise in business and regulatory legal practice. Reply – Christian Aggor & Anor. vrs. Yaovi Zor & Anor. 2

In addition to his legal work, Bernard serves his community through leadership roles. He is a Board Director and Acting Board Secretary of Agave Rural Bank PLC, located in Dabala, the South Tongu District, and the Board Chairman of Dabala Senior High Technical School (DASTECH).

Known for his diligence, meticulous attention to detail, and timely delivery of legal services, Bernard Dzinyela is respected by clients and colleagues alike for his professionalism and unwavering commitment to excellence.

Bernard specializes in Corporate and Commercial law, Land Law (Litigation), Divorce and Matrimonial cases and Criminal Law, bringing his advanced academic qualifications and practical experience to serve clients across various sectors. His background in economics and sociology provides him with a comprehensive understanding of business dynamics and social contexts that enhance his legal practice.

With extensive experience in Corporate and Commercial Law, he brings a unique combination of educational expertise and legal acumen to his practice, consistently delivering exceptional service to his clients.

#### **Dominic Sena Agbo**

**S**ena was appointed as a member of the Board in January 2024 and is a member of the Business and Credit Committee.

He is currently the Executive Director at Strategic African Securities and brings over a decade of experience in investment banking, infrastructure advisory, private equity, and principal investing. His role at Strategic African

Securities has allowed him to showcase his expertise in leading high-stakes equity and debt investment projects, particularly in the infrastructure and energy sectors across Ghana and West Africa.

Sena possesses an array of skills, including expertise in Private Equity and Principal Investing, Debt and Equity Capital Markets, Mergers and Acquisition, Infrastructure Project Finance and Strategic Planning and Performance Management.

Sena Agbo is a graduate of the University of Ghana with an MA in Economic Policy Management, a BA in Economics and a Diploma in Financial Management from the Institute of Commercial Management, UK.

#### **Worlanyo Kwesi Eworyi**

**W**orlanyo was appointed as a member of the Board on 18<sup>th</sup> January 2024. He is a member of the Audit, Finance, Administration, Risk and Compliance Committee (AFARCC).

Eworyi holds a Master of Business Administration from the Kwame Nkrumah University of 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.

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## **BOARD EVALUATION**

At the end of the 2024 financial year, the Board of Directors conducted an internal self-evaluation, and this has been placed on file. In order to minimize or eliminate bias and ensure objectivity in the evaluation process, an external evaluation exercise was also conducted by a consultant. However, the results were formally presented to the Board at its 4<sup>th</sup> quarter 2024 meeting held in March 2025.

### PROFILE OF KEY MANAGEMENT PERSONNEL

#### **Fenu Faith (CA) – Acting 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 Acting 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 Acting Chief Executive Officer, pending Bank of Ghana approval. As the Acting CEO, he leads the day-to-day administration and strategic implementation of key decisions of the Bank.

#### **Agbetepey Michael (ACIB, CCP)**

Michael is the Head of Segments and Channels, with over 16 years of experience in the Rural Banking environment. He 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.

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.

#### **Akordor Pearl Ama (ACIHRM 1990)**

Pearl joined the Bank in January 2020 as the Head of Human Resource, Administration and Customer Experience.

She has over 10 years working experience as a Human Resource Professional with vast knowledge in labour law, training and development and policy formulation in various sectors including rural banking. She holds a Bachelor of Arts degree in Primary Education and a Master of Arts degree in Human Resource Management, all from the University of Cape Coast. She is an Associate member of the Chartered Institute of Human Resource Management, Ghana. She is currently pursuing a Master of Arts degree in Gender, Peace and Security from the Kofi Annan International Peace Keeping Centre and Certified Management Professional program with the Centre for Professional Certification, Ghana.

As the Head of HR/ Admin and Customer Experience, she is responsible for leading the day-to-day running of administration and ensuring policies and regulations are adhered to while providing a serene environment for personal growth and development.

#### **Hilas Torvikey (ACIB) – Resigned: 15<sup>th</sup> February, 2025**

Hilas joined the Bank in January 2020 as the Head of Finance, a position he held till his resignation on 15<sup>th</sup> February 2025. He has over 8 years' experience in the rural banking environment. He holds a Bachelor of Arts degree in Psychology with Philosophy from the University of Ghana. He is also a member of the Chartered Institute of Bankers, Ghana and currently pursuing his professional certification with the Institute of Chartered Accountants, Ghana.

As the Head of Finance, he is responsible for leading the finance department and ensuring the Bank is liquid and works according to the best accounting practices and standards. He is also responsible for managing the investment portfolio of the Bank and ensuring the Bank makes prudent investment decisions.

#### **Otu-Addo Naomi**

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.

### **Kpetigo Christian Delanyo (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 January 2024. Before his current role, he was the Head of Operations, a position he held from March 2020. He has over 13 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 member 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.

### **Odei Gideon Kwabena (MloD) – (Resigned 11th March 2024)**

Gideon was in office as the Chief Executive Officer (CEO) until his resignation on 11<sup>th</sup> March 2024. Gideon possesses a demonstrated history of 17 years of work in a number of rural banks in Ghana. He is skilled in Corporate Governance, Regulatory Compliance, Negotiation, Administration, Financial Analysis, Banking Operations and Customer Service. He is well trained and skilled in TEMENOS T24 Banking Application. Mr. Odei has a Master's degree in Business Administration (MBA) from Accra Business School and a B.Sc. (Hons) in Agriculture, awarded by the Kwame Nkrumah University of Science and Technology, Kumasi, Ghana.

Mr. Odei is a member of the Institute of Directors, Ghana (IoD-Ghana).

## **BOARD SECRETARY**

Mr. Bernard Edem Kofi Dzinyela Esq, an approved Director of the Bank has been appointed by the Board to take up additional responsibility as Acting Secretary to the Board until a substantive Secretary is appointed. 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.

The Board recognizes that it is not in full compliance by having a Director play the role of Acting Secretary. To cure this non-compliance, a search for a substantive Company Secretary is underway.

## **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 2024 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. Anti -Money Laundering Training – Risk and Compliance (AMLO) – Agave Rural Bank Plc**

1	Mr. Michael Yao Amekor	2 <sup>nd</sup> March, 2024
2	Mr. Jonas Zalabak Gborsong	2 <sup>nd</sup> March, 2024
3	Mr. Woelinam Yao Dogbe	2 <sup>nd</sup> March, 2024
4	Ms Francesca Dzifa Bedzra,	2 <sup>nd</sup> March, 2024
5	Mr. Bernard Edem Kofi Dzinyela Esq.	2 <sup>nd</sup> March, 2024
6	Mr. Dominic Sena Agbo	2 <sup>nd</sup> March, 2024
7	Mr. Worlanyo Kwesi Eworyi	2 <sup>nd</sup> March, 2024

**B. Cyber Security & Fraud Management Training - ARB Apex Bank Plc**

i Mr. Gborsong Zalabak Jonas

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

ii Ms Francesca Dzifa Bedzra

iii Mr. Bernard Edem Dzinyela Kofi Esq.

