



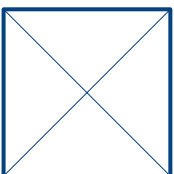
Finance Report

Yale Endowment
Annualized Return
Net of Fees, Taxes

20%

15%

**ANNUAL
REPORTS &
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER
2024**



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 34th Annual General Meeting of the Naara Rural Bank PLC will be held on Thursday 6th November 2025, at 10.00am prompt at the GNAT Hall in Bolgatanga.

AGENDA

Ordinary Business

By Ordinary Resolution

- 1) Opening
- 2) To read the Notice convening the meeting
- 3) To receive and consider the reports of the Chairman of the Board Directors for the year ended 31st December 2024.
- 4) To receive and consider the Director's report and approve the Financial Statements for the year ended 31st December, 2024.
- 5) To receive and consider the report of the Auditors for the year ended 31st December 2024.
- 6) To approve Directors Allowances and Fees
- 7) To authorize Directors to fix the fees of the Auditors
- 8) To elect Directors for Chiana and Bolgatanga Zones

Note:

Shareholders are to note that elections this year will be confined to Chiana and Bolgatanga zones. The retiring Directors at the said zones has express interest of seeking reelection.

Interested Shareholders who wish to contest for the elections should be guided by the following qualification criteria:

1. Applicant must be a shareholder with a minimum share value of not less than **GHS40,000** acquired on or before **31st December, 2024**.
2. Applicant must possess a minimum qualification of first-degree certificate with appropriate experience, competencies and personal qualities, including professionalism and integrity. The competencies of Directors shall be diverse and shall cover a blend of the following fields: Banking, Audit, Law, Finance, Accounting, Economics, Information and Communication Technology, Entrepreneurship, Risk Management, Strategic Planning, Corporate Governance and other areas that the Bank of Ghana deems fit (Bank of Ghana 2021 Corporate Governance Directive for RCBs).
3. Voting for the Directors shall be strictly for Shareholders with a minimum shareholding value of GHS100 on or before 31st December 2024. All Shareholders with a minimum share value of less than GHS100 are hereby directed to increase their share value to the minimum to enable them participate in the AGM.
4. **PROXY VOTING.** Any shareholder who wishes to vote by proxy must notify the bank on or before 4th November 2025 by 2:00 PM
5. Shareholders who wish to contest the elections should contact the Board Secretary or Chief Executive Officer (CEO) of the bank for nomination forms. The forms should be endorsed by a Nominator and a Seconder from the same Zone with the minimum required shares for the period ended 31st December, 2024. Completed nomination forms should be returned to the Board Secretary or the CEO not later than 31st October, 2025.
6. Shareholders are kindly requested to come along with their Ghana Cards and/Share Certificates as means of identification at the Meeting.

**Dated in Paga this 29th Day of September, 2025.
BY ORDER OF THE BOARD OF DIRECTORS.**

**SIGNED
ADABAYERI EDNA IVYESQ
BOARD SECRETARY**

CORPORATE INFORMATION

Board of Directors	Rev. Fr. Joseph Aseyire Tabase Dr. David Azupogo Hon. David Akolgo Amoah Mr. Felix Azhiweh Atadana Dr. Wilfred Agumo Akapanga Mr. Ignatius Abenyeri Mrs. Rofina Nabanu Asuru	Chairman Vice Chairman Member Member Member Member Member
Board Secretary	Mr. Ignatius Abenyeri	Board Secretary
Management	Abraham Musah Achurube Jonas Moses Wezenamo Kudoepari Akugre Nelson Akolbila Adongo Solomon Alemiya Martin Bawia Fogepwah Isaac Abatawogo Aniba Eunice Baweke Anukuri	Chief Executive Officer Operations Manager Finance Manager Internal Audit Manager Credit Manager Risk & Compliance Manager IT & Marketing Manager HR & Admin. Manager
Registered Office	Naara Rural Bank PLC. P. O. Box 14, Paga Upper East Region	
Auditors	Ruyan Consult (Chartered Accountants) PO Box LA 730 Accra - Ghana Email: ruyanconsult55@gmail.com	
Legal Advisor	Al-Furqan Law Consult 2nd Floor GCB Bank Building UB - 0003-3654 Bolga Upper East Region 0244573799/0207509003	
Bankers	ARB Apex Bank Limited Accra	

