



AVENOR RURAL BANK PLC.

ANNUAL REPORT

AND
FINANCIAL
STATEMENTS

2024



The Bank that knows your needs



AVENOR RURAL BANK PLC.

VISION STATEMENT

To be the best managed and most profitable Rural Bank in the Volta Region.

MISSION STATEMENT

Optimising Shareholder value through improved profitability with a motivated staff whilst building strong customer/community relationships.
(To build a strong customer/community relationship through staff motivation in optimising Shareholder value)



CORPORATE VALUES - 'FIELD'

FRIENDLINESS

Every member of Staff and Board to behave in a socially pleasant, responsible and kind manner toward one another, customers and the larger community.

INTEGRITY

Every member of Staff and the Board to exude honesty, sincerity and high moral principles both within and outside the banking premises.

EXCELLENCE

Every member of Staff and Board to strive to excel in service to staff, directors, customers and the larger society.

LOYALTY

Every member of Staff as well as the Board to conscientiously stay firm and faithful to the bank.

DEDICATION

Every member of Staff and the Board to give of his or her possible best to the good course of the bank



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AVENOR RURAL BANK PLC.
NOTICE OF THE 42ND ANNUAL GENERAL MEETING.

NOTICE IS HEREBY GIVEN THAT the 42nd Annual General Meeting of Shareholders of Avenor Rural Bank PLC will be held at Akatsi College of Education, Akatsi, on **Saturday, 16th August 2025** at 10:00am to transact the following business:

AGENDA

1. To read the Notice convening the meeting.
2. To receive the Report of the Chairman of the Board of Directors for the year ended 31st December, 2024.
3. To receive and consider the Financial Statements for the year ended 31st December, 2024 and reports of the Directors and Auditors thereon.
4. To receive and consider the Corporate Governance Report for the year ended 31st December, 2024
5. To authorize the Directors to fix the Auditors remuneration.
6. To re-elect Directors retiring by rotation
7. To declare dividends

SIGNED

SYLVESTER KWAKU TORKU
(BOARD SECRETARY)

DATED THIS 15TH JULY, 2025
BY ORDER OF THE BOARD

Note

- A member is entitled to attend and vote at the meeting or appoint a proxy to attend and vote instead of him/herself. Such a proxy needs not be a member of the bank (Shareholder).
- A proxy form is attached to the annual report. Completed proxy forms must be lodged with the Company's Secretary/Manager at the registered office of the bank at Akatsi or electronically sent to info@avenorruralbank.com on or before **Thursday, 14th August, 2025**.

All Shareholders are to act on this notice and attend.



CORPORATE INFORMATION FOR THE YEAR ENDED 31 DECEMBER, 2024

Board of Directors

Mr. Thomas Clarkson Adade
Mr. Martin Godson K. Duho
Mr. Michael Cudjoe Lotame
Mrs. Patience Essien
Mr. Lord Percivals Agbavor Jnr. ESQ.
Ms. Peace Adoni
Mr. Sylvester Kwaku Torku

Capacity

Chairman
Vice- Chairman
Member
Member
Member
Member
CEO/Secretary

Solicitor

Kwame Senanu Afagbe, ESQ.
Afagbe Law & Co. (Selikem Chambers)
P. O. Box HP 1277
Ho
Avenor Rural Bank Plc.
P.O.Box AK 19
Akatsi

Registered Office and Principal Place of Business

Independent Auditor

UHY Voscon Chartered Accountants 2nd
Floor, Cocoshe House,
Opposite Silver Star Tower
Agostinho Neto Close Airport
Residential Area Accra- Ghana
Phone +233 30 2683 430/4
Email: Info@uhyvoscon-gh.com
Web: www.uhyvoscon-gh.com
GPS: GA-057-1475

Bankers

ARB Apex Bank PLC
Zenith Bank Ghana Limited
Consolidated Bank Ghana Limited
GCB Bank PLC

Company Registration Number

CS668002015

Tax Identification Number (TIN)

C000411373X

BOARD OF DIRECTORS



Mr. Thomas Clarkson Adade
(Board Chairman)



Mr. Martin Godson Duho
(Vice Chairman)



Mr. Michael Lotame
(Member)



Mrs. Patience Essien
(Member)



Mad. Peace Adoni
(Member)



Lord Percivals Agbavor Jr., Esq.
(Member)



MANAGEMENT TEAM



Sylvester Kwaku Torku
(Chief Executive Officer)



Jordan Samlafo
(Operations Manager)



Senyo Klutse
(Head, Finance)



Wise Peter Kwabla Amegbe
(Head, Internal Audit)



Prince Abotsi
(Head, Credit)



Elorm Dadoza
(Head, ICT)



Wisdom Ahiable
(Head, Risk & Compliance)



CHAIRMAN'S REPORT TO THE SHAREHOLDERS OF AVENOR RURAL BANK PLC. AT THE 42ND ANNUAL GENERAL MEETING ON 16TH AUGUST, 2024.

1.0 INTRODUCTION.

Dear shareholders, fellow Board of Directors, Torgbuiwo, Mamawo, Invited Dignitaries, able Management and indefatigable Staff of Avenor Rural Bank Plc, Ladies and Gentlemen, all protocols duly observed.

I humbly stand on behalf of the Board of Directors to welcome you to the 42nd Annual General Meeting of Avenor Rural Bank Plc and also present to you the Bank's Annual Report and Financial Statements for the year ended 31st December, 2024.

2.0 MACROECONOMIC ENVIRONMENT.

Fellow shareholders, the country was noted to have made some economic growth in 2024. According to the Ghana Statistical Service, the country's Gross Domestic Products (GDP) increased from 3.1% in 2023 to 5.7% in 2024. This growth was influenced mainly by the service sector, driven by telecommunication and the industry sector was also driven by mining, oil and gas and construction.

Inflation peaked in mid-2023 to 54% but eased to 24% by the end of 2024. This has characterized uncertainties in price prediction, price stability and has also strained households and businesses.

Fellow shareholders, at the 116th MPC meeting of Bank of Ghana, the monetary policy rate dropped from 30% to 29% in January, and further dropped to 27% in September 2024, as a measure to control the high inflation rate as well as the high cost of lending which is disincentive for businesses to strive.

The inter-bank exchange rates have also not favored the bank during the year, as the cedi has depreciated against all the major trading currencies. According to Bank of Ghana, the cedi has lost about 19% to 23% of its value to the US Dollar in the inter-bank forex market in 2024.

The country's fiscal profile still remained tight. According to the IMF, public debt has swallowed about 70.5% of the country's GDP allowing the government a little fiscal space to operate amid the debt restructuring.

External shocks like climate effects which reduced agriculture output like cocoa, energy sector disruptions and election driven spending all have contributed to the uncertainties that threaten the bank and the economy at large.

In spite of all these unfavorable macro-economic indicators, the bank still made some strides.

3.0 BANKING SECTOR & REGULATORY ENVIRONMENT

Fellow shareholders, Ghanaian banks remained broadly well-capitalized, liquid, and profitable in 2024 despite the systemic shocks. According to January 2025 Monetary Policy report, total banking sector assets increased to GHS367 billion representing 33.8%.



Amid the growth in the banks' assets size, lending remained tight, with credit growth constrained by economic volatility and elevated NPLs. Non-performing loans (NPLs) rose from 20.7% in December 2023 to 21.8% in December 2024. This signals persistent credit risk and hence, the need for stronger loan recovery and risk management practices.

It is also worth noting that, the impact of the Domestic Debt Exchange Program (DDEP) has not left us. The Domestic Debt Exchange Program (DDEP) fallout led the Bank of Ghana (BoG) to reduce the minimum Capital Adequacy Ratio (CAR) from 13% to 10% which allows banks to spread their impairment losses over time.

According to the World Bank, Ghana Financial Stability Fund (GFSF) was also created in 2024 to provide liquidity and solvency support to banks and NBFIs, targeting recapitalization by the end of 2025 (World Bank release no. 2024/073/AFW)

Cash Reserve Ratio (CRR) was reformed in April 2024, tying CRR to loan-to-deposit ratios (LDRs). Banks with higher LDRs hold lower CRRs, which aims to promote lending while balancing liquidity risks (Business and Financial Times)

4.0 2024 RURAL BANKING SECTOR PERFORMANCE

Dear shareholders, according to the 2024, Rural Banking Special report, Ghana's Rural and Community Banking (RCB) sector achieved notable progress in financial inclusion, digital transformation, and profitability, despite facing challenging macroeconomic conditions.

During the year under review, the RCBs did pretty well with an accumulated profit of GH¢874,352,223. The Total Asset of the RCBs as at the end of 2024 stood at GH¢18,513,025,520 and Total Deposits also rose to GH¢16,072,888,786 by year end.

The 2024 RCB ranking by ARB Apex Bank Plc in the 2024 performance review, rated Avenor Rural Bank Plc as “**STRONG**” and ranked as the **43rd** among the 127 Rural Banks that were assessed in the country..

5.0 HIGHLIGHTS OF THE BANK'S 2024 FINANCIAL PERFORMANCE

Fellow members, despite the challenges that have engulfed the country, we have achieved a remarkable growth in various key performance indicators in 2024. The bank's financial performance is depicted in the tables and charts below;

**Table 1.0. Analysis of Key Performance Indicators.**

YEARS	2022	2023	2024	GROWTH	GROWTH
INDICATORS	GH¢	GH¢	GH¢	GH¢	%
Total Income	4,773,011	9,382,275	11,894,274	2,511,999.00	26.77%
Total Expenses	3,918,864	6,502,990	9,173,062	2,670,072.00	41.06%
Profit before Tax	854,147	2,879,285	2,721,212	(158,073.00)	-5.49%
Total Assets	23,393,909	31,014,015	45,831,922	14,817,907.00	47.78%
Gross Advances	9,804,526	13,533,038	16,099,350	2,566,312.00	18.96%
Total Investments	9,445,552	11,985,499	20,610,491	8,624,992.00	71.96%
Total Deposits	19,307,247	23,505,288	32,378, 863	8,873,575.00	37.75%
Shareholders' Fund	3,022,646	4,834,234	6,411,278	1,577,044.00	32.62%

Table 2.0. Key Financial Ratios

RATIOS	2023	2024	BENCHMARK
	%	%	
Cost to Income	72.77	74.51	Maximum: 70%
Capital Adequacy Ratio	24.14	17.83	Minimum: 10%
Return on Assets Ratio	8.59	6.90	Minimum: 5%
Earning Assets to Total Assets	81.51	79.77	Minimum: 70%
Non-Performing Loans Ratio	0.85	1.67	Maximum: 10%
20 Largest Credit Exposure	20.61	24.28	25% of Total Advances Max.
10 Largest Depositors	18.29	13.27	15% of Total Deposits Max.



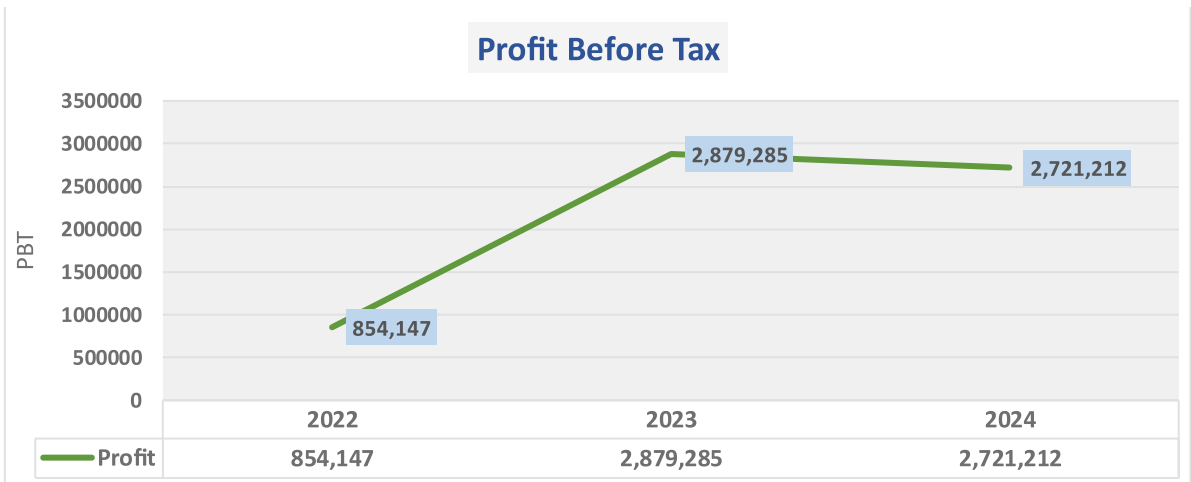
5.1 OPERATING RESULTS

The Bank's total operating profit before taxation for the year 2024 stood at GH¢2,721,212. Profitability for the year has slightly dropped by 5.49% as compared to the profit before tax of GH¢2,879,285 recorded in 2023. This drop happened as a result of some write-offs done during the year.

Total income for the year increased from GH¢9,382,275 in 2023 to GH¢11,894,274 in 2024 representing a growth of 26.77%. The growth in our investment and loan portfolios were the main contributors to the growth in income.