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

S/N	Name of Director	Training Organized By
1	Mr. Michael Yao Amekor	Bank of Ghana (2023)
2	Mr. Jonas Zalabak Gborsong	Association of Rural Banks – Ghana (2023)
3	Mr. Woelinam Yao Dogbe	Association of Rural Banks – Ghana (2023)
4	Ms Francesca Dzifa Bedzra,	Bank of Ghana (2023)
5	Mr. Bernard Edem Kofi Dzinyela Esq.	Bank of Ghana (2023)
6	Mr. Dominic Sena Agbo	Association of Rural Banks (2024)
7	Mr. Worlanyo Kwesi Eworyi	Association of Rural Banks (2024)





## 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 31<sup>st</sup> December 2024, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, together with the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 30 to 57.

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

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

### Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report

dealing with the Auditors' Responsibilities for the Audit of the Financial Statements. In form and substance, we are independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We also refer to the following matters which provide further context 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(2023: 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.

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

The Receiver subsequently made a down payment of **GH¢50,000** on 30<sup>th</sup> September 2021 from the certified amount to the bank, leaving a 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.

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¢11,894,196)**

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¢16,940,262)**

Refer to Note 12 to the Financial Statements.

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

**How the matter was addressed in our audit**

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

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

**3.0 Existence and Valuation of Investments (GH¢25,111,297)**

Refer to Note 10 and 14 to the Financial Statements.

The Bank keeps a number of investments

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

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

**How the matter was addressed in our audit**

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

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

**Other Information**

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

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

**Responsibilities of the Directors for the Financial Statements**

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

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

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

**Responsibilities of the Auditors for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions which are beyond the scope of this report may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Directors regarding, among other matters, the planned scope and timing of the audit

and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be considered to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with the Directors, those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

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 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 account 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 respects 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 Specialized 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:

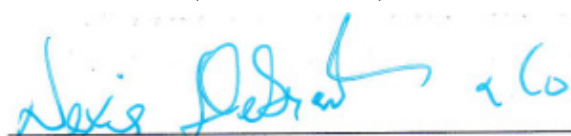
3. Notting has come to our attention to suggest that the Bank breached any provisions of the Anti-money Laundering Act, 2000 (Act 1044), and the Anti-Terrorism Act, 2008 (Act 762); and

4. As far as appear 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 14 to 20 of this report. The outcome of our review indicates that there are several 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/2025/069)**

**BCB Legacy House**

**#44 Nii Amugi Avenue**

**East Adabraka, Accra**

**P. O. Box CT 1552**

**Cantonments -Accra, Ghana.**

**April 28, 2025**

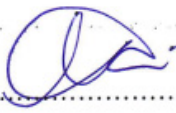
**STATEMENT OF COMPREHENSIVE INCOME FOR THE  
YEAR ENDED DECEMBER 31, 2024**

	Notes	2024 GH¢	2023 GH¢
Interest Income	3	11,894,196	8,993,905
Interest Expenses	4	(1,191,995)	(826,408)
<b>Net Interest Income</b>		<b>10,702,201</b>	<b>8,167,497</b>
Commissions and Fees	5	335,543	180,629
Other Operating Income	6	226,097	199,040
		<b>11,263,841</b>	<b>8,547,166</b>
<b>Total Operating Income</b>			
Charge for Credit Losses	12(d)	(72,462)	(83,751)
Operating Costs	7	(8,600,014)	(6,789,572)
<b>Profit before Taxation</b>		<b>2,591,365</b>	<b>1,673,843</b>
Taxation	18(i)	(732,123)	(492,882)
<b>Profit after Taxation</b>		<b>1,859,242</b>	<b>1,180,961</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income for the year</b>		<b>1,859,242</b>	<b>1,180,961</b>
<b>Earnings Per Share (EPS)</b>			
Basic and Diluted Earnings per Share		<b>0.043</b>	<b>0.035</b>



**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2024**

	NOTES	2024 GH¢	2023 GH¢
<b>ASSETS</b>			
Cash and Bank Balances	9	1,420,995	1,696,955
Short Term Investments	10	18,987,046	9,160,520
Apex Bank Deposit Reserve	11	2,007,703	1,417,497
Loans and Advances to Customers	12(a)	16,940,262	12,744,205
Long Term Investment	14	6,124,251	6,282,773
Deferred Tax	18(iii)	34,434	21,743
Equity Investments	13	145,064	107,564
Other Assets	15	521,547	379,998
Property and Equipment	19(a)	1,258,134	1,183,453
Intangible Assets	19(b)	72,029	65,621
<b>TOTAL ASSETS</b>		<b><u>47,511,465</u></b>	<b><u>33,060,329</u></b>
<b>LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>			
<b>Liabilities</b>			
Customer Deposits	16(a)	39,589,247	26,976,098
Creditors and Accruals	17(a)	1,352,995	1,181,553
Taxation	18(iv)	56,197	89,420
Deferred Tax Liability	18(iii)	-	-
<b>Total Liabilities</b>		<b><u>40,998,439</u></b>	<b><u>28,247,071</u></b>
<b>Shareholders' Funds</b>			
Stated Capital	21	2,163,264	1,702,737
Revaluation Reserve	22	43,070	43,070
Retained Earnings Account	23	2,333,258	1,539,206
Statutory Reserves	20	1,931,648	1,466,838
Credit Risk Reserve	25	41,786	61,407
<b>Total Shareholders' Funds</b>		<b><u>6,513,026</u></b>	<b><u>4,813,258</u></b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS' FUNDS</b>		<b><u>47,511,465</u></b>	<b><u>33,060,329</u></b>
<b>Net Asset per Share (GH¢ per Share)</b>		<b>1.10</b>	<b>0.97</b>