BOARD OF DIRECTORS



NAARA
RURAL BANK PLC



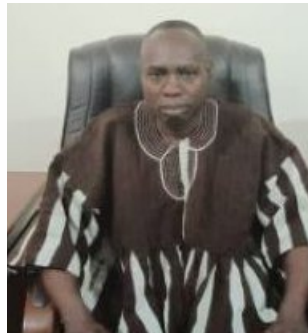
Rev. Fr. Joseph Tabase
Board Chairman



Dr. David Azupogo
Vice Chairman



Mr. Ignatius Abenyeri
Member/Board Secretary



Hon. David Amoah
Member



Dr. Wilfred Akapanga
Member



Mr. Felix Atadana
Member



Ms. Rofina Asuru
Member

CHAIRMAN'S REPORT

Rev. Fr. Joseph
Aseyire Tabase



1. Introduction

Distinguished Shareholders, Hon. Municipal/District Chief Executives, Guests from the ARB Apex Bank PLC and Association of Rural and Community Banks, Security Officers, Fellow Directors, Friends from the Media, Management and Staff of our cherished Bank, Ladies and Gentlemen, good morning.

We are highly enthused to welcome you to the 34th Annual General Meeting (AGM) of the Naara Rural Bank PLC. I am honoured to present to you the Annual Report for the period ended 31st December, 2024 on behalf of the Board of Directors of our Bank in accordance with the requirements of the Companies Act, 2019 (Act 992) and other enactments regulating banking business in Ghana.

Before I proceed, permit me to ask for a minute of silence to be observed for some of our dear stakeholders who have been “called to glory” since the last AGM notably, the Late Mumuni Atipaga one of the founding members of the Bank and His Excellency, David Adendze Kangah, a former Director who really exhibited his expertise when the bank was in crisis. May their souls and the souls of all our departed brethren rest in perfect peace.

2. Macroeconomic Environment

Ghana's 2024 macroeconomic environment was characterized by robust real GDP growth exceeding projections, driven by strong non-oil and industry sector performance, particularly in mining and construction sectors.

Despite this achievement, the year 2024 presented significant macroeconomic challenges that affected the global and the local economy. Some of these challenges included inflationary pressures, currency depreciation, and fluctuation in interest rates.

The inflationary pressures persisted throughout the year with consumer price inflation recording 23.8%

ending December 2024 exceeding the Bank of Ghana's target. This was 0.4% reduction from December, 2023 inflation of 24.2%.

The Cedi also depreciated by 18.6%, 17.9% and 16% against the US dollar, the Pound Sterling, and the Euro, respectively in 2024 mid-year while the Bank of Ghana closed the year with a policy rate of 27%. This rate was mainly focused in addressing the high inflation and surge in food prices during the period. The occurrence of these factors had varied implications for the operations of the Naara Rural Bank PLC in 2024.

The banking industry and for that matter, the Rural and Community Banks (RCBs), continued to show resilience-playing a crucial role in supporting livelihoods, promoting financial inclusion, and stimulating growth in the local economy.

3. The Banking Industry

The Ghanaian banking industry in 2024 exhibited robust growth and resilience, marked by significant increases in total assets and sustained profitability, despite elevated credit risks.

Total assets in the sector expanded by 33.8%, from GH¢274.9 billion in December 2023 reaching GH¢367.8 billion by the end of December 2024. This growth was largely driven by robust deposit mobilization and other funding sources. Profit After Tax in the sector grew by 26.2% from GH¢8.3 billion recorded in 2023 to GH¢10.4 billion in 2024. Non-Performing Loans (NPLs) soared from 20.6% in 2023 to 21.8% in December 2024,

signifying the rising defaults rate, mostly among large borrowers. During the year, Capital Adequacy Ratio (CAR) also recorded a marginal increase from 13.9% in December 2023 to 14% indicating a stronger capital position. The rising levels of NPLs underscores the need for enhanced credit risk management to sustain the stability of the financial sector.