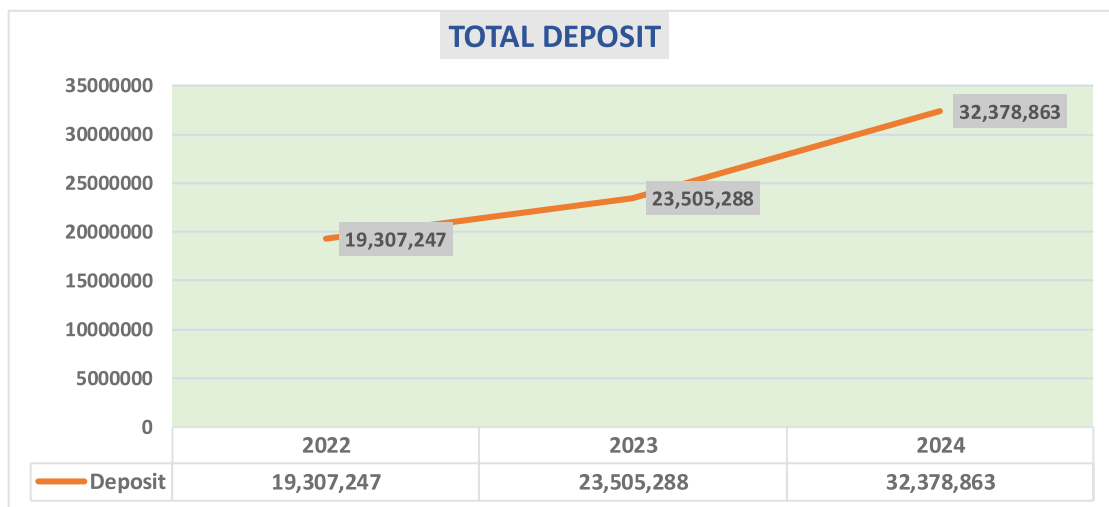
The bank's total expenses for the year also increased by 41.06%. This rise was due to increment in staff wages and salaries and the engagement of additional staff. Operational costs have also gone up due to increased inflation and weakened cedi performance, resulting in high vehicle maintenance and vehicle running expenses, high cost of equipment and logistics, among others despite the prudent cost cutting measures adopted by the bank.

Figure 1.0. Profit Before Tax



5.2 DEPOSITS

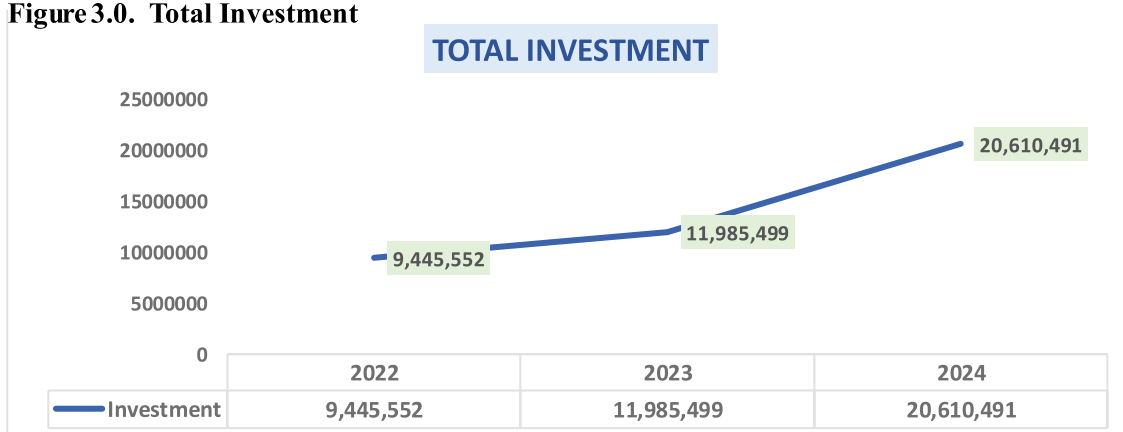
Total Deposits for the bank as at the end of 2024 stood at GH¢ 32,378, 863. This represents 37.75% increase as compared to total deposit of GH¢23,505,288 recorded in 2023. The significant increase was as a result of the rigorous mobilization strategies adopted by the bank. As we all know banks thrive on deposits and we shall continue to ensure that more innovative strategies are deployed in mobilizing more deposits so that our lending and investment spaces can expand.



5.3 INVESTMENTS

The Bank's total investment also significantly increased from GH¢ 11,985,499 in 2023 to GH¢ 20,610,491 in 2024. This accounted to an increase of about 71.96%. The significant increase in the investment was due to an increase in T bill investment. This was policy driven to swiftly take advantage of the rates being offered by the government. We can confidently say that it was a strategic decision taken. Our investment portfolio consists of investment in securities representing 99.35% and equity investments representing 0.65% of the investment mix.

Figure 3.0. Total Investment

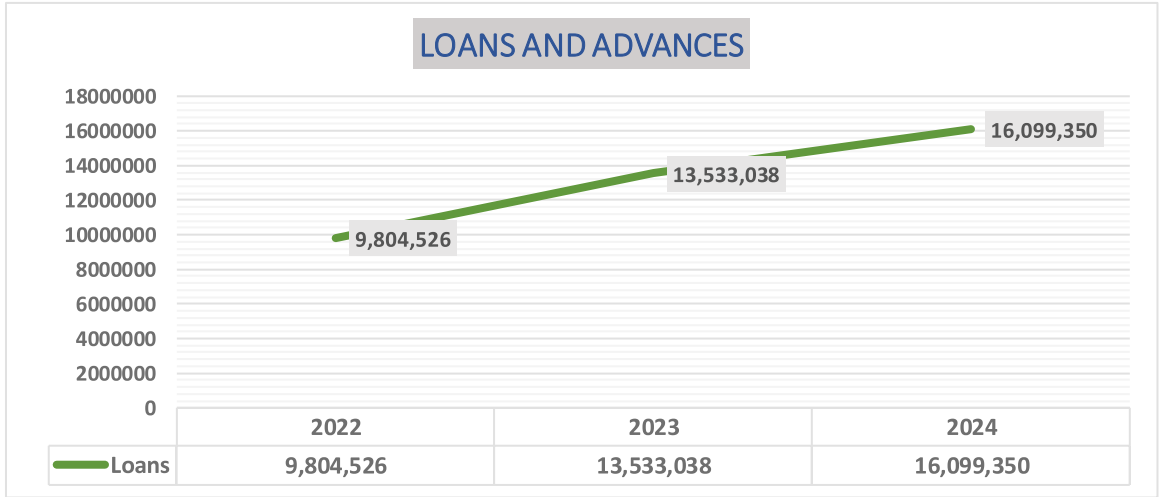


5.4 LOANS AND ADVANCES

The Bank has also increased its loans and advances by 18.96%. Total loans granted increased from GH¢ 13,533,038 in 2023 to GH¢ 16,099,350 in 2024. This over 2.5 million increases in the loan portfolio were largely due to the innovative and prudent loan administrative strategies adopted by the bank.



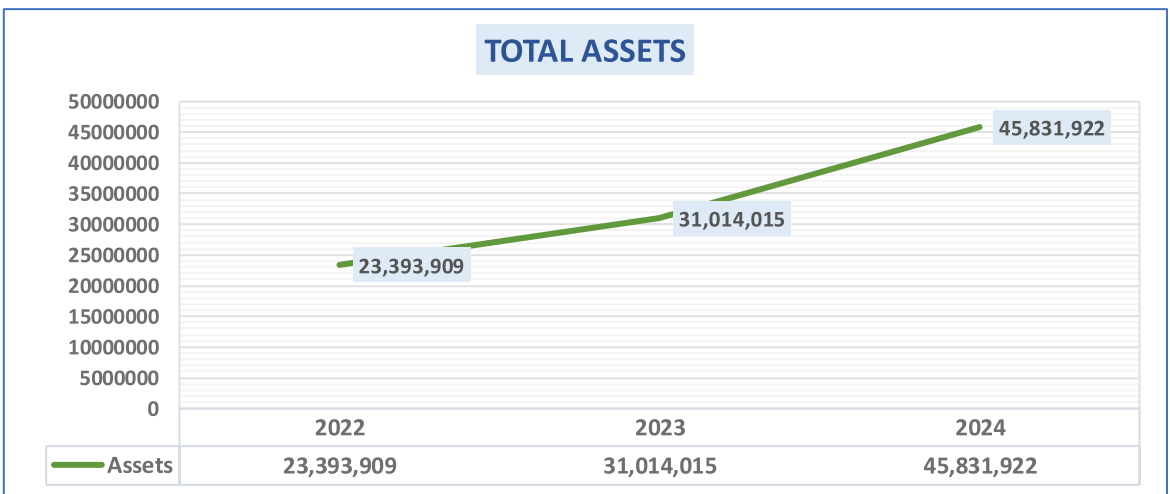
Figure4.0. Total Loans and Advances



5.5 TOTAL ASSETS

The Bank's total assets have also seen a significant increase. The total assets for the year 2024 stood at GH¢45, 831,922. This increment represents 47.78% as compared to the total assets of GH¢31,014,015 in 2023. The Bank has experienced this significant increase as a result of the increase in advances and investment in securities. This was funded mainly from the growth in deposits.

Figure5.0. Total Asset





6.0 REGULATORY COMPLIANCE

Fellow members, the bank has fully complied with all the prudential and regulatory requirements of the Bank of Ghana and ARB Apex Bank Plc. We shall continue to ensure that the bank's culture of compliance is not compromised in any way.

7.0 RE-ELECTION OF DIRECTORS

In accordance with Section 325 of the Companies Act, 2019(Act 992) and with the Corporate Governance Directive for Rural and Community Banks, Mr. Thomas Clarkson Adade and Mr. Martin Duho will retire by rotation and also being eligible, have offered themselves for re-election at this AGM.

8.0 BOARD DEVELOPMENT

The development of Board of Directors has become a key corporate governance requirement taking into account the consistent regulatory changes, market dynamics, corporate governance standards, and stakeholder expectations. During the year, couple of workshops and seminars were attended by directors to build their capacity in the discharge of their oversight and governance functions and to bring to light the new reforms in the industry.

9.0 STAFF DEVELOPMENT

Fellow members, we cannot over emphasize the role of quality human capital as it has a direct correlation with the bank's growth and profitability. With this in mind, we are fully committed to the continuous development of staff capacity in order to fully position them to embrace the industrial evolutionary trends and demands. We shall also continue to equip, motivate and strengthen them to carry out the bank's mandate.

10.0 LOCKED UP INVESTMENTS

Fellow members, we are still putting in our best efforts to ensure that our Locked-up investment of GHC2,000,000 with Black Shield, formally Gold Coast Fund Management is paid. The new development is that, government has requested that we re-submit all the necessary documents which we have done with the hope that this time, we shall receive our money. Be assured that we shall continue to follow up until we receive this payment.

11.0 DIVIDENDS

Dear members, after a careful examination of the financial performance of the Bank, its Capital Adequacy and Liquidity position, the Board of Directors have recommended a dividend payout of GHC0.0101 per share amounting to GHC160,794, for the year 2024 and subject to the approval of Bank of Ghana.

12.0 SHARE ACQUISITION

Fellow members, despite the great strides the bank has made, our stated capital is not increasing as expected. I therefore wish to encourage you to increase your shares subscription in the bank. This will help to better the position of the bank for increased profitability as well as expand the bank's asset base. As we can all see, our shares are paying off, so do not be left out.



13.0 SHARE REGISTER UPDATE

Fellow members, the share register update is still ongoing. I encourage all of us to make some time and visit the bank with our Ghana cards and a recent passport picture to complete this very important registration process. I also want to appeal that we inform other colleague shareholders or their relatives (if deceased) of this important exercise so that we can have an updated and comprehensive share register.

14.0 PROPOSED HEAD OFFICE BUILDING

Fellow members, as announced at last year's AGM on the completion of the tender process and a special resolution passed to seek Bank of Ghana's approval, I wish to inform you that the approval came in December 2024. I am happy to announce to you that work has commenced and we are almost at the roofing stage. We are trusting God that next year, the bank shall move to the new head office building.

15.0 CORPORATE SOCIAL RESPONSIBILITY

As part of our commitment to give back to society, the bank shall continuously provide support through Corporate Social Responsibility to improve the welfare of the institutions and communities in our catchment areas and operational zones. Our supports focused on social needs, education and health. During the year, an amount of GHS31,750.00 was donated to support the short-term needs of some of our state institutions and communities. In the long term, the bank shall compile a comprehensive Corporate Social Responsibility policy, in line with our laws and regulations which shall serve as a guide for how the bank CSRs shall be carried out.

16.0 AGENCY BANKING & MOBILE BANKING APPLICATION

Dear Shareholders, you would agree with me that Technology and its advancement has come to stay whether we like it or not. Let me take this opportunity to encourage our cherished shareholders and customers to register on the Agency Banking and Apex USSD platforms with the short code *992#. These electronic money transfer services could facilitate the transfer and receipts of electronic money to and from any mobile money wallet. It also provides the subscribers with the convenience of having to deposit or withdraw money from their traditional accounts, once those accounts are linked to their mobile phone devices without the need to visit the bank. Kindly take advantage of this cost saving and convenience opportunity and visit the bank to have this registration done for you. All you need for this registration done is your Ghana Card and a reliable mobile phone number.

17.0 OUTLOOK FOR 2024

Fellow Shareholders, the bank is not losing sight of the future as it tries to solve immediate needs in terms of profitability, liquidity and solvency challenges which are almost addressed. The Board and Management would focus its efforts on the following strategic areas to maximize returns for the bank.