  
 )  
 )  
 ) **Directors**  
 )  
 )  
**DABALA**  
 25<sup>th</sup> April 2025

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

<b>Operating Activities</b>	<b>GH¢</b>	<b>2024 GH¢</b>	<b>2023 GH¢</b>
Profit before Tax		2,591,364	1,673,843
<b>Add:</b>			
Profit on Disposal		-	-
Depreciation		286,918	203,250
Amortisation		15,534	11,990
		<u>302,452</u>	<u>215,240</u>
<b>Cash Inflow/(Outflow) before Changes in Operation</b>			
<b>Assets and Liabilities</b>			
Decrease /(Increase) in Long term investment	121,021		(3,309,389)
Decrease /(Increase) in Short term investment	(11,745)		4,192,858
Decrease /(Increase) in Loans and Advances	(4,196,056)		(4,438,367)
Decrease/(Increase) in Other Assets	(273,951)		(162,261)
Increase in Trade and other Liabilities	12,613,149		368,165
Increase in Customer Deposits	171,442		6,962,595
		<u>8,556,263</u>	<u>(3,613,601)</u>
<b>Cash flow from Operating Activities</b>			
Tax Paid		(778,038)	(412,607)
		<u>10,672,041</u>	<u>5,090,076</u>
<b>Investing Activities</b>			
Property and Equipment Purchased	(361,600)		(517,822)
Intangible Asset Purchased	(21,942)		(9,000)
Proceed on disposal of assets	-		-
		<u>(383,542)</u>	<u>(526,822)</u>
<b>Cash Outflow from Investing Activities</b>		<u>(383,542)</u>	<u>(526,822)</u>
<b>Financing:</b>			
Proceeds from Issue of Shares	460,528		24,526
Dividend Paid	(620,000)	-	-
Loan repayments		(159,472)	-
<b>Net Cash Outflow from Financing</b>		<u>(159,472)</u>	<u>24,526</u>
<b>Net Increase/(Decrease) in Cash and Cash Equivalent</b>		<u>10,129,028</u>	<u>4,587,781</u>
Cash and Cash Equivalents at January 1		11,078,313	6,490,532
<b>Cash and Cash Equivalents at December 31</b>		<u>21,207,341</u>	<u>11,078,313</u>
<b>Analysis of Cash and Cash Equivalents as shown in the Balance Sheet</b>			
Apex Deposits Reserve		2,007,703	1,417,497
Cash and Bank Balances		1,420,995	1,696,955
Treasury Bill Redeemable within 91 Days		17,778,642	7,963,861
		<u>21,207,341</u>	<u>11,078,313</u>

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

	<b>Stated Capital GH¢</b>	<b>Credit Risk Reserve GH¢</b>	<b>Statutory Reserve Fund GH¢</b>	<b>Reva- luation Reserve GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
<b>2024</b>						
Balance at 1 <sup>st</sup> 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)
<b>Balance at 31<sup>st</sup> December</b>	<b>2,163,264</b>	<b>41,786</b>	<b>1,931,648</b>	<b>43,070</b>	<b>2,333,258</b>	<b>6,513,026</b>
	=====	=====	=====	=====	=====	=====

	<b>Stated Capital GH¢</b>	<b>Credit Risk Reserve GH¢</b>	<b>Statutory Reserve Fund GH¢</b>	<b>Reva- luation Reserve GH¢</b>	<b>Retained Earnings GH¢</b>	<b>Total GH¢</b>
<b>2023</b>						
Balance at 1 <sup>st</sup> January	1,678,211	111,996	1,171,596	43,070	602,896	3,607,771
Issue of Shares for Cash	24,526	-	-	-	-	24,526
Net (Loss)/ Profit for the Year	-	-	-	-	1,180,961	1,180,961
Transfer from Retained Earnings	-	-	295,240	-	(295,240)	-
Transfer from Credit Risk Reserve	-	(50,589)	-	-	50,589	-
<b>Balance at 31<sup>st</sup> December</b>	<b>1,702,737</b>	<b>61,407</b>	<b>295,240</b>	<b>43,070</b>	<b>1,539,206</b>	<b>4,813,258</b>
	=====	=====	=====	=====	=====	=====

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

### 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 **25<sup>th</sup> day of April 2025**

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

#### 2.1 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.

#### 2.1 Interest Expense

Interest expense is recognized in the profit or loss for all interestbearing 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.

## **2.2 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 - 2.9). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

### **(b) Financial liabilities**

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

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

### **(c) Offsetting**

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

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

## **2.5 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.
- 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%
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### 2.13 Income Tax

#### Current Tax

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

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

#### Deferred Tax

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

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised and such future profits can be reliably measured. As a result, deferred tax assets are reviewed periodically to ensure that their expected

recoverable values grounding their initial recognition have not been impaired and where they have, to reduce the related deferred tax assets to their recoverable amounts.

### 2.14 Provisions

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

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

### 2.15 Stated Capital and Reserves

#### (a) Stated Capital

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

#### (b) Statutory Reserves

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

#### (c) Capital Surplus/Reserves

The capital surplus account is a creation of law under sections 70 and 71 of the company's Act 2019 (Act 992) and records gains or losses arising from the revaluation of assets of the company including its property, plant and equipment. The International Financial Reporting Standards (IFRS) require the

evaluation at regular intervals of these property, plant and equipment. The bank has therefore adopted a policy to evaluate its assets at regular intervals.

#### (d) Retained Earnings

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

#### (e) Credit Risk Reserve

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

### **2.16 Post Balance Sheet Events**

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

### **2.17 Employment Benefit**

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

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

#### National Pension

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

### **2.18. Leases**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024	2023
	GH¢	GH¢
<b>3. INTEREST INCOME</b>		
Interest on Loans and Advances	7,931,695	6,102,719
Interest on Government Securities & Other Investments	3,962,501	2,891,186
	<b>11,894,196</b>	<b>8,993,905</b>
	-----	-----
<b>4. INTEREST EXPENSE</b>		
Interest on Savings Accounts	572,954	426,382
Interest on Fixed Deposits	619,041	400,026
	<b>1,191,995</b>	<b>826,408</b>
	=====	=====
<b>5. COMMISSIONS AND FEES</b>		
Commission on Turnover	170,889	117,086
Commitment Fees ( <b>Note 26</b> )	164,654	63,543
	<b>335,543</b>	<b>180,629</b>
	=====	=====
<b>6. OTHER OPERATING INCOME</b>		
Sundry income (SMS Charges, ETC.)	226,097	199,040
	<b>226,097</b>	<b>199,040</b>
	=====	=====
<b>7. OPERATING COSTS</b>		
Staff Related Costs ( <b>See note 8</b> )	5,417,914	4,082,383
Depreciation ( <b>See note 19</b> )	286,918	203,250
Amortisation ( <b>See note 19</b> )	15,534	11,990
Directors' Remuneration	143,050	88,800
Audit Fees	45,000	35,000
Computerization Expenses	352,218	245,401
Donation	50,636	7,490
General and Administrative Expenses	2,288,744	2,115,258
	<b>8,600,014</b>	<b>6,789,572</b>
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024 GH¢	2023 GH¢
<b>8. STAFF RELATED COSTS</b>		
Medical expenses	99,567	45,713
Staff Training	133,278	87,457
Salaries, wages & allowances	5,185,069	3,949,213
	<b>5,417,914</b>	<b>4,082,383</b>
	=====	=====
<b>9. CASH AND BANK BALANCES</b>		
ARB Apex bank	287,153	162,015
Other banks Clearing Account	325,206	836,760
Cash on hand	808,636	698,180
	<b>1,420,995</b>	<b>1,696,955</b>
	=====	=====
<b>10. SHORT TERM INVESTMENTS</b>		
<b>(i). Treasury Bills Redeemable within 91 days</b>		
At Maturity Value	18,450,878	8,250,878
Less: Unearned Discount at reporting dates	(672,236)	(287,017)
	<b>17,778,642</b>	<b>7,963,861</b>
	-----	-----
<b>(ii). Treasury Bills Redeemable within 182 days</b>		
At Maturity Value	1,300,000	1,300,000
Less: Unearned Discount at reporting dates	(91,596)	(103,341)
	<b>1,208,404</b>	<b>1,196,659</b>
	-----	-----
<b>(iii). Treasury Bills Redeemable within 364 days</b>		
At Maturity Value	-	-
Less: Unearned Discount at reporting dates	-	-
	-	-
	-----	-----
	<b>18,987,046</b>	<b>9,160,520</b>
	=====	=====
<b>11. APEX BANK DEPOSIT RESERVE</b>		
Balance at 1 <sup>st</sup> January	1,417,497	1,026,805
Net Investments during the year	590,206	390,692
<b>Balance at 31<sup>st</sup> December</b>	<b>2,007,703</b>	<b>1,417,497</b>
	=====	=====