4. The Rural and Community Banking (RCBs) Sector

RCBs in 2024 played a critical role in strengthening the Ghanaian economy, particularly in advancing financial inclusion and providing credit to the Small and Medium-sized Enterprises (SMEs) sub-sector. Despite the macroeconomic challenges, the RCBs proved resilience and innovation, significantly impacting local economies and the underserved communities. With a wide coverage of 850 network branches across the country, RCBs have the most extensive banking network, reaching remote and underserved communities. The RCBs serves over 5 million active customers nationwide, providing customers with tailored made financial products such as susu savings and loans, and other microfinance products that are pivotal for low-income individuals and micro-businesses in the country. The sector continues to provide credit facilities to support the SMEs sector, which constitute about 92% of the Ghanaian businesses and contribute about 70% to the GDP of the country. The continuous provision of accessible financing options by the RCBs, empowers the SMEs to expand their operations, increases employment, and drive economic growth.

5. Operating Results

Distinguished shareholders, despite the challenging macroeconomic environment during the year, I am please to inform you that our Bank made significant strides during the period under review.

The table below provides a summary of some key performance indicators.

Financial Indicator	2024 GHC	2023 GHC	Variance GHC	% Change
Deposits	128,344,012	78,664,339	49,679,673	63.15
Loans/Advances	64,658,772	39,159,277	25,499,495	65.12
Investments	39,956,307	19,646,307	20,310,000	103.38
Profitability	4,071,154	1,641,429	2,456,060	152.07
Stated Capital	3,280,913	2,700,634	580,279	21.49
Total Assets	130,333,929	73,710,139	56,623,790	76.82

a. Deposits

Dear shareholders, permit me to say thank you to our cherished customers for choosing to do business with us. The continuous faith and confidence in the Bank by our customers in given us their funds enabled us increased our deposits from GHC78,664,339 in 2023 to GHC128,344,012 in 2024 representing an increase of 63.15%.

The Board remains committed in working with Management to offer customers excellent products and services to sustain these gains which have been very consistent over the years.

b. Loans and Advances

Distinguished shareholders, our Bank is not shifting from its core mandate in financial intermediation. We have demonstrated this consistently over the years. By ensuring that deposits mobilized from the surplus units are lend to persons in the deficit units, the Bank increased its Loans and Advances during the period by 65.12% from GHC39,159,277 in 2023 to GHC64,658,772 in 2024.

c. Investments

Investment also recorded a significant increase over the period. It was increased from GHC19,646,307 in 2023 to GHC39,956,307 in 2024 representing a 103.38% increase. The Board and Management will continue to prudently manage this to maximize shareholders wealth.

d. Profitability

Dear Shareholders, I am happy to inform to you that our Bank continues to operate profitably. The Bank recorded a profit before tax of GHC4,071,154 as compared to GHC1,641,429 posted in 2023, an increase of 152.07% during the period. We will continue to expand our efforts to grow our income streams, manage our operating expenses, as well as strengthen risk management and internal control as we grow our revenue and also manage risk in the face of the fierce competition.

e. Stated Capital

The Stated Capital of our Bank stood at GHC3,280,913 in 2024, significantly above the regulatory requirement of one million (GHC1,000,000). This represents a 21.49% increase on the 2023 figure of GHC2,700,634.

f. Total Assets

Our Bank closed the year 2024 with a total asset of GHC130,333,929 in 2024 as compared to GHC73,710,139 recorded in 2023, an increase of 76.82%. Loans and Advances form the largest component of the Bank's assets.

6. Human Resource

The development of our workforce remains a critical part of our strategic plan. Human capital is the greatest asset and will continue to be the primary pillar around which the Bank will leverage to sustain the growth and expansion of its business. The Board will continue to invest in these strategic assets, by building their capacity to deliver quality services to our customers.

7. Capitalization

Our capitalization strategy remains a priority. Even though the Bank has exceeded the regulatory minimum capital requirements, we still need to raise more capital to enable us undertake bigger projects. This will go a long way to demonstrate our commitment to maintaining a strong capital position to support future growth.

8. Dividend

Distinguished shareholders, even though the Bank achieved significant profitability in 2024, regulatory directives prevent us from payments of dividend until the write-off the Bank undertook in 2021 by the directive of the Bank of Ghana is fully rectified. While this decision delays shareholder rewards, it ensures the sustainability of our business. Therefore, the Board will reinvest the profits to strengthen the Bank's reserves and assure you of our commitment to liaise with the regulator to ensure dividend payment in the coming years.