- (i) Provide essential operational tools for effective and efficient results.
- (ii) Persistent training and career development of our Staff and Management as well as the required training for directors to enable them effectively work.
- (iii) Provide competitive and new products to meet the needs of our customers.
- (iv) Upgrade our Sogakope agency to full branch.

18.0 CONCLUSION

We wish to appeal to all Shareholders to never give up because there is a bright light at the end of the tunnel which is perpetual. Everybody should support the share mobilization exercise that the Board and Management are currently pursuing. The time is now to buy more shares for better future. In the same vein we want to appeal to you to save with the bank and also to advise your relatives and friends both home and abroad to channel their funds through the bank.

19.0 APPRECIATION

On behalf of the Board of Directors, I wish to express my profound gratitude and thanks to Management and Staff of the Bank for their immense contribution to the successful results achieved all these years. Our appreciation also goes to our shareholders, cherished customers, our chiefs and development partners including Bank of Ghana, ARB Apex Bank and Association of Rural Banks Ghana, especially Volta and Oti branch who are part of our success story for their continued support and cooperation.

Thank you and may God bless you all.

.....
THOMAS CLARKSON ADADE
(BOARD CHAIRMAN)



Banking in PALM

Send & Receive
Money Here



GhanaPay



agency banking

Avenor Rural Bank
now in your
community.

Visit the nearest
accredited agent for
any transactions



AVENOR RURAL
BANK PLC

...the bank that knows your needs

E-Products

Our E-products allow customers to manage their finances online or through a mobile app.



REPORT OF THE DIRECTORS

TO THE MEMBERS FOR THE YEAR ENDED 31ST DECEMBER, 2024

Directors' responsibilities in respect of the financial statements

Statement of Directors' responsibilities

The Directors are required to ensure that adequate accounting records are maintained to disclose to reasonable adequacy the financial position of the Bank. They are also responsible for steps to safeguard the assets of the Bank and to prevent and detect fraud and other irregularities. They must present financial statements for each financial year which give a true and fair view of the affairs of the Bank, and the results for that year. In preparing these financial statements, they are required to:

- Select suitable accounting policies and apply them on a consistent basis using reasonable and prudent judgment.
- State whether or not the Companies Act, 2019 (Act 992), the Bank and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and in accordance with International Financial Reporting Standards ("IFRS") have been adhered to and explain material departures thereto.
- Use the going concern basis unless it is inappropriate.

The Board acknowledges its responsibility for ensuring the preparation of the annual financial statements in accordance with IFRS and the responsibility of external auditors to report on these financial statements. The Board is responsible for ensuring the maintenance of adequate accounting records and an effective system of internal controls and risk management.

Nothing has come to the Board's attention to indicate any material breakdown in the functioning of the internal controls and systems during the year under review, which could have a material impact on the business.

The financial statements are prepared from the accounting records on the basis of consistent use of appropriate records supported by reasonable and prudent judgments and estimates that fairly present the state of affairs of the Bank. The financial statements have been prepared on a going concern basis and there is no reason to believe that the Bank will not continue as a going concern in the next financial year. The Directors confirm that in preparing the financial statements, they have:

- selected suitable accounting policies and applied them consistently.
- made judgments and estimates that are reasonable and prudent.
- followed the International Financial Reporting Standards.
- prepared the financial statements on the going concern basis.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank and to enable them ensure that the financial statements comply with the Companies Act, 2019 (Act 992), the Bank and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and in accordance with



International Financial Reporting Standards ("IFRS"). They are also responsible for safeguarding the assets of the Bank and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By the order of the Board:

Name of Director: Thomas Clarkson Adade

Name of Director: Michael Cudjoe Lotame

Signature 

Date: 29 - 04 - 2025

Signature 

Date. 29 - 04 - 2025



The Directors are pleased to present their report together with the audited financial statements for the year ended 31 December 2024, which disclose the statement of the affairs of Avenor Rural Bank Limited.

Financial results

Detailed financial results for the year are set out in the attached audited financial statements with an extract below.

	2024	2023
Profit before tax for the year	2,721,212	2,879,285
from which is deducted income tax expense of	(977,214)	(822,778)
Growth and Sustainability levy	(136,061)	(95,976)
giving profit after tax of	1,607,937	1,960,531
to which is added balance on retained earnings account brought forward	1,827,999	935,018
Prior year adjustment	(50,729)	8,677
Leaving a balance before statutory and other transfers of	3,385,207	2,904,226
From which the following transfers were made:		
Transfer to statutory reserve	(200,992)	(490,133)
Transfer to development fund	(200,992)	(490,133)
Transfer to dividend account	(196,053)	(95,961)
Other movement of:		
Regulatory credit risk reserve	-	-
	2,787,170	1,827,999

The increase in the statutory reserve was due to the provision in section 34(b) of the Bank and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). The Directors consider the state of affairs of the Bank to be satisfactory.

Dividend

The Directors recommend a dividend of GHS 0.0101 per share totaling GHS 160,794, subject to the approval of Bank of Ghana and shareholders.

Auditor's remuneration

The audit fee payable for the year under review is GHS 70,000, inclusive of VAT and levies.

Stated capital and capital adequacy ratio

The stated capital of the Bank at the end of the reporting was GHS 1,046,321. The Bank met the minimum capital requirement, and the 10% minimum capital adequacy ratio. The Capital adequacy ratio was 23.91%.

Principal activities

The company is engaged in the business of banking.



Appointment, retirement and re-election of Board Members

The Directors in office at the end of the reporting year are as follows:

Board of Directors	Position	Profession	Date appointed
Mr. Thomas Clarkson Adade	Chairman	Retired Lecturer/ Chartered Accountant	16-09-2017
Mr. Martin Godson Duho	Non-Executive Director	Retired Banker	16-09-2017
Mr. Michael Cudjoe Lotame	Non-Executive Director	Retired Agriculturalist	13-07-2021
Mrs. Patience Essien	Non-Executive Director	Banker	13-07-2021
Ms. Peace Adoni*	Non-Executive Director	Chartered Accountant	05-07-2024
Mr. Lord Percivals Agbavor Jnr.**	Non-Executive Director	Lawyer	23-07-2024

*Director was approved by the Bank of Ghana on 5th August, 2024

**Director was approved by the Bank of Ghana on 23rd August 2024

Training and Continuous Professional Development (CPD)

During the year, various training to management has involved some of the Board of Directors to help the Bank achieve its goals though no formal and tailored programs were organized for the Board of Directors. Training of the Directors will continually update their skills, their knowledge and familiarity with the Bank's businesses, their awareness of sector, risk, regulatory, legal, and financial and other developments to enable them to fulfil effectively their role on the board and Committees of the Board.

Code of Conduct

Avenor Rural Bank Limited has a Code of Conduct policy approved by the Board of Directors of the Bank. This addresses areas like complying with local laws and regulations, the Bank not offering, giving, or accepting inappropriate gifts or benefit to or from third parties, prevention of money laundering and fraud, avoidance of conflict of interest, openness and honesty with regulators, confidentiality amongst others.

Conflict of interest and compliance

The Bank's Code of Conduct addresses conflicts of interest i.e. actual and potential conflicts of interest. Further, personal conflict of interest and business conflict of interest are addressed in the Code.

Events after reporting year

The Directors are not aware of any adjusting events after the reporting year.

Corporate social responsibilities

An amount of GHS 35,750 was donated as a support towards the 2024 Farmers Day celebration, traditional festivals, Ghana Education Service, Ghana Police Service, Avenor Senior High School, National Commission for Civic Education, Akatsi South Municipal Assembly, EP Basic School, Glamet Academy and to some individuals.

Related party transactions

Related party transactions are transactions where each counter party has the ability to influence the outcome of the transaction for economic benefits. Related party transactions and balances are also disclosed in notes to the financial statements. All the Directors and some key management personnel have an interest in shares, but no debt interest was issued by the Bank during the year under review of the Bank. Other than service contracts, no Director has a material interest in any contract to which the Bank was a party during the year. Note 26 has disclosures on related party transactions.

Appointment and approval

Two Directors in the person of Lord Percival Agbavor Jnr and Peace Adoni were appointed at the 40th Annual General Meeting dated 19th August, 2023. These directors were approved by the Bank of Ghana on 23rd August and 5th August, 2024 respectively.

Annual General Meeting

In compliance with section 157 of the Companies Act, 2019 (Act 992), the 41st Annual General Meeting of the members of Avenor Rural Bank Limited was held at the Akatsi College of Education on 17th August, 2024. Directors in attendance were Messrs Thomas Clarkson Adade, Gershon Klutse (Retired), Martin Godson Duho, Michael Cudjoe Lotame, Patience Essien, Peace Adoni and Lord Percival Agbavor Jnr.

Approval of financial statements

The financial statements for the year set out on pages 20 to 62, which have been prepared on a going concern basis, were approved by the Board of Directors and signed on their behalf by:

By the order of the Board:

Name of Director: Thomas Clarkson Adade

Name of Director: Michael Cudjoe Lotame

Signature



Date 29 - 04 - 2025

Signature



Date 29 - 04 - 2025



Plan the financial life of
your wards today!

KIDI ACCOUNT PROMO



→ CONTACT US



+233(0) 59 691 6796
+233(0) 59 691 6791

www.avenorrural.com
info@avenorruralbank.com
@Avenor Rural Bank Plc

AVENOR RURAL BANK PLC

KIDI ACCOUNT PROMO



Kidi account promo is offering parents or guardians the opportunity to open account in trust of their children to save towards their educational needs and upkeep.

THE FEATURES OF TRUST(KIDI) A/C

- Trust (Kidi) account allows for multiple account opening
- Trust (Kidi) account allows for daily, weekly or monthly contribution
- Savings for child's education for a period of five (5) years
- A passbook is issued to the account holder
- Free SMS alert

BENEFITS OF THE TRUST(KIDI) A/C

- Earns higher returns as you save more
- No account maintenance fees
- Lodgments through standing instructions or direct payments
- Helps cultivate a healthy savings habit in children
- Get a branded gift on higher deposits

ACCOUNT OPENING REQUIREMENTS

For parents/guardians

- Ghana card
- Two (2) passport sized pictures
- Utility bill(electricity/water)

For children

- Birth certificate/weighing card
- Two (2) passport sized pictures



Overview

Avenor Rural Bank Limited is committed to strong corporate governance practices that allocate rights and responsibilities among the Bank's Shareholders, the Board and Executive Management to provide an effective oversight and management of the Bank in a manner that enhances shareholders' value and promotes investors' confidence.

The Bank's corporate governance principles are contained in a number of corporate documents. The Board oversees the conduct of the Bank's business and is primarily responsible for providing effective governance over the Bank's key affairs, including the appointment of Executive Management, approval of business strategies, evaluation of performance and assessment of major risks facing the Bank.

In discharging its obligations, the Board exercises professional judgment in the best interest of the Bank and relies on the Bank's Executive Management to implement approved business strategies, resolve day-to-day operational issues, keep the Board informed, and maintain and promote high ethical standards. The Board delegates authority in management matters to the Bank's Executive Management subject to clear instructions in relation to such delegation of authority and the circumstances in which Executive Management shall be required to obtain Board approval prior to taking a decision on behalf of the Bank.

The Board is the ultimate decision-making body for all material matters within the Bank. It is responsible for providing leadership, setting the strategic direction of the Bank and monitoring management to ensure effective execution of such strategy. The Board is responsible for a sound system of internal controls and risk management. Avenor Rural Bank Limited's commitment to ensuring international best practice in terms of Corporate Governance remains strong and unwavering.

1. Board composition

The Board shall be constituted optimally to ensure a wide range and sufficient mix of skills, knowledge, experience, competence and attributes necessary and relevant for the effective oversight on the management of the bank. Without contravening provisions under section 58 and 60 of Act 930, or sections amending them thereafter, Section 181 of Act 992 the Board shall consist of only non-executive Directors or otherwise as shall be determined from time to time subject to regulatory requirement.

The Board for the 2024 reporting year was diverse, with a good mix of experience and skills with a Board size of six (6) members. The areas of expertise and age of the directors are as follows:



Board of Directors	Position	Profession	Date appointed
Mr. Thomas Clarkson Adade	Chairman	Retired Lecturer/ Chartered Accountant	16-09-2017
Mr. Martin Godson Duho	Non-Executive Director	Retired Banker	16-09-2017
Mr. Michael Cudjoe Lotame	Non-Executive Director	Retired Agriculturalist	13-07-2021
Mrs. Patience Essien	Non-Executive Director	Banker	13-07-2021
Ms. Peace Adoni*	Non-Executive Director	Chartered Accountant	05-07-2024
Mr. Lord Percivals Agbavor Jnr.**	Non-Executive Director	Lawyer	23-07-2024

**Director was approved by the Bank of Ghana on 5th August, 2024*

***Director was approved by the Bank of Ghana on 23rd August 2024*

Role of the Chairman and the Chief Executive Officer

The role of the Board Chair and the Chief Executive Officer are to represent the Board to Shareholders, the general public and other stakeholders at large, in whose absence the deputy must act. The chairman shall be responsible for the content of all Board meeting agenda regarding its appropriateness in serving the intended purposes. The Chairman shall preside over all Board proceedings; in his absence the deputy must act or otherwise provided for in any other guideline for proceedings approved by the Board. The Board Chairman shall be responsible for maintaining a regular dialogue with the General Manager overall operational matters and informing other members promptly over matters of major concern if the need is before the Board meeting. In all emergency situations requiring full Board attention and deliberation, the chairman shall within forty-eight hours from the time of receipt of petition or request from either from two-thirds of the number of the entire executive management or from shareholders in line with provisions of the Companies Act 2019, (Act 992), call an emergency Board meeting to consider the petition.