**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)****12. LOANS AND ADVANCES****(a) Analysed by Type of Facility**

	<b>2024</b>	<b>2023</b>
	GH¢	GH¢
Overdraft	1,367,815	1,407,558
Loans	15,990,736	11,660,217
	<b>17,358,551</b>	<b>13,067,775</b>
Less Provision for Credit Losses	(295,224)	(222,762)
Deferred Income on Commitment Fees <b>(See Note 26)</b>	(123,065)	(100,807)
	<b>16,940,262</b>	<b>12,744,205</b>
	=====	=====

**Impairment Statistics**

(i) Credit loss provision ratio	0.42%	0.64%
(ii) Cumulative credit loss provision ratio	1.74%	1.70%

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¢275,662 (2023: GH¢116,936)**.

**(b) Analysed by Type of Customer**

Private Enterprises and institutions	7,904,074	4,956,150
Individuals	3,134,637	2,311,585
Others	6,319,840	5,800,040
	<b>17,358,551</b>	<b>13,067,775</b>
	=====	=====
Less Provision for Credit Losses	(295,224)	(222,762)
Deferred Income on Commitment Fees (See Note 26)	(123,065)	(100,808)
	<b>16,940,262</b>	<b>12,744,205</b>
	=====	=====



**NOTES TO THE FINANCIAL STATEMENTS (CONT'D)**

	<b>2024 GH¢</b>	<b>2023 GH¢</b>
<b>(c) Analysed by Business Segment</b>		
Agriculture & fishing	918,445	580,712
Transport	88,809	50,757
Trading	13,616,436	10,416,320
Others	2,734,861	2,019,986
	<b>17,358,551</b>	<b>13,067,775</b>
<b>Less:</b> Provision for Credit Losses	(295,224)	(222,762)
Deferred Income on Commitment Fees <b>(See Note 26)</b>	(123,065)	(100,808)
	<b>16,940,262</b>	<b>12,744,205</b>

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

Balance on the Provision at 1 <sup>st</sup> January	222,762	139,011
Additional Provision for the year Bad debt written off	72,462	83,751
	<b>295,224</b>	<b>222,762</b>
Less; Specific Bad Debt	-	-
	<b>295,224</b>	<b>222,762</b>

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**

Expected Credit Losses (ECL) Stage 1	156,266	115,357
Expected Credit Losses (ECL) Stage 2	40,167	32,028
Expected Credit Losses (ECL) Stage 3	98,790	75,377
	<b>295,224</b>	<b>222,762</b>

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

Balance on the Provision at 1 <sup>st</sup> January	284,168	251,006
Additional Provision for the year	52,841	33,162
	<b>337,009</b>	<b>284,168</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

<b>Category</b>	<b>Percent</b>	<b>Provision</b>	
Current	1%	170,963	128,755
Other Loans Especially Mentioned (OLEM)	5%	2,759	3,179
Substandard	25%	21,325	2,232
Doubtful	50%	7,413	1,527
Loss	100%	134,549	148,475
		-----	-----
		<b>337,009</b>	<b>284,168</b>
		=====	=====

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

Movement per IFRS 9 – ECL Model (Profit and Loss)	72,462	83,751
Movement per BoG Directive	(52,841)	(33,162)
	-----	-----
<b>Transfer (from)/to retained earnings</b>	<b>19,621</b>	<b>50,589</b>
	=====	=====

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 holder 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.

<b>13. EQUITY INVESTMENTS</b>	<b>Shares GH¢</b>	<b>Cost/ Value GH¢</b>	<b>2024 GH¢</b>	<b>2023 GH¢</b>
Ordinary Shares in ARB Apex Bank at Cost	90,077	0.85	76,314	76,314
Non-Renounceable Rights Issue:	55,894	1.23	68,750	31,250
	<b>145,971</b>	<b>2.08</b>	<b>145,064</b>	<b>107,564</b>
	=====	=====	=====	=====

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 1 <sup>st</sup> January	3,004,634	3,004,634
Accrued Interest	-	-
	-----	-----
<b>Balance at 31<sup>st</sup> December</b>	<b>3,004,634</b>	<b>3,004,634</b>
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

	2024 GH¢	2023 GH¢
<b>b. Cocoa Bond Investment</b>		
At Cost	2,987,214	3,145,575
Accrued Interest	132,403	132,564
At Amortized Cost	<b>3,119,617</b> =====	<b>3,278,139</b> =====
<b>Grand Total (a + b)</b>	<b>6,124,251</b> =====	<b>6,282,773</b> =====
<b>a. Gold Coast investment</b>		
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 <b>GH¢3,054,634</b> from the Receiver of Gold Coast Security Limited and same amount was verified or accepted. The Receiver subsequently made a down payment of <b>GH¢50,000</b> on 30 <sup>th</sup> September 2021 from the certified amount to the bank, leaving a balance of <b>GH¢3,004,634</b> . The balance of the investment remains the same at the reporting date.		
<b>b. Cocoa Bond Investment</b>		
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.		
<b>15. OTHER ASSETS</b>		
Stationery Stock	120,154	112,295
Prepayment	133,195	27,749
Interest receivable	202,175	118,197
Sundry debtors	66,023	40,952
Staff Defalcation	-	81,812
	<b>521,547</b> =====	<b>379,998</b> =====
<b>16. CUSTOMER DEPOSITS</b>		
<b>Analysed by Type of Account</b>		
Susu Savings	4,189,946	2,418,072
Time deposit	4,318,144	3,800,059
Current accounts	8,229,049	5,268,292
Savings accounts	22,852,108	15,489,675
	<b>39,589,249</b> =====	<b>26,976,098</b> =====
<b>17 CREDITORS AND ACCURALS</b>		
Interest payable	164,927	147,953
Dividend payable	443,285	325,683
Sundry creditors	744,783	648,155
	<b>1,352,995</b> =====	<b>1,121,791</b> =====