9. Corporate Social Responsibility

As we celebrate the bank's achievements it is also important to reflect on the Bank's contribution to the society and areas within which it has been able to achieve this outstanding performance. For the year 2024, a total of GH¢92,500 was spent on corporate social responsibilities. This covers the areas of education, health, agriculture and other social activities. The Bank is committed to supporting our people and given back to society.

10. Corporate Tax

The corporate tax rate of 25% and growth and sustainability levy of 5% remains high for many of the RCBs. I wish to repeat my appeal to the government and all agencies involved in the introduction of these taxes to revisit the issue of corporate tax. We continue to call on government to reduce the corporate tax at most 15% for RCBs since majority of them are operating in the rural communities in the country.

11. Election of Directors

Distinguished Shareholders, it is important to inform you that there would be elections of Directors for Bolgatanga and the Chiana zones. This election will be conducted in line with section 325(1) of the companies Act 2019, Act 992 and the Bank of Ghana 2021, Corporate Governance Directive for RCBs.

12. Corporate Governance

In order to continue to uphold the highest standards of corporate governance practices, the Board in 2024 developed and approved Code of Ethics and Business Conduct to guide the Board, Management and staff members in their activities. During the year, we further reviewed the Board Charter to align with regulatory standards and best practices. Key initiatives included strengthening the Bank's credit, risk and compliance policies to manage the various risk associated with our operations.

13. Future Outlook

Looking ahead, we remain cautiously optimistic about the economic outlook. While considering the macroeconomic uncertainties, we are confident that our strategic investments, couple with strong internal control policies, and our resilient business strategy will position us to continue to create value for our shareholders, customers, employees and all stakeholders.

We will continue to focus on enhancing customer experience, expand our digital services, and pursue growth opportunities with all partners. We are committed to delivering sustainable returns which is the surest way in remaining relevant in the industry.

We intend to focus more on the following areas going forward:

- a. Building the capacity of our workforce in delivering quality services
- b. Improve asset quality
- c. Improve Branch visibility
- d. Introduce new products
- e. Improve and expand our digital channels
- f. Improve risk management and compliance

With the already laid foundation, a clear vision, and a devoted team, we are confident in our ability to deliver sustained value and drive long-term growth. We are well position to face and overcome obstacles on our way to delivering sustainable growth and creating value for the benefit of all our stakeholders after Forty-Five years of existence.

14. Conclusion

Dear Shareholders, as we brought to a close our books on this transformative year, we wish to inform you that on 18th December, 2025, the Bank will be Forty-Five (45) years old. This is really a great a success for us. We would like to express our sincere gratitude for your unwavering support. We also extend our heartfelt thanks to our cherished customers, partners, past and present directors, management and staff, and all stakeholders for their invaluable contributions to the Naara success over the years. Together, we have laid the building blocks for the sword that was cut for a brighter future for our bank.

Let us remain committed as we drive our beloved Naara towards sustained growth, innovation, and value creation for the benefit of all now and the future.

Thank you for your attention and May the Good Lord bless us all.

By Rev. Fr. Joseph Aseyire Tabase
BOARD CHAIRMAN



KEY MANAGEMENT



Abraham Musah
(Chief Executive Officer)



Moses Wezenamo
(Finance Manager)



Martin Fogepwah
(Risk and Compliance Manager)



Eunice Anukuri
(Human Resources Manager)



Nelson Akugre
(Internal Audit Manager)



Jonas Achurube
(Operations Manager)



Isaac Aniba
(ICT Manager & Ag. Marketing and Relations Manager)



Solomon Adongo
(Credit Manager)



BRANCH MANAGERS



Philomena Ateele
(Branch Manager-Bolgatanga)



Gazali Faridu
(Branch Manager-Chiana)



Emmanuel Alabilla
(Branch Manager-Pelungu)



Lawrencia Nsoh
(Branch Manager-Sirigu)



Francis Nartey
(Branch Manager-Tongo)



Robert Ayelikilum
(Branch Manager-Navrongo)



Jennifer Adongo
(Branch Manager-Paga)

REPORT OF THE DIRECTORS TO THE MEMBERS OF NAARA RURAL BANK PLC FOR THE YEAR ENDED 31ST DECEMBER 2024 CONTINUED

The Directors in submitting to the shareholders their report and financial statements of the bank for the for the year ended 31st December, 2024 report as follows:

DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019, Act 992, and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930), and for such internal controls as the Directors determine are necessary to enable the preparation of Financial Statements that are free from material misstatements, whether due to fraud or error. The Directors have made an assessment of the ability of the Bank to continue as a going concern and have no reason to believe that the Bank will not be a going concern in the year ahead.