Professional development and training activities

The Bank has a very comprehensive and tailored induction process for new Directors. The induction process covers the Bank's business operations, the risk and compliance functions as well as the legal, regulatory and other personal obligations and duties of the Director of a Bank. Aside from the induction programme, the Bank ensures a continuous development programme which is needs-based and is designed for individual Directors, committees or for

the Board. The Directors are kept updated on all regulations and laws that are enacted which may affect the operations of the Bank and are also advised of the legal, regulatory and other obligations of a director on an ongoing basis. The Directors have access to independent professional advice to enable them to discharge their duties. The Board and its committees are periodically trained in various programmes to enhance their role in the strategic direction of the Bank.

Performance evaluation

The Bank performed an internal annual appraisal of individual directors and the Board. An internal appraisal of the Board sub-committee is yet to be performed. An external appraisal of the individual directors, Board and its committees was done in July, 2024.

Frequency of Board meetings and attendance

The Board meets quarterly and convened four (4) meetings for the year. The scheduled Board meetings were held on 26th April, 19th July, 25th October, 2024 and 24th January, 2025. There was one (1) ad hoc meeting held on 20th December, 2024. There is a process in place to ensure that Directors receive reports in a timely manner to enable them to ask appropriate questions and make informed decisions.

As well as formal meetings, the Directors are engaged informally throughout the year. This creates an environment that encourages challenge, consultation, information sharing, innovative thinking and openness in communication. The Directors are encouraged to interact with the staff and to broaden their understanding of the Bank's operations. The following table shows the number of Board meetings held during the year and the attendance by the Directors.

Meeting attendance

Members	Board meetings (4)	Percentage of attendance (%)
Mr. Thomas Clarkson Adade	4/4	100
Mr. Martin Godson Duho	3/4	75
Mr. Michael Cudjoe Lotame	4/4	100
Mrs. Patience Essien	4/4	100
Ms. Peace Adoni*	3/3	100
Mr. Lord Percivals Agbavor Jnr.**	2/2	100

*Director was approved by the Bank of Ghana on 5th August, 2024

**Director was approved by the Bank of Ghana on 23rd August 2024



Members	Adhoc meeting (1)	Percentage of attendance (%)
Mr. Thomas Clarkson Adade	1/1	100
Mr. Martin Godson Duho	1/1	100
Mr. Michael Cudjoe Lotame	1/1	100
Mrs. Patience Essien	1/1	100
Ms. Peace Adoni*	1/1	100
Mr. Lord Percivals Agbavor Jnr.**	1/1	100

Board committees

The Board may discharge its responsibilities through any of its established committees, including ad hoc committees, as considered necessary to assist in carrying out its functions. The Board will determine, and review as appropriate, the charters and membership of its committees. The standing committees of the Board shall be:

- Audit and Compliance Committee
- Credit / Risk Committee
- Human Resource Committee

Overview of Board committees Audit and Compliance Committee

Membership

The committee is comprised of three (3) members. The scheduled audit and compliance meetings were convened on 25th April, 18th July, 24th October 2024 and 23rd January, 2025. The members during the year under review were Mr. Martin Duho (Chairman), Mr. Lord Percivals Agbavor Jnr (Member) and Mrs. Patience Essien (Member).

Frequency of meetings

Members	Meetings (4)	Percentage of attendance (%)
Mr. Martin Godson Duho	3/4	75
Mrs. Patience Essien	4/4	100
Mr. Lord Percivals Agbavor Jnr.*	2/2	100

**Director was appointed to the committee on 16th August, 2024.*

The Committee shall meet at least once every quarter, or upon request of the Chairman of the committee or any two members of the committee.



Credit / Risk Committee Membership

The Committee comprised of three (3) members. The members were Mr. Michael Cudjoe Lotame (Chairman), Mr. Martin Godson Duho (Member), and Ms. Peace Adoni (Member).

Frequency of meetings

The Committee shall meet at least once every quarter, upon request of the chairman of the Committee or any other two members of the committee. The quarterly meeting shall be held in January, April, July and October of every year or such other months as emergencies of the Bank's Operations may require. The schedule meetings were convened on 24th April, 17th July, 23rd October, 2024 and 22nd January, 2025.

Members	Meetings (4)	Percentage of attendance (%)
Mr. Michael Cudjoe Lotame	4/4	100
Mr. Martin Godson Duho	4/4	100
Ms. Peace Adoni*	2/2	100

*Director was appointed to the committee on 16th August, 2024.

Human Resource Committee Membership

The Committee comprised of three (3) members. The members were Mrs. Patience Essien, Mr. Martin Godson Duho and Mr. Michael Cudjoe Lotame.

Frequency of meetings

The Committee shall meet at least once every quarter, upon request of the chairman of the Committee or any other two members of the committee. The quarterly meeting shall be held in January, April, July and October of every year or such other months as exigencies of the Bank's Operations may require. The meetings were convened on 21st and 19th December 2024.

Members	Meetings (2)	Percentage of attendance (%)
Mrs. Patience Essien	2/2	100
Mr. Michael Cudjoe Lotame	1/2	50
Mr. Martin Godson Duho	1/2	50



Officers of the Bank

In line with the Companies Act, 2019 (Act 992), the Bank at the date of this report expressly or impliedly authorized officers to act in various capacities as below:

Officers	Capacity (31 st December, 2024)
Mr. Sylvester Kwaku Torku	Chief Executive Officer
Mr. Jordan Samlafo	Operations Manager
Mr. Senyo Klutsey	Head, Finance
Mr. Wise Peter Kwabla Amegbe	Head, Internal Audit
Mr. Prince Abotsi	Head, Credit
Mr. Elorm Dadoza	System Administrator
Mr. Wisdom Ahiable	Risk & Compliance Officer

By order of the Board of Directors

Name of Chairman: Thomas Clarkson Adade

Signature 

Date: 29 - 04 - 2025



**AVENOR RURAL
BANK PLC**

The bank that knows your needs

Nurturing Our Customers to Grow! **DEPOSIT PRODUCTS**

- Current account
- Trust / Kidi account
- Savings account
- Susu savings account

SAVE WITH US



The bank that
knows your needs



**AVENOR RURAL
BANK PLC**

The bank that knows your needs

We support you GROW with our **LOAN Products**

- Salary Loans
- Pension Loans
- Personal Loans
- Business Loans
- Institutional Loans
- Short-term Loans / Overdraft For Salary Workers
- Short-term Loans / Overdraft For Businesses
- Susu Loans
- Instant Microfinance Loans



Independent Auditor's report to the members of Avenor Rural Bank PLC

Opinion

In our opinion, Avenor Rural Bank Limited has kept proper accounting records and the financial statements are in agreement with the records in all material respects and report in the prescribed manner, information required by the Companies Act, 2019 (Act 992), and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). The financial statements give a true and fair view of the financial position of the Bank as at 31 December, 2024, and of its financial performance and statement of cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards, issued by the International Accounting Standards Board (IASB).

What we have audited

We have audited the accompanying financial statements of the Avenor Rural Bank Limited for the year ended 31 December, 2024.

The financial statements comprise:

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

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Bank within the meaning International Ethics Standards Board for Accountants' (IESBA) Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants Ghana (ICAG). We have fulfilled our other ethical responsibilities with IESBA Code.



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 of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Other information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, including the Board Chairman's statement which we obtained prior to the date of this auditor's report. The other information does not include the financial statements, and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express 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. Based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, if 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.

Going concern

The financial statements of the Bank have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Bank's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the Bank's ability to continue as a going concern, and accordingly none is disclosed in the financial statements of the Bank. Based on our audit of the financial statements of the Bank, we also have not identified such material uncertainty.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 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 planning and performance of the audit. We are also:



- Identify and assess the risks of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from the fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the evidence obtained, whether a material uncertainty exists relating 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 Bank's financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the Audit Committee among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the Audit Committee and the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's 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 interests'

benefits of such communication.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Bank audit. We remain solely responsible for our audit opinion.

Report on other legal and regulatory requirements

Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
2. In our opinion proper accounting records have been kept by the Bank, so far as appears from our examination of those books; and
3. The statement of financial position and statement of comprehensive income of the Bank are in agreement with the accounting records.
4. We are independent of the Bank pursuant to section 143 of the Companies Act, 2019 (Act 992).

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

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

The engagement partner on the audit resulting in this independent auditor's report is ***Daniel Adewu (ICAG/P/1734)***.



Signed by: **UHYVOSCON**

For and on behalf of:

UHY Voscon (ICAG/F/2024/086)

Chartered Accountants

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Opposite Silver Star Tower

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GA:-057-1475

Date 29 - 04 - 2025

**AVENOR RURAL BANK LIMITED**

Financial statements for the year ended 31 December, 2024

(All amounts are stated in Ghana Cedis unless otherwise stated)

Statement of Comprehensive Income		for the year ended 31 December	
	Note	2024	2023
Interest income	3	10,832,259	8,297,377
Interest expense	4	(921,173)	(748,795)
Net interest income		9,911,086	7,548,582
Commissions and fees	5	1,474,084	1,257,964
Other operating income	6	509,104	575,729
Total operating income		11,894,274	9,382,275
Other operating expenses	7	(8,813,062)	(6,022,990)
Impairment of loan	8	(360,000)	(480,000)
Profit before taxation		2,721,212	2,879,285
Taxation	9.1	(977,214)	(822,778)
Growth & Sustainability levy	9.3	(136,061)	(95,976)
Profit after taxation		1,607,937	1,960,531
Other comprehensive income			
Revaluation surplus-vehicle		195,889	-
Total comprehensive income attributable to the shareholders		1,803,826	1,960,531

Notes 1 to 37 on pages 25 to 62 form an integral part of these financial statements.



Statement of Financial Position

as at 31 December

		2024	2023
Assets	Note		
Cash and cash equivalents	10	6,212,948	3,105,222
Investment securities	11	20,475,737	11,888,245
Equity investment	12	134,754	97,254
Loans and advances to customers	13	16,099,350	13,533,038
Prepayment	14	352,838	216,497
Other assets	17	1,387,764	1,302,877
Property, plant and equipment	15.1	1,052,360	686,939
Deferred tax	9.4	(17,333)	74,895
Intangible asset	16.1	133,504	109,048
Total assets		45,831,922	31,014,015
Equity			
Stated capital	18	1,046,321	1,046,321
Deposit for shares	32.2	26,000	6,000
Retained earnings	32.5	2,787,170	1,827,999
Revaluation reserve	32.7	195,889	-
Statutory reserve fund	32.4	1,503,494	1,302,502
Development fund	32.6	852,404	651,412
Total equity		6,411,278	4,834,234
Liabilities			
Customer deposits	19	32,378,863	23,505,288
Current tax	9.2	102,278	221,925
Growth & sustainable levy	9.3	56,186	60,964
Payables and accruals	20	3,754,383	2,313,145
Dividend payable	21	128,934	78,459
Borrowing	23	3,000,000	-
Total liabilities		39,420,644	26,179,781
Total equity and liabilities		45,831,922	31,014,015

Notes 1 to 37 on pages 25 to 62 form an integral part of these financial statements. These financial statements were approved by the Board and signed on their behalf by:

Name of Director: Thomas Clarkson Adade

Name of Director: Michael Cudjoe Lotame

Signature:

Date: 29-04-2025

Signature:

Date: 29-04-2025.

Statement of Changes in Equity



AVENOR RURAL BANK PLC.
2024 Annual Report

Statement of Changes in Equity

For the year end 31 December, 2024	Note	Stated capital	Depositor shares	Retained earnings	Statutory reserve	Revaluation reserve	Development Fund	Total
Balance as at 1 January		1,046,321	6,000	1,827,999	1,302,502	-	651,412	4,834,234
Prior year adjustment	35		-	(50,729)	-	-	-	(50,729)
Net profit		1,046,321	6,000	1,777,270	1,302,502	-	651,412	4,783,505
Profit for the year		-	-	1,607,937	-	-	-	1,607,937
Deposit for shares		-	20,000	-	-	-	-	20,000
Dividend		-	-	(196,053)	-	-	-	(196,053)
Revaluation reserve		-	-	-	-	195,889	-	195,889
Transfer to statutory reserve		-	-	(200,992)	200,992	-	-	-
Transfer to development fund		-	-	(200,992)	-	-	200,992	-
Balance at 31 December		1,046,321	26,000	2,787,170	1,503,494	195,889	852,404	6,411,278

Notes 1 to 37 on pages 25 to 62 form an integral part of these financial statements.

Statement of changes in equity

For the year end 31 December, 2023	Note	Stated capital	Depositor shares	Retained earnings	Statutory reserve	Revaluation reserve	Development Fund	Total
Balance as at 1 January		1,046,321	-	935,018	812,369	67,659	161,279	3,022,646
Prior year adjustment			-	8,677	-	-	-	8,677
Net profit		1,046,321	-	943,695	812,369	67,659	161,279	3,031,323
Profit for the year		-	-	1,960,531	-	-	-	1,960,531
Deposit for shares		-	6,000	-	-	-	-	6,000
Dividend		-	-	(95,961)	-	-	-	(95,961)
Write off		-	-	-	-	(67,659)	-	(67,659)
Transfer to statutory reserve		-	-	(490,133)	490,133	-	-	-
Transfer to development fund		-	-	(490,133)	-	-	490,133	-
Balance at 31 December		1,046,321	6,000	1,827,999	1,302,502	-	651,412	4,834,234

Notes 1 to 37 on pages 25 to 62 form an integral part of these financial statements.