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

18. TAXATION	2024 GH¢	2023 GH¢
<b>(i) Tax Expense</b>		
Current Tax (see note 19 iv)	615,247	476,758
Growth and Sustainability Levy (GSL)	129,568	62,769
Deferred Tax (see note 19 iii)	(12,692)	(46,645)
<b>Total to Profit or Loss</b>	<b>732,123</b>	<b>492,882</b>
	=====	=====
<b>(ii) Reconciliation of Effective Tax Rate</b>		
<b>Profit before Tax</b>	<b>2,591,364</b>	<b>1,673,843</b>
	=====	=====
Income tax @ 25% (2023: 25%)	647,841	418,461
Tax Effect of Non-deductible Expenses	67,758	162,882
Tax Effect of Allowance Utilized and Losses c/f	(100,353)	(104,583)
	-----	-----
<b>Current Tax Charge in P/L</b>	<b>615,246</b>	<b>476,760</b>
	=====	=====
<b>Effective Tax Rate</b>	<b>23.74%</b>	<b>28.48%</b>
<b>(iii) Deferred Tax Account</b>		
Balance at January 1	(21,743)	24,902
Release during the year	(12,692)	(46,645)
	-----	-----
<b>Balance at December 31</b>	<b>(34,434)</b>	<b>(21,743)</b>
	=====	=====

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	70,138	59,150
Loans and Advances	(104,572)	(80,893)
	-----	-----
	<b>(34,434)</b>	<b>(21,743)</b>
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

**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¢
<b>A. Corporate Tax</b>					
2022	(37,500)	-	-	-	(37,500)
2023	104,151	-	-	(66,652)	37,499
2024	-	615,247	-	(563,365)	51,881
<b>Totals (A)</b>	<b>66,651</b>	<b>615,247</b>	<b>-</b>	<b>(630,017)</b>	<b>51,880</b>
<b>B. Growth &amp; Sustainability Levy</b>					
2023	22,769	-	-	(22,769)	-
2024	-	129,568	-	(125,251)	4,317
<b>Total (B)</b>	<b>22,769</b>	<b>129,568</b>	<b>-</b>	<b>(148,020)</b>	<b>4,317</b>
<b>Total (A&amp;B)</b>	<b>89,420</b>	<b>744,815</b>	<b>-</b>	<b>(778,038)</b>	<b>56,197</b>

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

**Growth and Sustainability Levy**

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

**(i) 2023 YEAR OF ASSESSMENT (YOA)**

	Balance at 1/1/23 GH¢	Charge in P & L A/c GH¢	Tax Audit Adjustment GH¢	Tax Credit/ Payments GH¢	Balance at 31/12/23 GH¢
<b>A. Corporate Tax</b>					
2022	(37,500)	-	-	-	(37,500)
2023	-	476,758	-	(372,607)	104,151
<b>Totals (A)</b>	<b>(37,500)</b>	<b>476,758</b>	<b>-</b>	<b>(372,607)</b>	<b>66,651</b>
<b>B. Growth &amp; Sustainability Levy</b>					
2023	-	62,769	-	(40,000)	22,769
<b>Total (B)</b>	<b>-</b>	<b>62,769</b>	<b>-</b>	<b>(40,000)</b>	<b>22,769</b>
<b>Total (A&amp;B)</b>	<b>(37,500)</b>	<b>539,527</b>	<b>-</b>	<b>(412,607)</b>	<b>89,420</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 19(a) 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¢
<b>Cost</b>							
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
<b>At 31/12/24</b>	<b>791,734</b>	<b>515,985</b>	<b>716,509</b>	<b>480,456</b>	<b>462,274</b>	<b>54,122</b>	<b>3,021,081</b>
	=====	=====	=====	=====	=====	=====	=====
<b>Depreciation</b>							
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
<b>At 31/12/24</b>	<b>295,773</b>	<b>345,802</b>	<b>487,473</b>	<b>274,423</b>	<b>325,713</b>	<b>33,762</b>	<b>1,762,946</b>
	=====	=====	=====	=====	=====	=====	=====
<b>Net Book Value</b>							
<b>At 31/12/24</b>	<b>495,961</b>	<b>170,183</b>	<b>229,036</b>	<b>206,033</b>	<b>136,561</b>	<b>20,360</b>	<b>1,258,134</b>
	=====	=====	=====	=====	=====	=====	=====

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

## 19(b) INTANGIBLE ASSET

	2024 GH¢	2023 GH¢
Balance as at 1 <sup>st</sup> January	240,061	231,061
Payment during the year	21,942	9,000
	-----	-----
	<b>262,003</b>	<b>240,061</b>
<b>Amortisation</b>		
Balance as at 1 <sup>st</sup> January	174,440	162,450
Amortised during the year	15,534	11,990
	-----	-----
<b>Balance as at 31<sup>st</sup> December</b>	<b>189,974</b>	<b>174,440</b>
	-----	-----
<b>Carrying amount</b>	<b>72,029</b>	<b>65,621</b>
	=====	=====

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

## 19(c) PROPERTY AND EQUIPMENT

2023	H. land & Building GH¢	Office Equip't GH¢	Motor Vehicles GH¢	Furniture & Fittings GH¢	Computer Access. GH¢	Genset GH¢	Total GH¢
<b>Cost</b>							
At 1/1/23	791,734	282,067	487,045	256,310	286,192	38,311	2,141,659
Additions	-	148,165	123,934	152,710	77,202	15,811	517,822
	-----	-----	-----	-----	-----	-----	-----
<b>At 31/12/23</b>	<b>791,734</b>	<b>430,232</b>	<b>610,979</b>	<b>409,020</b>	<b>363,394</b>	<b>54,122</b>	<b>2,659,481</b>
	=====	=====	=====	=====	=====	=====	=====
<b>Depreciation</b>							
At 1/1/23	252,342	254,864	363,532	157,777	217,391	26,874	1,026,300
Charge for the year	21,721	41,013	43,637	48,372	45,625	2,881	203,250
	-----	-----	-----	-----	-----	-----	-----
<b>At 31/12/23</b>	<b>274,063</b>	<b>295,877</b>	<b>407,168</b>	<b>206,149</b>	<b>263,016</b>	<b>29,755</b>	<b>1,233,128</b>
	=====	=====	=====	=====	=====	=====	=====
<b>Net Book Value</b>							
At 31/12/23	517,671	134,355	203,811	202,871	100,378	24,367	1,183,453
	=====	=====	=====	=====	=====	=====	=====

## 20. STATUTORY RESERVE FUND

	2024	2023
	GH¢	GH¢
At January 1 <sup>st</sup>	1,466,838	1,171,598
Transferred from Retained Earnings Account	464,810	295,240
At December 31 <sup>st</sup>	<b>1,931,648</b>	<b>1,466,838</b>
	=====	=====

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

During the year, the Bank recorded a profit after tax of GH¢1,859,242 (**2023:** GH¢1,180,961) and transferred 25% (**2023:** 25%) thereof amounting to GH¢464,810 (**2023:** GH¢295,240) to the Statutory Reserve Fund.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

21. STATED CAPITAL	<u>No. of Shares</u>	<u>2024</u> <u>Amount</u> <u>GH¢</u>	<u>No. of</u> <u>Shares</u>	<u>2023</u> <u>Amount</u> <u>GH¢</u>
<b>Authorized:</b>				
Ordinary Shares@ 31 <sup>st</sup> December	100,000,000	-	100,000,000	-
	-----	----	-----	----
	<b>100,000,000</b>	<b>-</b>	<b>100,000,000</b>	<b>-</b>
	=====	=====	=====	=====
<b>Issued for:</b>				
<b>Cash Consideration</b>				
At January 1	34,054,718	1,702,736	33,564,201	1,678,210
Additions	9,210,794	460,528	490,517	24,526
	-----	-----	-----	-----
<b>At December 31</b>	<b>43,265,512</b>	<b>2,163,264</b>	<b>34,054,718</b>	<b>1,702,736</b>
	=====	=====	=====	=====

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

**Capital Adequacy**

	<b>2024</b>		<b>2023</b>	
	<b>Required by</b> <b>Regulation</b> 10%	<b>Actually</b> <b>Achieved</b> 22.93%	<b>Regulation-</b> <b>Achieved</b> 10%	<b>Actually</b> <b>Achieved</b> 21.70 %
Capital Adequacy Ratio				
<b>22. REVALUATION RESERVE</b>		<b>2024</b> <b>GH¢</b>		<b>2023</b> <b>GH¢</b>
Balance at January 1 <sup>st</sup> Revaluation Surplus		43,070		43,070
		-		-
		<b>43,070</b>		<b>43,070</b>
		=====		=====
<b>23. RETAINED EARNINGS</b>				
Balance at January 1 <sup>st</sup>		1,539,206		602,896
Profit/(Loss) for the year		1,859,241		1,180,961
Balance before Statutory and Other Transfers		3,398,447		1,783,857
Transfer to Statutory Reserve (Note 21)		(464,810)		(295,240)
Transfer from Credit Risk Reserve		19,621		50,589
Dividend Paid		(620,000)		-
		-----		-----
<b>Balance at December 31<sup>st</sup></b>		<b>2,333,258</b>		<b>1,539,206</b>
		=====		=====



**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.

	<b>2024</b> <b>GH¢</b>	<b>2023</b> <b>GH¢</b>
Profit attributable to Ordinary Shareholders	<b>1,859,241</b> =====	<b>1,180,961</b> =====
Number of Ordinary Shares	<b>43,265,512</b> =====	<b>34,054,718</b> =====
<b>Basic Earnings per Share (in Ghana Cedis)</b>	<b>0.043</b> =====	<b>0.035</b> =====

(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**

	<b>2024</b> <b>GH¢</b>	<b>2023</b> <b>GH¢</b>
At January 1 <sup>st</sup>	100,808	-
Commitment Fees Accrued during the year	186,911	164,351
	<b>287,719</b>	<b>164,351</b>
Transferred to Income (Note 5)	(164,654)	(63,543)
	-----	-----
At December 31 <sup>st</sup>	<b>123,065</b> =====	<b>100,808</b> =====

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

## 27. FINANCIAL RISK MANAGEMENT

### Overview

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

- credit risk
- liquidity risk
- market risks

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

### Risk management framework

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

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

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

#### (i) Credit risk

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

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

### *Receivables from Investment Portfolios and Advances to Customers*

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

**Allowances for impairment**

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

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

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

**Exposure to credit risks**

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

	2024 GH¢	2023 GH¢
Investments with Gold Coast Securities	3,004,634	3,004,634
Cocoa Bond Investment	3,119,617	3,278,139
<b>Total Investment Risk Exposure</b>	<b>6,124,251</b>	<b>6,282,773</b>
Other Assets	521,547	379,998
Loans and Advances to Customers	16,940,262	12,744,205
<b>Total Company Credit Risk Exposure</b>	<b>-----</b>	<b>-----</b>
	<b>17,461,809</b>	<b>13,124,203</b>
Total Risk-Free Investments (In Government Securities)	18,987,046	9,160,520
	<b>42,573,106</b>	<b>28,567,496</b>
	<b>=====</b>	<b>=====</b>

The total balance of **GH¢18,987,046 (2023: 9,160,520)** 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:

	2024			2023		
	Gross GH¢	Im- pairm't GH¢	Net GH¢	Gross GH¢	Impairm't GH¢	Impairm't GH¢
Current						
(less than 365 day)	36,211,048	72,462	36,138,586	22,071,332	83,751	21,987,581
Impaired						
(above 365 day)	134,549	-	134,549	6,174,608	-	6,174,608
	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>	<b>-----</b>
	<b>36,345,597</b>	<b>72,462</b>	<b>36,273,135</b>	<b>28,245,940</b>	<b>83,751</b>	<b>28,162,189</b>
	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>	<b>=====</b>

**(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¢
<b>31<sup>st</sup> December 2024</b>					
Susu Savings Scheme	4,189,946	4,189,946	4,189,946	-	-
Current Account	8,229,049	8,229,049	8,229,049	-	-
Time Deposits	4,318,143	4,318,143	4,318,143	-	-
Savings Account	22,852,108	22,852,108	22,852,108	-	-
Accounts Payable	1,188,068	1,188,068	1,188,068	-	-
	<b>40,777,314</b> =====	<b>40,777,314</b> =====	<b>40,777,314</b> =====	- =====	- =====

**(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.

**(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 secured 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**

	2024	2023
	GH¢	GH¢
Basic Salaries	605,478	410,192
Other Staff Cost	255,472	244,542
Social Security	78,712	53,325
	<b>939,665</b>	<b>708,059</b>
	=====	=====

**b. Loans to key Staff**

Balance at January 1 <sup>st</sup>	91,175	90,493
Net Movement	(8,268)	682
	<b>82,904</b>	<b>91,175</b>
	=====	=====

**32. SHAREHOLDING STRUCTURE****(i) Number of Shares Outstanding**

Earnings and dividend per share are based on **43,265,512 (2023: 34,054,718)** ordinary shares outstanding.