AVENOR RURAL BANK LIMITED

Financial statements for the year ended 31 December 2024

(All amounts are stated in Ghana Cedis unless otherwise stated)

Statement of cash flows	for the year ended 31 December		
	Notes	2024	2023
Cash flows from operating activities			
Cash generated from/ (used in) operations	22	1,989,850	2,483,510
Tax paid		(1,020,413)	(684,600)
Growth & sustainability levy		(140,839)	(35,012)
Net cash generated from operating activities		828,598	1,763,898
Cash flows from investing activities			
Purchase of property, plant and equipment		(547,294)	(714,204)
Purchase of intangible assets		(48,000)	(35,200)
Net cash used in investing activities		(595,294)	(749,404)
Financing activities			
Deposit for shares		20,000	6,000
Long-term borrowing		3,000,000	(22,222)
Dividend paid		(145,578)	(70,914)
Net Cash flow from financing activities		2,874,422	(87,136)
Increase in cash and cash equivalents		3,107,726	927,358
Cash and cash equivalents at the beginning of the year		3,105,222	2,177,864
Cash and cash equivalents at the end of the year		6,212,948	3,105,222
Analysis of cash and cash equivalents			
Cash on hand		2,106,606	1,047,748
Bank balances		4,106,342	2,057,474
At year end		6,212,948	3,105,222

Notes 1 to 37 on pages 25 to 62 form an integral part of these financial statements.



Notes and significant accounting policies

1.0 Reporting entity

Avenor Rural Bank Limited was incorporated under the Companies Act, 1963 (Act 179), repealed by the Companies Act, 2019 (Act 992) on 18th May 1981 and issued with certificate to commence business on 27th May, 1981. The Bank was officially commissioned on 29th August, 1980.

Avenor Rural Bank Limited is domiciled in Ghana and headquartered at Akatsi in the Volta Region of Ghana. Avenor Rural Bank Limited is regulated under the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

1.1 Principal activity

The nature of business which the bank is authorized to carry out is banking services.

2.1 Basis of preparation

2.1.1 Statement of compliance

The financial statements of Avenor Rural Bank Limited have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and Interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

2.1.2 Approval of the audited financial statements

The financial statements were approved by the Board of Directors on the date signed under the financial position.

2.1.3 Basis of presentation of the financial statements

The Bank presents its statement of financial position broadly in order of liquidity. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a current legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liability simultaneously. Income and expenses are not offset in profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the bank.

2.1.4 Basis of measurement

The financial statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial instruments to the extent required or permitted under the Bank's accounting policies.



2.1.5 Functional and presentation currency

These financial statements are presented in Ghana Cedis (GH¢), which is the Bank's functional currency.

2.1.6 Use of estimates and judgments

In the process of applying the Bank's accounting policies, management has exercised judgment and estimates in determining the amounts recognized in the financial statements. The most significant uses of judgment and estimates are as follows:

2.1.6.1 Going concern

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

2.1.6.2 Impairment losses on loans and advances

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in profit or loss. In particular, management's judgment is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors described in the next paragraph and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively, in groups of assets with similar risk characteristics, to determine whether the provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account of data from the loan portfolio (such as levels of arrears, credit utilization, loan-to-collateral ratios, etc.), and judgments on the effect of concentrations of risks and economic data (including levels of unemployment, real estate prices indices, country risk and the performance of different individual groups).

2.1.6.3 Deferred tax assets

Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilized. Judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. Tax losses can be used indefinitely.

2.1.6.4 Property, plant and equipment

Critical estimates are made by Directors in determining depreciation rates for property, plant and equipment.

2.2 Summary of significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Bank.

2.3 Revenue, interest income, fee and commission income and dividend income

2.3.1 Revenue recognition

The Bank recognizes revenue in the financial statements on the accrual basis when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Bank's activities. The Bank bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.3.1.1 Interest income

Interest income, including income arising from loans and advances and other financial instruments are recognized in the statement of profit or loss using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter year to the net carrying amount of the financial asset. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. 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.

2.3.1.2 Fees and commission income

Fees and commissions are generally recognized on an accrual basis when the service is provided. Commission and fees arising from negotiation or participation in the negotiation of a transaction such as the arrangement for a loan are recognized upon completion of the underlying transaction. The Bank earns commissions and fees from a range of services provided to its customers. Income earned on customer's current account (commission on turnover) is recognized when the services are provided.

Commissions and facility fees are credited to income when earned with reasonable certainty and in the case of facility fees, in the year in which the related loan is granted.



2.3.1.3 Dividend income

Dividend income on shares held by the Bank are recognized in the statement of profit or loss in 'dividend income' when the Bank's right to receive payment is established. Additional income taxes that arise from the distribution of dividends are recognized at the same time as the liability to pay the related dividend is recognized.

2.4 Interest expense

Interest expense is recognized in the profit or loss for all interest-bearing financial instruments measured at amortized cost, this include savings and fixed term using the effective interest rate method.

The effective interest method is a method of calculating the amortized 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 where appropriate, a shorter year 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.

2.5 Administration, general and other operating expenses

These expenses are recognized when incurred not when paid.

2.6 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with ARB Apex Bank Limited and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost or fair values in the statement of financial position depending on the business model for managing the asset or the cash flow characteristics of the asset.

2.7 Financial assets and liabilities

2.7.1 Date of recognition

The Bank initially recognizes financial assets and financial liabilities on the trade date. i.e., the date that the Bank becomes a party to the contractual provisions of the instrument.

2.7.2 Initial measurement of financial instruments

The classification of financial instruments at the initial recognition depends on the purpose and management's intention for which the financial instruments were acquired and their characteristics.

All financial instruments are measured initially at their fair value plus transaction costs, except in the case of financial assets and financial liabilities recorded at fair value through profit or loss.

2.7.2.1 Financial assets or financial liabilities held for trading

Financial assets or financial liabilities held for trading are recorded in the statement of financial position at fair value. Changes in fair value are recognized in net interest income.

The Bank has not designated any financial instrument as held for trading.

2.7.2.2 Financial assets or financial liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are those that have been designated by management on initial recognition. Management may only designate an instrument at fair through profit or loss upon initial recognition when the following criteria are met, and designation is determined on an 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.

The assets and liabilities are part of the bank's financial assets, financial liabilities, or both which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

The financial instrument contains one or more embedded derivatives which significantly modify the cash flows that otherwise would be required by the contract.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit or loss. The Bank has not designated any financial instrument as fair value through profit or loss.

2.7.2.3 Held to maturity financial instruments

Held to maturity financial investments are non-derivative financial assets with fixed or determinable payments and fixed maturities, which the Bank has the intention and ability to hold to maturity.

After initial measurement, held to maturity financial investments are subsequently measured at amortized cost using the effective interest rate method (EIR), less impairment.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the EIR. The amortization is included in interest and similar income in profit or loss. If the Bank were to sell or reclassify more than an insignificant amount of held to maturity investments before maturity (other than in certain specific circumstances), the entire category would be tainted and would be reclassified as available for sale.

Furthermore, the Bank would be prohibited from classifying any financial asset as held to maturity during the following two years.

2.7.2.4 Loans and advances

Loans and advances to customers includes loans and advances to customers originated by the



Bank which are not classified as held for trading or designated at fair value. Loans and advances are recognized when cash is advanced to the borrower. They are derecognized either when the borrower repays their obligations or are written off.

They are initially recognized at fair value plus any directly attributable transaction cost and are subsequently measured at amortized cost using the effective interest rate method less impairment loss.

2.8 Framework for impairment of financial assets-continued

Evidence of impairment may include indications that the borrower or group of borrower or group of borrowers is experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

2.8.1 Impairment of financial assets

The Bank makes an allowance for unrecoverable loans and receivables, held to maturity investments and available for sale financial assets when there is an objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets.

2.8.2 Impairment of financial assets carried at amortized cost

For financial assets carried at amortized cost, the Bank first assesses individually whether objective evidence of impairment exists for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the profit and loss.

Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of Interest and similar income. Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realized or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring

after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to the 'Credit loss expense'

2.8.3 Impairment of available for sale investments

If there is objective evidence that the cost may not be recovered, an available-for-sale equity security is considered to be impaired.

Objective evidence that the cost may not be recovered, in addition to qualitative impairment criteria, includes a significant or prolonged decline in the fair value below cost

If an available-for-sale equity security is impaired based upon the Bank's qualitative or quantitative impairment criteria, any further declines in the fair value at subsequent reporting dates are recognized as impairments. Therefore, at each reporting period, for an equity security that is determined to be impaired based upon the Bank's impairment criteria, an impairment is recognized for the difference between the fair value and the original cost basis, less any previously recognized impairments.

2.9 De-recognition of financial assets

2.9.1 Financial assets

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

The rights to receive cash flows from the asset have expired.

The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass through' arrangement; and either the Bank has transferred substantially all the risks and rewards of the assets, or the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its right to receive cash flows from an asset or has entered into a 'pass through' arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

2.9.2 Financial liabilities

A financial liability includes due to customers, other liabilities and interest payable are derecognized when the obligation under the liability is discharged or cancelled or expires.



Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability.

The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

The Bank enters into transactions whereby it transfers assets recognized on its statement of financial position, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognized from the its statement of financial position. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

2.10 Offsetting

Financial assets and liabilities are set off 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 intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.10 Offsetting-continued

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

2.11 Renegotiated loans

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate.

2.12 Fair value measurement

The Bank measures financial instruments, such as, available for sale financial assets at fair value. Fair value is 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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or

- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Bank. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

2.13 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

2.13.1 Current tax

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

2.13.2 Deferred tax expense

Deferred tax is provided using temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a

2.13.2 Deferred tax expense-continued

transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

2.14 Provisions

Provisions are recognized when the Bank has:



- a present obligation (legal or constructive) as a result of a past event,
- and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation,
- And a reliable estimate can be made of the amount of the obligation.

The amount of a provision is the present value of the expenditure to be required to settle the obligation. Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that the reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset. The amount recognized for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognized for future operating losses. If an entity has a contract that is onerous, the present obligation under the contract shall be recognized and measured as a provision. Contingent assets and contingent liabilities are not recognized in the financial statements. Contingencies are disclosed in the notes to these financial statements if the probability of the required cash inflow to be received or cash outflow to discharge the obligation is possible.

2.14.1 Provision for restructuring/reorganization

A restructuring or reorganization is a programme that is planned and controlled by management which will materially change the scope and manner in which the business is conducted e.g. the termination or sale of business. A provision for restructuring can only be recognized if there is a constructive obligation which is established if the following conditions are met:

- There is a detailed formal plan that identifies the part of the business, location and employees who will be affected by the restructuring
- A valid expectation has been created to those who will be affected by the restructuring. Provision for restructuring is made if a constructive obligation exists before the end of the financial year. However, if the constructive obligation arises after year end, and the provision is material, the material effect is disclosed in the financial statements in accordance with IAS 10.

2.14.1 Provision for restructuring/reorganization-continued

Restructuring provision cost include direct expenditures that will be incurred because of the restructuring and excludes any cost associated with ongoing activity of the entity. E.g. training of staff, relocation of staff, marketing and investment in new machinery

2.15 Employee benefits

2.15.1 Short term employment benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care) are recognized in the year in which the service is rendered and are not discounted.

2.15.2 Leave benefits

Annual leave is provided in the period that the leave accrued and outstanding leave is not converted to cash and no provision is made and recognized in the statement of profit or loss.

The expected cost of profit sharing and bonus payments is recognized as an expense when there is a legal or constructive obligation to make such payments as result of past performance.

2.15.3 Social security contributions

A defined contribution plan is a pension plan under which the Bank pays fixed contributions into a separate entity. The Bank contributes to the defined contribution schemes (the Social Security Fund) on behalf of employees. This is a national pension scheme under which the Bank pays 13% of qualifying employees' basic monthly salaries to a state managed Social Security Fund for the benefit of the employees.

The Bank has no legal or constructive obligations to pay further contributions if the fund does hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior years.

Payments to defined contribution retirement benefits plans are charged as an expense as they fall due.

2.15.4 Retirement benefits

Retirement benefits shall be determined by the Board or as provided under the Banks Conditions of Service and also the rule governing the operation of the provident fund scheme.

2.15.5 Termination benefits

Termination benefits are recognized as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognized if Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

2.16 Inventories

Inventories are initially measured at cost. Cost of inventories are measured using the weighted average method. Subsequently inventories are measured at the lower of cost and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business less the estimate costs of completion and the estimated costs necessary to make the sale.



Cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The inventories are stationeries of the Bank.

2.17 Share capital and equity

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Ordinary shares are classified as part of equity.