**(ii) Directors Shareholding:**

The Directors named below held the following number of shares in the Bank as at 31<sup>st</sup> December 2024

	No. of <b>Shares</b>	% of <b>Issued Capital</b>
Michael Yao Amekor	1,820,298	4.21%
Jonas Zalabak Gborsong	348,384	0.81%
Francesca Dzifa Bedzra	211,774	0.49%
Dominic Sena Agbo	100,000	0.23%
Worlanyo Eworyi Kwesi	97,600	0.22%
Bernard Edem K. Dzinyela	53,397	0.12%
Woelinam Yao Dogbe	46,700	0.11%
	-----	-----
<b>TOTAL</b>	<b>2,678,153</b>	<b>6.19%</b>
	=====	=====

**(iii) Number of Shareholders**

The Bank had 1,880 shareholders as at 31<sup>st</sup> December 2024 distributed as follows:

<b>Holding</b>	<b>No. of Members</b>	<b>Total Holding of Shares</b>	<b>Percentage Held</b>
1 – 1,000	171	104,416	0.24 %
1,001 – 3,000	489	962,301	2.22%
3,001 – 5,000	338	1,296,759	3.00 %
5,001 – 10,000	392	2,734,567	6.32%
Exceeding 10,000	490	38,167,469	88.22 %
	-----	-----	-----
	<b>1,880</b>	<b>43,265,512</b>	<b>100%</b>
	=====	=====	=====

**NOTES THE FINANCIAL STATEMENT AS AT 31<sup>ST</sup> DECEMBER, 2024****(iv) List of Twenty Largest Shareholders as at 31<sup>ST</sup> December 2024**

		<b>No. of Shares</b>	<b>% of Issued Capital</b>
1.	Lade Wosornu	7,000,000	16.18
2.	Agbenyadzie Kwame-Gazo	2,540,901	5.87
3.	Amekor Michael Yao	1,820,298	4.21
4.	Akoto Francis Kwami	1,650,879	3.82
5.	Ahiataku Simon	1,198,491	2.77
6.	Agozie William	1,186,080	2.74
7.	Zigah John K. M	933,996	2.16
8.	Soadzedey Daniel	910,233	2.10
9.	Dzinyela Ephraim Kofi	692,225	1.60
10.	Awuku Raphael	625,784	1.45
11.	Ameyedowo Emmanuel Oscar	597,376	1.38
12.	Agbloee Franklin Dornu	595,182	1.38
13.	Agbeko Lotsu	578,881	1.34
14.	Dzinyela Joe Mensah	568,897	1.31
15.	Anim Biney Kojo	545,153	1.26
16.	Kagatse Charles Albert	438,051	1.01
17.	Amekor Yesutor Maria	400,000	0.92
18.	Gborsong Jonas Zalabak	348,384	0.81
19.	Afianu Emmanuel W. K	318,821	0.74
20.	Alorwordor Kudomor	303,412	0.70
		-----	-----
		<b>23,253,044</b>	<b>53.74</b>
		=====	=====

**SCHEDULE I**

	<b>2024 GH¢</b>	<b>2023 GH¢</b>
<b><u>General and Administrative Expenses</u></b>		
Finance Cost	-	7,773
Bank Charges	28,410	19,980
Audit Expense	11,846	13,773
AGM expenses	76,800	61,558
Periodicals & Subscription	61,916	65,365
Advertisement and Publicity	29,977	19,227
Repairs & Maintenance	97,143	73,102
Rent & Property Rates	39,745	29,302
Vehicle Running Expenses	69,510	112,676
Office Expenses & Consumables	121,723	116,935
Postage & Telephone	74,427	81,878
Cleaning & Sanitation	26,678	23,763
Printing & Stationery	129,056	96,102
Insurance	316,757	252,007
Electricity	191,967	320,663
Legal Expenses	78,242	120,301
Board Meeting Expenses	275,369	182,293
Travelling & Transport	494,232	387,174
Police Guard Expenses	164,946	131,386
	-----	-----
	<b>2,288,744</b>	<b>2,115,258</b>
	=====	=====



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

	GH¢	2024 GH¢	2023 GH¢
<b>(1) Corporate Tax</b>			
Net Profit/(Loss) before Tax		2,591,364	1,673,843
<b>Add/(Less):</b>			
Provision for Credit Losses	72,462		83,751
Depreciation	286,918		517,822
BOG Approved Bad Debt Written Off	(191,174)		
Amortisation	15,534		11,990
Entertainment	31,649		
Excess repairs	55,008		36,853
Donations	636	271,033	1,111
	-----		
<b>Assessable Income</b>		<b>2,862,397</b>	<b>2,325,370</b>
Less: Capital Allowances Utilized		(401,412)	(389,084)
		<b>2,460,985</b>	<b>1,936,286</b>
Less: Unrelieved Losses Brought Forward		-	(29,249)
<b>Chargeable (Loss)/ Income</b>		<b>2,460,985</b>	<b>1,907,037</b>
		-----	-----
<b>Tax Thereon @25% (2021: 25%)</b>		<b><u>615,247</u></b>	<b><u>476,758</u></b>

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

POOL OF ASSET	Depreciation Allow. Rate GH¢	WDV 1/1/24 GH¢	Additions GH¢	Excess Repairs & Main. GH¢	Total GH¢	Capital WDV Allowance GH¢	31/12/24 GH¢
Pool 1 Computers	40%	86,478	98,881	2,729	188,088	75,235	112,853
Pool 2 Motor Vehicles	30%	200,857	105,530	31,434	337,821	101,346	236,475
Pool 3 Fixture /Equip't	20%	489,076	157,189	20,844	667,109	133,422	533,687
Pool 4 Building	10%	229,312	-	-	229,312	79,173	150,139
Pool 5 Intangibles	4yrs	6,750	21,942	-	28,692	12,236	16,456
<b>TOTAL</b>		-----	-----	-----	-----	-----	-----
		<b>1,012,473</b>	<b>383,542</b>	<b>55,007</b>	<b>1,451,022</b>	<b>401,412</b>	<b>1,049,610</b>
		=====	=====	=====	=====	=====	=====