2.18 Borrowing cost

Borrowing cost deals with the capitalization of interest cost and funds used in the construction, production and acquisition of a qualifying asset. IAS 23 allows borrowing cost to be capitalized if it relates to the production of a qualifying asset. Qualifying asset that takes a substantial year of time to get the asset ready for its intended use or eventual sale. A qualifying asset can be tangible or intangible asset. Borrowing costs are interest and other costs (finance lease charges, exchange differences) that an entity incurs in connection with the borrowing of funds. The following conditions must be met before the capitalization of borrowing cost;

- The borrowing cost capitalized should relate to the cost incurred on the project.
- The borrowing cost capitalized cannot exceed the total cost for the year
- Borrowing cost capitalized should commence when the expenditure on the project is being incurred and undertakes activity necessary to prepare the asset for its use or eventual sale which is not necessary from the date the funds are borrowed. The activities necessary to prepare the asset for its intended use or sale encompass more than the physical construction of the asset.
- They include technical and administrative work prior to the commencement of physical construction, such as the activities associated with obtaining permits prior to the commencement of the physical construction
- Borrowing cost capitalized should cease when the asset is ready for its intended use or eventual sale.
- Borrowing cost capitalized should be suspended in the year of inactivity or no active development of the qualifying asset.

Borrowing cost does not apply to inventories manufactured on large quantities on a repetitive basis. Borrowing costs that do not meet the capitalization criteria must be expensed into the income statement. Borrowing costs cannot be capitalized for assets measured at fair value. The interest rate for the borrowing cost is the effective rate which incorporates amortization for discounts, premium and other expenses like issue costs. Any investment income from the temporal investment of the funds for the construction or purchase of the qualifying assets during the construction year should be net against the borrowing cost eligible to be capitalized.

Any investment income during year of inactivity in the construction year will be credited to the income statement separately. Any investment income outside the construction year will be credited to the income statement separately.

2.19 Related parties

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

2.20 Property, plant and equipment

The Bank recognizes an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it, the amount meets the materiality threshold set by the Bank, and can be reliably measured.

All property, plant and equipment are initially stated at cost. Cost includes amount incurred initially to acquire or construct an item of property, plant and equipment and expenditure that is directly attributable to the acquisition or construction of the asset.

Subsequent expenditures are included in the asset's carrying amount or are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repair and maintenance costs are charged to profit or loss during the financial year in which they are incurred.

Land is not depreciated. Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Class of asset	Estimated Useful life
Furniture and fittings	25%
Computer	33.33%
Motor vehicles	25%
Bungalow furniture & fittings	25%
Plant and machinery	25%
Motor bike/bicycle	10%
Land & building	3%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting year. Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use. No property and equipment were impaired as at 31 December 2023 (2023: nil).



Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.21 Intangible assets

Software

Software acquired by the Bank is stated at cost less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortization is recognised in the statement of comprehensive income on a straight-line over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is between 4 to 10 years.

2.22 Impairments of assets and other non-financial assets

The Bank assesses at each end of the reporting year whether there is any indication that an asset may be impaired. If any such indication exists, that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is possible to estimate the recoverable amount of the individual asset, the recoverable amount of the Cash-Generating Unit (CGU) to which the asset belongs is determined. The recoverable amount of a cash generating unit is the higher of its fair value less costs to sell and its value in use. If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. This reduction is an impairment loss.

An impairment loss of assets carried at cost less than any accumulated depreciation or amortization is recognized immediately in profit or loss. Any impairment loss of a revalued asset is treated as a downward revaluation.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortization other than goodwill is recognized immediately in profit or loss. Any reversal of an impairment loss of a revalued asset is treated as an upward revaluation.

2.23 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.

2.24 Standards, amendments and interpretations

2.24.1 Amendments and New IFRS Accounting Standards that are Effective in 2024

The following new and amended IFRS Accounting Standards, interpretations, and amendments issued by the International Accounting Standards Board (IASB) are mandatorily effective for annual reporting periods beginning on or after January 1, 2024. Their adoption has not had any material impact on the disclosures or the amounts reported in these financial statements.

2.24.1.1 Amendments to Existing Standards

IAS 1: Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to IAS 1 (paragraphs 69 to 76) to clarify the classification of liabilities as current or non-current. These amendments specify:

- The meaning of a right to defer settlement
- That the right to defer must exist at the reporting period's end
- That classification is not influenced by the likelihood of exercising the deferral right
- That the classification of a convertible liability is only unaffected if its embedded derivative is an equity instrument

Additionally, the amendments introduce a new disclosure requirement for liabilities arising from loan agreements classified as non-current, where the entity's right to defer settlement depends on compliance with future covenants within the next twelve months

The amendments take effect for annual periods starting on or after January 1, 2024, with retrospective application. The Bank does not expect these changes to affect its financial statements, and the directors anticipate no material impact from implementing this standard in the future.

IAS 1: Presentation of Financial Statements – Non-current Liabilities with Covenants

The amendments clarify that only covenants an entity must comply with on or before the reporting period's end impact its right to defer settlement of a liability for at least twelve months after the reporting date. These covenants determine whether the entity has the right to defer settlement at the reporting date, even if compliance is assessed later.

Additionally, the IASB states that an entity's right to defer settlement for at least twelve months after the reporting date remains unaffected if compliance with a covenant is only required after the reporting period. However, if the right to defer settlement depends on compliance with covenants within twelve months after the reporting date, the entity must disclose relevant information to help users understand the risk of liabilities becoming repayable within that period. This includes:

- Details of the covenants, such as their nature and compliance deadlines
- The carrying amount of related liabilities
- Any circumstances that may indicate potential challenges in meeting the covenants

The amendments are effective for annual periods beginning on or after January 1, 2024, with retrospective application, and early adoption is permitted. The Bank's directors do not expect these amendments to have a material impact on the Bank's financial statements.



IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures—Supplier Finance Arrangements

The amendments introduce a disclosure objective in IAS 7, requiring entities to provide information on supplier finance arrangements to help users assess their impact on liabilities and cash flows. Additionally, IFRS 7 has been updated to include supplier finance arrangements as an example under the disclosure requirements for liquidity risk concentration.

Rather than defining supplier finance arrangements, the amendments describe the key characteristics of such agreements that require disclosure. To meet the disclosure objective, entities must disclose, in aggregate, the following details related to their supplier finance arrangements:

- Terms and conditions of the arrangements.
- Carrying amount of liabilities included in these arrangements and their respective line items in the statement of financial position.
- Amounts already paid to suppliers by finance providers and their associated line items.
- Payment due date ranges for both liabilities under supplier finance arrangements and comparable trade payables that are not part of such arrangements.
- Liquidity risk information related to these arrangements.

The amendments include specific transition reliefs for the first annual reporting period in which they are applied. They take effect for annual periods beginning on or after January 1, 2024, with early adoption permitted. The Bank's directors do not expect these amendments to have a material impact on the Bank's financial statements.

IFRS 16: Leases – Lease Liability in a Sale and Leaseback Transaction

The amendments to IFRS 16 introduce requirements for the subsequent measurement of sale and leaseback transactions that qualify as a sale under IFRS 15. They specify that the seller-lessee must determine lease payments or revised lease payments in a way that prevents recognition of a gain or loss related to the right-of-use asset retained after the lease begins.

These amendments do not impact the gain or loss recognized due to the partial or full termination of a lease. Previously, a seller-lessee might have recognized a gain on the retained right-of-use asset solely due to a remeasurement of the lease liability, such as a lease modification or change in lease term, under the general IFRS 16 requirements. This issue was particularly relevant for leasebacks involving variable lease payments that do not depend on an index or rate.

As part of the changes, the IASB updated an Illustrative Example in IFRS 16 and introduced a new example to demonstrate how to measure the right-of-use asset and lease liability in sale and leaseback transactions involving variable lease payments. The examples also clarify that a

liability arising from a qualifying sale and leaseback transaction under IFRS 15 is classified as a lease liability.

The amendments apply to annual periods beginning on or after January 1, 2024, with early adoption permitted. If applied early, an entity must disclose this fact. The Bank's directors do not expect these amendments to have a material impact on the Bank's financial statements.

2.24.1.2 New IFRS Accounting Standards

IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information

The objective of IFRS S1 is to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S1 requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term (collectively referred to as 'sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S1 prescribes how an entity prepares and reports its sustainability-related financial disclosures. It sets out general requirements for the content and presentation of those disclosures so that the information disclosed is useful to users in making decisions relating to providing resources to the entity.

IFRS S1 sets out the requirements for disclosing information about an entity's sustainability-related risks and opportunities. In particular, an entity is required to provide disclosures about:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee sustainability-related risks and opportunities;
- the entity's strategy for managing sustainability-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities; and
- the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation.

IFRS S1 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S2 Climate-related Disclosures is also applied.

IFRS S2: Climate-related Disclosures

The objective of IFRS S2 is to require an entity to disclose information about its climate-related risks and opportunities that is useful to users of general-purpose financial reports in making decisions relating to providing resources to the entity. IFRS S2 requires an entity to disclose information about climate-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short,



medium or long term (collectively referred to as 'climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects').

IFRS S2 applies to:

- a. climate-related risks to which the entity is exposed, which are:
 - i. climate-related physical risks; and
 - ii. climate-related transition risks; and
- b. climate-related opportunities available to the entity.

IFRS S2: Climate-related disclosures-continued

IFRS S2 sets out the requirements for disclosing information about an entity's climate-related risks and opportunities. In particular, IFRS S2 requires an entity to disclose information that enables users of general-purpose financial reports to understand:

- the governance processes, controls and procedures the entity uses to monitor, manage and oversee climate-related risks and opportunities;
- the entity's strategy for managing climate-related risks and opportunities;
- the processes the entity uses to identify, assess, prioritise and monitor climate-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and
- the entity's performance in relation to its climate-related risks and opportunities, including progress towards any climate-related targets it has set, and any targets it is required to meet by law or regulation.

IFRS S2 is effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted as long as IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information is also applied.

2.24.2 New IFRS Accounting Standards in issue but not yet effective IFRS 18: Presentation and Disclosure in Financial Statements

The International Accounting Standards Board (IASB) on April 9, 2024, for the annual reporting period beginning on January 1, 2027. IFRS 18 supersedes IAS 1: Presentation of Financial Statements and introduces significant changes to the structure, presentation, and disclosure requirements of financial statements. The standard aims to enhance the transparency, comparability, and usefulness of financial information for users.

Key Provisions of IFRS 18

IFRS 18 introduces several significant changes to the presentation and disclosure of financial statements. The key provisions include

Statement of Profit or Loss New Subtotals

IFRS 18 introduces defined subtotals, such as Operating Profit, to provide a consistent measure of the Group's core business performance. This ensures that users can easily identify and compare operating results across entities.

Categories of Income and Expenses

Income and expenses are now classified into five distinct categories:

- **Operating:** Activities related to the Group's core business operations.
- **Investing:** Activities related to the acquisition and disposal of long-term assets.
- **Financing:** Activities related to raising and repaying capital.
- **Income Taxes:** Tax expenses and benefits.

Categories of income and expenses-continued

- **Discontinued Operations:** Results of operations that have been or will be discontinued.

Management-Defined Performance Measures (MPMs) Disclosure Requirements

Entities are required to disclose Management-Defined Performance Measures (MPMs) used in public communications, ensuring transparency about measures not defined by IFRS but relevant to users.

Aggregation and Disaggregation Enhanced Guidance

IFRS 18 provides strengthened principles for determining when items should be aggregated or disaggregated in financial statements. This ensures that material information is neither obscured by excessive aggregation nor fragmented by unnecessary disaggregation.

Statement of Cash Flows Classification of Cash Flows

IFRS 18 clarifies the classification of interest and dividend cash flows in the statement of cash flows. This enhances consistency in reporting and ensures that users can better understand the sources and uses of cash.

Implementation Considerations

- **Retrospective Application:** Entities are required to apply IFRS 18 retrospectively, restating comparative information for prior periods.
- **System and Process Updates:** Companies may need to update financial reporting systems and processes to comply with the new presentation and disclosure requirements.
- **Stakeholder Communication:** Proactive communication with investors and other stakeholders is essential to explain the impacts of the new standard on financial statements.

The Directors of the Bank do not anticipate that the application of the Standard in the future will have a material impact on the Bank's financial statements.



3. Interest income	2024	2023
Interest on loans	7,089,132	5,687,351
Interest on overdraft	601,440	566,642
Interest on investment securities (fixed deposits and treasury bills)	3,141,687	2,043,384
	10,832,259	8,297,377
4. Interest expense	2024	2023
Interest on deposit liabilities	444,841	365,240
Interest on fixed deposit	467,917	373,547
Interest on term borrowing	8,415	10,008
	921,173	748,795
5. Commission and fees income	2024	2023
Commission and ledger fees	104,919	94,876
Commitment fee	1,369,165	1,163,088
	1,474,084	1,257,964
6. Other operating income	2024	2023
Bad debts recovered	-	2,600
Other income	509,104	573,129
	509,104	575,729
7. Operating expenses	2024	2023
Staff costs (7.2)	4,717,307	3,143,320
Depreciation and amortisation	401,305	302,335
Audit fees	70,000	60,000
Directors' Remuneration	25,524	11,660
General and admin expenses (7.1)	3,598,926	2,505,675
	8,813,062	6,022,990



7.1. Administrative and other expenses	2024	2023
Advertising and marketing expense	18,945	31,727
Annual general meeting	80,000	55,600
Donations	46,520	36,172
Subscriptions/periodicals	48,880	30,166
Customer promotion	77,620	25,449
Rent and rate	88,190	88,530
Stationery and printing	178,522	187,099
Bank charges	31,153	22,179
Legal	13,600	51,803
Mobilization expense	600	2,537
Entertainment	96,522	76,429
Insurance	151,975	121,612
Travelling expenses	58,630	59,749
Cleaning and sanitation	61,136	9,363
Motor vehicle running expense	306,313	250,459
Generator running cost	29,213	23,806
Repair and maintenance -vehicle	74,651	60,362
Repair and maintenance -building	45,183	17,205
Computerization expense	364,825	314,760
Meeting expenses	244,148	184,180
Office expenses	126,712	91,429
Utilities	242,411	195,625
Audit expense	23,912	8,514
Security	242,050	186,397
Recovery expense	66,062	74,990
Defalcation	30,000	74,617
Postal and telecommunication	51,260	40,023
Shortages in till	1,600	325
Specie movement	15,580	21,650
Sundry expenses	296,346	141,968
Susu expenses	46,577	20,950
Write off (investment)	427,600	-
Professional fees	12,190	-
	3,598,926	2,505,675



7.2. Staff related cost	2024	2023
Salaries and allowance	2,073,546	1,533,745
Staff durbar	40,361	24,000
Housing	11,867	3,803
Staff training and development	185,246	119,920
Staff medical	16,342	20,458
Other staff cost	2,389,945	1,441,394
	4,717,307	3,143,320

8. Impairment of loans	2024	2023
Balance b/f	345,567	735,217
Loans written off	-	(869,650)
	345,567	(134,433)
Increase/(decrease) in provision charged to profit/loss	360,000	480,000
	705,567	345,567

9. Taxation	2024	2023
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9.1 Income tax expenses		
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Current tax expense	884,986	825,763
Charge to income statement for deferred tax	92,228	(2,985)
	977,214	822,778

9.2 Current tax					
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Year of assessment	Balance at 1 January, 2024	Adjustment	Payments	Charge for the year	Balance at 31 December, 2024
2022	80,762	-	(80,762)	-	-
2023	141,163	15,780	(156,943)	-	-
2024	-	-	(782,708)	884,986	102,278
	221,925	15,780	(1,020,413)	884,986	102,278

The above tax position is subject to the agreement of the Domestic Tax Revenue Division of the Ghana Revenue Authority.

**9.3 Growth and sustainability levy**

Year of assessment	Balance at 1 January, 2024	Adjustment	Payments	Charge for the year	Balance at 31 December, 2024
2023	60,964	-	-		60,964
2024	-	-	(140,839)	136,061	(4,778)
	60,964	-	(140,839)	136,061	56,186

Growth and sustainability levy is 5% of profit before tax in accordance with the Growth and Sustainability Act, 2023 (Act 1095)

9.4 Deferred tax	2024	2023
Balance at year start	(74,895)	(71,909)
Charge to income statement	92,228	(2,986)
	17,333	(74,895)

9.5 Reconciliation of tax expense	2024	2023
Profit before taxation	2,721,212	2,879,285
Tax at applicable rate	680,303	719,821
Add (Deduct)		
Tax effect of non-deductible expenses	323,872	211,228
Tax effect of capital allowances	(119,189)	(105,286)
Tax effect of deductible income	-	-
Tax effect of origination and reversal of temporary difference	92,228	(2,986)
Tax Expense	977,214	822,778

Effective tax rate	35.91%	28.58%
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10. Cash and cash equivalents	2024	2023
Cash holdings	2,106,607	1,047,748
Banks	1,106,552	544,373
ARB Apex Bank	2,999,789	1,513,101
	6,212,948	3,105,222



11. Investment securities	2024	2023
91/182 Day treasury bill	18,577,346	9,985,246
1-year T-bill	292,880	292,880
Treasury bill	18,870,226	10,278,126
Fixed deposit	2,000,000	2,000,000
ARB Apex Bank PLC certificate of deposit	200,000	-
	21,070,226	12,278,126
Unearned discount	(594,489)	(389,881)
	20,475,737	11,888,245
12. Equity investment	2024	2023
ARB Apex Bank PLC shares	134,754	97,254
	134,754	97,254
13. Loans and advances	2024	2023
a. Analysis by type of facility		
Overdrafts	1,606,224	1,079,996
Term loans	15,166,739	12,733,066
Gross loans and advances	16,772,963	13,813,062
Interest receivable	102,700	91,831.57
Interest in suspense	(70,746)	(26,288.85)
	16,804,917	13,878,605
Less: provision for credit losses	(705,567)	(345,567)
Net loans and advances	16,099,350	13,533,038



b. Analysis by type of customer	2024	2023
Individuals	5,140,708	5,138,424
Private enterprise	1,290,418	1,379,250
Staff	625,082	452,900
Group/Scheme	9,716,755	6,842,488
	16,772,963	13,813,062
Interest receivable	102,700	91,832
Interest in suspense	(70,746)	(26,289)
Less: provision for Credit losses	(705,567)	(345,567)
Net loans and advances	16,099,350	13,533,038

Key ratio

Percentage of gross non-performing loans with respect to Bank of Ghana Prudential Norm to total gross loans and advances is 1.67% (2023: 0.85%)

Ratio of twenty (20) largest exposures (gross) to total exposure is 24.28% (2023: 20.61%)

14. Prepayment	2024	2023
Rent	304,945	160,075
Insurance	47,893	56,422
	352,838	216,497



15.1. Property, plant and equipment 2024

Cost/valuation	1 January	Additions	Disposal /Write off	Revaluation	31 December
Land and Building	6,056	-	-	-	6,056
Furniture and fittings	82,113	180,788	-	-	262,901
Computer/equipment	704,802	293,636	-	-	998,438
Motor vehicles	528,826	-	-	195,889	724,715
Bungalow furniture & fittings	4,811	11,250	-	-	16,061
Plant and machinery	64,363	-	-	-	64,363
Motor bike/bicycle	133,170	-	-	-	133,170
Capital work in progress	18,015	61,620	-	-	79,635
Total	1,542,156	547,294	-	195,889	2,285,339

Accumulated depreciation	1 January	Charge for the year	Disposal /Write off	Revaluation	31 December
Land and Building	-	-	-	-	-
Furniture and fittings	46,895	38,283	-	-	85,178
Computer/equipment	319,571	216,201	-	-	535,772
Motor vehicles	397,847	94,214	-	-	492,061
Bungalow furniture & fittings	4,076	1,907	-	-	5,983
Plant and machinery	61,639	1,999	-	-	63,638
Motor bike/bicycle	25,189	25,158	-	-	50,347
Capital work in progress	-	-	-	-	-
Total	855,217	377,762	-	-	1,232,979

Carrying value:

Land and Building	6,056
Furniture and fittings	177,723
Computer/equipment	462,666
Motor vehicles	232,654
Bungalow furniture & fittings	10,078
Plant and machinery	725
Motor bike/bicycle	82,823
Capital work in progress	79,635

31 December, 2024 **1,052,360**

15.2. Property, plant and equipment 2023

Cost/valuation	1 January	Additions	Disposal /Write off	Adjustment	31 December
Land and Building	2,556	3,500	-	-	6,056
Furniture and fittings	128,422	5,360	(61,534)	9,865	82,113
Computer/equipment	336,754	437,303	(69,255)	-	704,802
Motor vehicles	360,426	168,400	-	-	528,826
Bungalow furniture & fittings	4,811	-	-	-	4,811
Plant and machinery	64,363	-	-	-	64,363
Motor bike/bicycle	33,530	99,640	-	-	133,170
Capital work in progress	18,015	-	-	-	18,015
Total	948,877	714,203	(130,789)	9,865	1,542,156

Accumulated depreciation	1 January	Charge for the year	Disposal /Write off	31 December
Land and Building	-	-	-	-
Furniture and fittings	81,305	27,124	(61,534)	46,895
Computer/equipment	254,108	134,717	(69,254)	319,571
Motor vehicles	351,754	46,093	-	397,847
Bungalow furniture & fittings	3,338	738	-	4,076
Plant and machinery	59,456	2,183	-	61,639
Motor bike/bicycle	13,170	12,019	-	25,189
Capital work in progress	-	-	-	-
Total	763,131	222,874	(130,788)	855,217

Carrying value:

Land and Building	6,056
Furniture and fittings	35,218
Computer/equipment	385,231
Motor vehicles	130,979
Bungalow furniture & fittings	735
Plant and machinery	2,724
Motor bike/bicycle	107,981
Capital work in progress	-

31 December, 2023 **686,939**



16.1. Intangible asset

Cost/ valuation 2024	1 January	Additions/reclassified	Reclassification/ write off	31 December
Computer software	233,661	48,000	-	281,661
	233,661	48,000	-	281,661

Accumulated amortization	1 January	Charge for the year	Reclassification/ write off	31 December
Computer software	124,613	23,544	-	148,157
	124,613	23,544		148,157

Carrying value
31 December 2024 **133,504**

16.2. Intangible asset

Cost/ valuation 2023	1 January	Additions/reclassified	Reclassification/ write off	31 December
Computer software	193,461	35,200	5,000	233,661
	193,461	35,200	5,000	233,661

Accumulated amortization	1 January	Charge for the year	Reclassification/ write off	31 December
Computer software	45,153	79,460		124,613
	45,153	79,460		124,613

Carrying value
31 December 2023 **109,048**



17. Other assets	2024	2023
Stationery stock	125,939	148,058
Office Account	368,424	18,518
Ezwich	401,432	386,377
Interagency	4,105	5,182
Uncleared effects CCC	258,324	272,230
Uncleared effects ACH	-	265,549
Accrued interest and commission	213,700	206,963
GhanaPay settlement	15,840	
	1,387,764	1,302,877

18. Stated capital	2024		2023	
	Number	Amount	Number	Amount
Authorised no. of shares of no-par value	50,000,000		50,000,000	
Issued and fully paid				
Issued for cash consideration	15,248,945	525,321	15,248,945	525,321
Issued for consideration other cash	710,000	71,000	710,000	71,000
Transfer from reserves capital	-	450,000	-	450,000
	15,958,949	1,046,321	15,958,949	1,046,321

19. Customer Deposits	2024	2023
Current Account	5,717,092	3,841,739
Savings account	14,544,578	10,884,197
Time deposit	3,850,984	2,987,982
Susu deposit	5,282,638	3,838,007
Ezwich holding	2,843,286	1,834,212
Accrued interest	140,285	119,151
	32,378,863	23,505,288

19.1. Ten largest deposit was 15% (2023: 18.29%)



20. Payables and Accruals	2024	2023
Office account	347,052	176,316
Audit fee	69,477	59,477
Others	2,808,928	1,945,0189
Provisions	528,926	132,163
	3,754,383	2,313,145
21. Dividend Payable	2024	2023
Balance as at 1 st January	78,459	53,412
Declared during the year	196,053	95,961
Payment during the year	(145,578)	(70,914)
	128,934	78,459
22. Cash generated from/ (used in) operations	2024	2023
Cash flows from operating activities:		
Profit before tax	2,721,212	2,879,285
Adjustment for non-cash items:		
Depreciation and amortization	401,305	302,335
loan impairment	360,000	480,000
Tax adjustment	15,780	-
Prior year adjustment	(50,729)	8,677
Cash inflow before changes in assets and liabilities	3,447,568	3,670,297
Changes in assets and liabilities		
(Increase) /decrease in investment	(8,624,992)	(2,539,947)
(Increase)/decrease in loans and advances	(2,926,311)	(4,208,512)
(Increase)/decrease in prepayments	(136,341)	1,535
(Increase)/decrease in other assets	(84,888)	39,095
Increase/(decrease) in customer deposit	8,873,575	4,198,041
Increase/ (decrease) in payable and accrual	1,441,239	1,323,001
Cash generated from/ (used in) operations	1,989,850	2,483,510



23. Borrowings	2024	2023
Apex Bank PLC loan	3,000,000	-
	3,000,000	-

24. Capital commitments

There were no outstanding capital commitments at 31 December 2024 (2023: Nil).

25. Contingencies

There were no contingent assets or liabilities provided for at 31 December 2024 (2023: Nil).

26. Legal confirmation

There were legal confirmations to confirm a number of legal proceedings against the Bank at the reporting date.

27. Related party disclosures

The objective of IAS 24 is to ensure that an entity's financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

A related party is a person or entity that is related to the entity that is preparing its financial statements referred to as the reporting entity.

- a) A person or a close member of that person's family is related to a reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity; or
 - is a member of the key management personnel of the reporting entity or of a parent of the reporting entity?
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - Both entities are joint ventures of the same third party.
 - One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - The entity is a post-employment defined benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting



entity is itself such a plan, the sponsoring employers are also related to the reporting entity.

- The entity is controlled or jointly controlled by a person identified in (a).
- A person identified in (a)(I) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

27. Related party disclosures-continued

The following are deemed not to be related for the reporting purposes Avenor Rural Bank Limited

- two entities simply because they have a director or key manager in common.
- two venturers who share joint control over a joint venture.
- providers of finance, trade unions, public utilities, and departments and agencies of a government that does not control, jointly control or significantly influence the reporting entity, simply by virtue of their normal dealings with an entity (even though they may affect the freedom of action of an entity or participate in its decision-making process).
- a single customer, supplier, franchiser, distributor, or general agent with whom an entity transacts a significant volume of business merely by virtue of the resulting economic dependence.

Related party transactions

A related party transaction is a transfer of resources, services, or obligations between related parties, regardless of whether a price is charged.

Disclosure

Relationships between parents and subsidiaries. Regardless of whether there have been transactions between a parent and a subsidiary, an entity must disclose the name of its parent and, if different, the ultimate controlling party.

If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so must also be disclosed.

Management compensation. Disclose key management personnel compensation in total and for each of the following categories: short-term employee benefits, post-employment benefits, other long-term benefits, termination benefits and share-based payment benefits.