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

POOL OF ASSET	Depreciation Allow. Rate GH¢	WDV 1/1/23 GH¢	Additions GH¢	Excess Repairs & Main. GH¢	Total GH¢	Capital WDV Allowance GH¢	31/12/23 GH¢
Pool 1 Computers	40%	66,928	77,202	-	144,130	57,652	86,478
Pool 2 Motor Vehicles	30%	141,174	123,934	21,830	286,938	86,081	200,857
Pool 3 Fixture /Equip't	20%	279,636	316,686	15,023	611,345	122,269	489,076
Pool 4 Building	10%	308,485	-	-	308,485	79,173	229,312
Pool 5 Intangibles	4yrs	41,659	9,000	-	50,659	43,909	6,750
<b>TOTAL</b>		-----	-----	-----	-----	-----	-----
		<b>837,882</b>	<b>526,822</b>	<b>36,853</b>	<b>1,401,557</b>	<b>389,084</b>	<b>1,012,473</b>
		=====	=====	=====	=====	=====	=====



## AGAVE RURAL BANK PLC PROXY FORM

**ANNUAL GENERAL MEETING** of the Agave Rural Bank PLC to be held on Saturday, 26<sup>th</sup> July 2025, 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, 26th July, 2025.

Dated this..... day of .....2025

.....

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 retirement and election of Directors.		
2. To authorize Directors to fix the remuneration of the Auditors.		
3. To fix the remuneration of the Directors.		
4. To declare a dividend.		

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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Become a Property Owner  
with Agave Rural Bank

# ASSET FINANCING



JOIN US



Head Office:

Address: P. O. Box 52, Dabala, Volta Region

☎ 050 135 4448 / 050 131 7147

✉ info@agaveruralbank.com

🌐 www.agaveruralbank.com

**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

📱📧📞📺📷📹 agaveruralbank




# AgRB

Mobile banking

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## Dial \*992#

### BANK at your CONVENIENCE

#### STEPS FOR SELF REGISTRATION

1. Dial \*992#
2. Press 1 to proceed.
3. Enter your 16 Digit account number (Eg. 1231\*\*\*\*\*1231) and press send.
4. Enter your Ghana Card Number in this format GHA\*\*\*\*\* THEN SEND.
5. Press 1 to confirm
6. You will receive SMS prompt with your default PIN
7. Redial \*992# to change the default PIN to renew PIN.
8. Press 0 to Home when PIN change was successful.

### TRANSACTIONS

1. Check your Account Balance
2. Transfer from Account to Own Account
3. Transfer from same RCB Account
4. Transfer to other Rural Banks
5. Transfer to Other Commercial Banks (Eg. GCB, Ecobank, ABSA etc)
6. Transfer to wallet (Eg. MTN, Telecel Cash, AT Money)



JOIN US









agavebank



## AGAVE RURAL BANK PLC

### Head Office:

**Address:** P. O. Box 52, Dabala, Volta Region  
**Tel:** +233 (0) 50 135 4448  
**Email:** agaveruralbank@gmail.com  
 info@agaveruralbank.com  
**Website:** www.agaveruralbank.com

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 (0) 50 167 8535

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### Aflao Branch:

**+233 (0) 50 131 7133**  
 (0) 50 958 2352

### Sege Branch

**Tel:** +233 (0) 50 131 7134  
 (0) 50 958 2298

## Agave Rural Bank Authorized Agents and their Locations Dabala and Aflao Zones

NO	AGENTS IN DABALA AREA 0501317143	LOCATION
	AGENT	
1	DANTEGO ENTERPRISE	AGBOGBLA
2	NAY JAY ESSENTIALS	XEKPA
3	NUDZIEKPOR CHRISTIAN AMU'S STORE	TORYE
4	SUPREME VENTURES	ANLOGA
5	TOFFY ENTERPRISE	AGBAKOPE
6	REGDK LINKS VENTURES	BEKPO
7	GOD WILL PROVIDE ENTERPRISE	AGORDOME
8	SHOPIVATE ENTERPRISE	LARVE - SOUTH TONGU
9	BLUECOM BUSINESS SOLUTIONS LIMITED	DABALA-JUNCTION
10	REGIMENTHO VENTURES	BLAMAZADO
11	I-PAY LINK ENTERPRISE	DABALA
12	TONY 2609 VENTURES	WOE
13	SOLOMON ALMIGHTY ENTERPRISE	SROGBOE
14	GODSWAY BEAUTY HUB	TEGBI-XEKPA
15	DORIS VENTURES	XEKPA
16	GIFT - ULTI ENTERPRISE	ADUTOR
17	FRANCIS K.F VENTURES	AKATSI - TATORME
18	DODEKGO STAR VENTURES	ADUTOR
19	SERICK ENTERPRISE	DABALA

NO	AGENTS IN AFLAO AREA - 0501317133	LOCATION
1	AK KERSIA ENTERPRISE	DZODZE
2	ANGEL CARE VENTURES	AVE-DAKPA
3	AWUTOR AMOS ENTERPRISE	AFLAO
4	FORGIVE FIRST VENTURES	AKAME
5	GENERAL MERCHANT MASINGA VENTURES	ATSIVUTA
6	HAPPY YOURSELF VENTURE	AFLAO
7	JOY ATTIGAH CHEMICALS	AVE DAKPA
8	MENSCO ELECTRICAL WKS & SERVICE	DZODZE
9	NYE DZIMEDZIDZI VENTURES	YIEPE
10	PRECIOUS VENTURES	AFLAO
11	REMEMBER THE JUDGEMENT DAY VENTURES	TOKOR
12	RODEM ELECTRICALS INSTALLATION WORK	AFLAO
13	SANITY AKBAR ENTERPRISE	AFLAO
14	ALBERT CORLLEY ENTERPRISE	AFLAO
15	JUDE ATTIPOE REDEEMED ENTERPRISE	TOKOR
16	PONPA RAY BUSINESS	WUDOABO
17	TALK OF THE TOWN	KAVE
18	NORSAH ENTERPRISE	DENU
19	BUBUENA ENTERPRISE	EHI
20	G.A GIDEON ENTERPRISE	DZODZE
21	GILBERTO BEST MONEY ENTERPRISE	AFLAO
22	MIKE QUEEN ENTERPRISE	DZODZE-KAVE





EST. 1987

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# Digital Banking Products



**AgRB**  
Mobile banking

**BANK** at your  
**CONVENIENCE**

**\*992#**  
Dial



**GhanaPay**  
Your money, your way

Register with Apex Rural Bank,  
choose Agave Rural Bank as Branch

Dial **\*707#**

or download the **GhanaPay** app on



**AgRB**  
**Agency**  
**Banking**



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