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the entity.

If an entity obtains key management personnel services from a management entity, the entity is not required to disclose the compensation paid or payable by the management entity to the management entity's employees or directors. Instead, the entity discloses the amounts incurred by the entity for the provision of key management personnel services that are provided by the separate management entity.

Related party transactions disclosures cover the nature of the related party relationship as well as information about the transactions and outstanding balances necessary for an understanding of the potential effect of the relationship on the financial statements.

These disclosures would be made separately for each category of related parties and would include the amount of the transactions the amount of outstanding balances, including terms and conditions and guarantees provisions for doubtful debts related to the amount of outstanding balances expense recognised during the period in respect of bad or doubtful debts due from related parties.

b. Transactions with Key Management Personnel (KMP) and Directors

The details of transactions between the bank, its key management personnel and directors are as follows:

Remuneration

Details	2024	2023
KMP remuneration	623,586	450,479
Directors' emoluments	25,524	11,660
	649,110	462,139

*KMP comprised of the Chief Executive Officer, Branch Managers, and Departmental Heads.

28. Financial risk management

Financial risk factors

The Bank's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. Taking risk is core to the financial business, and the operational risks are an inevitable consequence of being in business. The Bank is exposed to a variety of financial risks which include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk.

The Bank's overall risk management programme seeks, to achieve an appropriate balance between risk and return and minimize potential adverse effects on the Bank's financial



performance. The Bank's risk management policies are designed to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to date information systems. Management regularly reviews the Bank's risk management policies and systems to reflect changes in markets, products and emerging best practice.

The objective of Management is to ensure that the Bank carries out its operations in manner that ensure that risks are balanced with rewards. Management ensures that the Bank complies with all regulatory guidelines in the pursuit of profitable opportunities while avoiding excessive, unnecessary and uncontrollable risk exposures. Financial risk is an inherent feature in the business activities of the Bank, and therefore Management has put in place various mitigating criteria to prevent their occurrence.

The internal audit function plays a key role in providing an objective view and continuous assessment of the effectiveness of the internal control systems in the Bank. The system of internal controls are implemented and monitored by appropriately trained personnel whose duties and reporting lines are clearly defined.

The Bank's primary defense against risks of losses is its approved policies, procedures and systems of internal controls. In addition, internal control mechanisms ensure that appropriate action is taken when identified risk pass acceptable levels, as approved by the Board of Directors. Internal control, from time to time, reviews and assesses the adequacy of procedures and controls.

The Bank uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below:

29. Market risk

The Bank takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

29.1 Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flows.

The Bank holds fixed interest-bearing securities and debt that expose the Bank to interest rate risk. The Bank manages interest rate risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and liabilities.

The tables below summarize the Bank's exposure to interest rate risks. It includes the Bank's financial instruments at carrying amounts categorized by the earlier of contractual re-pricing or maturity dates.



29.2 Credit risk

The Bank is exposed to credit risk, which is the risk that counterparty will be unable to pay amounts in full when they fall due. The Bank is exposed to counterparty risk on cash and cash equivalents, amounts due from financial institutions and other receivable balances. It is also exposed to other credit risks arising from investments in debt securities.

The maximum exposure to credit risk before any credit enhancements at 31 December 2024 is the carrying amount of the financial assets as set out below:

	Notes	2024	2023
Balance with other banks	11	6,212,948	3,105,222
Investment securities	12	20,475,737	11,888,245
Loans and advances	14	16,099,350	13,533,038
Equity investments	13	134,754	97,254
		42,922,789	28,623,759

29.3 Liquidity risk

Liquidity risk is the risk that the Bank may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Bank manages this risk by ensuring that it has access to a variety of funding sources. Particular attention is paid to marketability of assets, whose availability for sale or as collateral for refinance is evaluated under different market scenarios. Consequently, the Bank monitors any factors that may impact negatively on its capability to remain liquid. It is the policy of the Bank to invest in short-term securities that could be readily disposed. Management monitors its liquidity position on daily basis and the Board reviews it at its board meetings.

30. Capital risk management

The capital of the Bank is represented by the net assets attributable to Equity Shareholders of the Bank. The amount of net asset attributable to Equity Shareholders can change significantly depending on the quality of its asset's portfolio. The Bank's objective for managing capital is to:

- Comply with the capital requirements set out by the Bank of Ghana;
- Safeguard the Bank's ability to continue as a going concern in order to provide returns for Shareholders;
- Maintain a strong capital base to support the development of its business.



The Board of Directors and Management monitor capital on the basis of the value of net assets attributable to Equity Shareholders of the Bank.

31. Fair value estimation Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observation market data when available. The Bank considers relevant and observable market prices in its valuation when possible. The fair value of the Bank's financial assets and liabilities approximate the respective carrying amounts, due to the generally short years to maturity dates.

a) Fair value hierarchy

This hierarchy requires the use of observable market data when available. The Bank considers relevant observable market prices in its valuation where possible. There has been no movement of financial instruments between different levels in the current year.

Financial instruments measured at fair value at 31 December were classified as follows:

a) Fair value hierarchy-continued

	Level 1	Level 2	Level 3	Total
2024				
Financial assets				
Equity investment	-	-	134,754	134,754
2023				
Financial assets				
Equity investment	-	-	97,254	97,254



32. Stated capital and reserves

32.1 Stated capital

The stated capital of a Bank shall consist of the sum of the following items:

- (a) the total proceeds of every issue of shares for cash, including any amounts paid on calls made on shares issued with an unpaid liability, without any deductions for expenses or commissions;
- (b) the total value of the consideration, as stated in the agreement, received for every issue of shares otherwise than for cash;
- (c) the total amount which the Bank by special resolution shall have resolved to transfer to stated capital from surplus, as defined in section 69 of the Companies Act, 2019 (Act 992) including the credit balance on the share deals account referred to in section 63 of the above Act.

32.2 Deposit for shares

Deposit for shares represents shares issued but yet to be registered.

32.3 Reserves

The reserves of the Bank in accordance with section 70 of the Companies Act, 2019 (Act 992) is the amount of money by which the assets of the Bank, other than unpaid calls and other sums of money payable in respect of the shares of the Bank and not including treasury shares, less the liabilities of the Bank, as shown in the accounts of the Bank prepared and audited in accordance with sections 127 to 142, exceed the stated capital of the Bank.

32.4 Statutory reserve fund

The Statutory Reserve Fund is required under Section 34 of the Banks and Specialized Act, 2016 (Act 930) and is elaborated as follows:

34. (1) A bank or specialized deposit taking Institution shall establish and maintain a Reserve Fund into which shall be transferred to net profit each year.

Transfer to statutory reserve

- Where the amount of Reserve Fund is less than fifty per cent of the paid-up capital of the bank or specialized deposit-taking institution, an amount which is not less than fifty per cent of the net profit for the year;
- Where the amount of Reserve Fund is fifty per cent or more but less than one hundred per cent of the paid-up capital of the bank or specialized deposit-taking institution, an amount which is not less than twenty-five per cent of the net profit for the year;
- Where the amount of the Reserve Fund is equal to hundred per cent or more of the paid-up capital of the bank or specialized deposit-taking institution, an amount equal to twelve and half per cent of the net profit for the year.



The transfer required under subsection (1) shall be made:

- before the declaration of interim or final dividends, and
- after making provision for tax

32.5 Retained earnings

The retained earnings of a Bank is the reserves as defined above less amounts of money attributable to

- an unrealized appreciation in the value of an asset of the Bank, other than such an appreciation in the value of an asset as would, under normal accounting principles, be credited to profit and loss account, unless the amount of such appreciation has been transferred to stated capital; and
- a balance standing to the credit of the share deals account immediately before the ascertainment of the retained earnings.

32.6 Development fund

The represent appropriation from profit after tax for the Bank's building project. The Bank made appropriation of 12.5% of profit after tax (2023: 25%).

32.7 Revaluation reserve

This represents revaluation of the Bank's property plant and equipment.

32.8 Dividend

The Directors recommend a dividend of GHS 0.0101 per share totaling GHS 160,794, subject to the approval of Bank of Ghana and shareholders.

32.9 Capital adequacy

Regulatory capital	2024	2023
Tier 1 capital	6,411,278	4,834,234
Tier 2 capital	195,889	-
Total regulatory capital	6,607,167	4,834,234
Adjusted capital base (a)	6,338,908	4,627,932
Adjusted asset base (b)	26,512,124	22,698,603
Capital adequacy ratio (a/b)	23.91%	20.39%
Capital surplus (adjusted capital base less 10% of adjusted asset base	3,703,476	2,358,071
	2024	2023
Capital adequacy by BOG	10%	10%
Capital adequacy of the Bank	23.91%	20.39%

33. Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information.

Where IAS 8 applies, comparative figures have been adjusted to conform to changes in presentation in the current year.

34. Contingencies

At the end of the reporting year, there were no contingencies per the responses to our legal confirmation.

35. Prior year adjustments

This relates to correction of fixed deposit wrongly classified as income in the prior year.

36. Events after the end of the reporting year

Events after the end of the reporting year are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

37. Value added statement	2024	2023
Interest and banking income	12,815,447	10,131,070
Direct cost	(921,173)	(748,795)
Value added by banking services	11,894,274	9,382,275
Impairment	(360,000)	(480,000)
Value added	11,534,274	8,902,275
Distributed as follows		
To employees:		
Directors	(25,524)	(11,660.00)
Other employees	(4,717,307)	(3,143,320)
To Government:		
Income tax	(1,113,275)	(918,754)
Bank's expansion and growth:		
Depreciation and amortisation	(401,305)	(302,335)
Other operating cost	(3,668,926)	(2,565,675)
To retained earnings	1,607,937	1,960,531



AVENOR RURAL BANK PLC.
PROXY AUTHORIZATION

I/We _____
being a member(s) of AVENOR RURAL BANK PLC. hereby appoint _____
of _____ or failing him/her _____ my/our proxy to vote
on my /our behalf at the Annual General Meeting of the Bank to be held at **Akatsi College of
Education, Akatsi on Saturday, 16th August, 2025 at 10.00am** and any adjournment thereof.

Dated this _____ day of _____ 2025

Shareholder's Signature

Tear along dotted line

AVENOR RURAL BANK PLC.
ADMISSION FORM

ANNUAL GENERAL MEETING to be held at the Akatsi College of Education on
Saturday, 16th August, 2025 at 10:00am.

Full name and address of Shareholder(s) Proxy

Number of Shares held: _____

IMPORTANT:

This Admission form must be produced by the Shareholder or his/her Proxy in order to obtain
entrance to the Annual General Meeting. AVENOR RURAL BANK PLC.



PRODUCTS & SERVICES



DEPOSIT PRODUCTS

- Current account
- Savings account
- Trust / Kid account
- Susu savings account



INVESTMENTS

- Time / fixed deposit
- BOG Treasury Bills



LOAN AND ADVANCES

- Salary Loans
- Pension Loans
- Personal Loans
- Business Loans
- Institutional Loans
- Short-term Loans / Overdraft For Salary Workers
- Short-term Loans / Overdraft For Businesses
- Susu Loans
- Instant Microfinance Loans



REMITTANCE SERVICES

- Western union
- Apex Link
- Gh-link
- E-zwich
- Agency banking
- Internet banking
- Cheque clearing
- Mobile Banking services



OTHERS

- Business Advisory Services
- Short Message Service

Branches

- Head office: +233(0) 59 691 6796
+233(0) 59 691 6786
- Dodze: +233(0) 59 691 6784
- Agbozume: +233(0) 59 691 6782
- Denu: +233(0) 59 691 6780
- Hc: +233(0) 59 691 6778
- Sogakope: +233(0) 59 691 6777
- Akatsi new market: +233(0) 59 691 6791



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SMEs BUSINESS SUPPORT



MICRO BUSINESS SUPPORT (MICROFINANCE)



RESOLUTIONS FOR THE 42ND ANNUAL GENERAL MEETING OF AVENOR RURAL BANK PLC.

1. Accounts and Reports

To receive and adopt the Financial Statements of the Company for the year ended 31st December, 2024 together with the reports of the Directors and Auditors thereon.

2. Remuneration of Auditors.

The Board of Directors in accordance with Section 140 of the Companies Act, 2019(Act 992) are recommending your approval to allow the Directors to fix the remuneration of the Auditors.

3. Re - Election of Directors

Mr. Thomas Clarkson Adade and Mr Martin Godson Duho are due for retirement but eligible for re-election. They have expressed their willingness to continue to serve as Directors of the Bank. The Board of Directors in accordance with Section 172 and 325 of the Companies Act 2019, (Act 992) are recommending for your approval, the re-election of Mr. Thomas Clarkson Adade and Mr Martin Godson Duho.

4. Payment of Dividend

After submitting the Bank's 2024 audited financial statements to the Bank of Ghana, the Directors have recommended a dividend of GHC0.0101 per share totalling GHC160,794 for approval.

The Bank of Ghana, in line with Section 35 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) approved the payment of dividend for this year.

In view of the approval from the Bank of Ghana, the Directors are recommending for your consideration and approval to pay the proposed dividend of GHC0.0101 per share totalling GHC160,794 to the shareholders.



STAFF TRAINING SESSION

PRODUCTS & SERVICES



DEPOSIT PRODUCTS

- Current account
- Savings account
- Trust / Kidi account
- Susu savings account



INVESTMENTS

- Time / fixed deposit
- BOG Treasury Bills



LOAN AND ADVANCES

- Salary Loans
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