NATURE OF BUSINESS

The Bank is authorized to carry on the business of rural/community banking. There was no change in the nature of the Bank's business during the year.

FINANCIAL RESULTS

The Bank's operating results for the year are set out in the attached financial statements, highlights of which are as follows:

	2024 GH¢	2023 GH¢
The Bank recorded a Net Profit/(Loss) before taxation of	4,071,153	1,641,429
From which is deducted Growth & Sustainability of	(203,558)	(61,554)
From which is deducted income tax expense of	(890,997)	(396,153)
<hr/>		
Giving a Net Profit/(Loss) after tax of	2,976,597	1,183,722
There was a transfer to Statutory Reserves of	(744,149)	(295,931)
<hr/>		
Leaving a Profit/(Loss) for the year after tax and transfer to Statutory Reserve of	2,232,448	887,791
When added to the opening balance on the Income Surplus account of 1 January	(10,728,958)	(12,132,289)
And Adjusting it with a realignment figures	(195,878)	515,538
From which is deducted: Dividend declared of Bonus Shares of	-	-
<hr/>		
Leaving a closing balance on the Retained Earnings account of	(8,692,388)	(10,728,958)

STATED CAPITAL

The Bank's Stated Capital relating to Ordinary Shares issued increased from GH¢2,700,634 as at the end of the previous year to GH¢ 3,280,913, recording an increase of GH¢580,279.00 as at close of the year. The number of issued shares also increased from 33,963,758 to 45,093,541 as at 31/12/2024.

DIVIDEND

The Directors do not recommend the payment of any dividend for the year 2024

CORPORATE GOVERNANCE

The Board of Directors is committed to ensuring good corporate governance as a means of determining the direction and performance of the Bank. To this end, the Bank aims to comply with best practices in corporate governance.

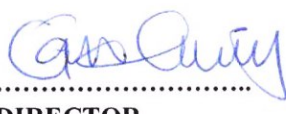
DIRECTORS REPRESENTATION

The Directors confirm that no matters have arisen since 31st December, 2024 which materially affect the financial statements as presented.

APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements were approved by the Board of Directors on 28th Feb. 2025 and were signed on their behalf by the following:


.....
BOARD CHAIRMAN


.....
DIRECTOR

SUMMARY OF CORPORATE GOVERNANCE AND ADMINISTRATION REPORT

- a. Documentation and filing have been satisfactorily done, in respect of 2024.
- b. The current Board recorded 96.7% attendance to meetings.
- c. A total of five (5) board meetings were held during the year under review.
- d. All board members participated very well in all Board Meeting discussions.
- e. Board Committees were satisfactorily active, and recording 100% attendance. In all, there were four committees namely;
 - Audit, Risk and Compliance
 - IT and Procurement
 - Microfinance and Credit/Marketing
 - Finance, Administration and Human Resource
- f. Board members completed their self-assessment forms.
- g. Independent Board assessment was not carried out for period under review.
- h. Board members attended training sessions to update themselves on good corporate governance practices.
- i. There were a total of eleven (11) management meetings recorded during the year under review with an average attendance rate of 93%. Management members who failed to attend some of the meeting were either on leave or performing other official duties elsewhere.
- j. One of the branch managers has been acting for over two (2) years. There is the need to take action to confirm him. The affected branch manager is the one in charge of the Chiana branch.

AUDITED ACCOUNT



RUYAN CONSULT

(Chartered Accountants & Management Consultants)

P. O. Box LA 730, Accra, P. O. Box TL 1761, Tamale, Ghana. Tel: +233 (0)20 061 2725, +233 (0)20 820 2325

Location: H/No. 33, Kokomlemlle, on Nsawam-Circle Road (Adjacent Church of Christ) Accra-Ghana

Email: ruyanconsult55@gmail.com, Website: www.ruyanconsult.com

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF NAARA RURAL BANK PLC FOR THE YEAR ENDED 31ST DECEMBER 2024

Report of the Independent Auditors to the Shareholders

We have audited the accompanying financial statements of the NAARA RURAL BANK PLC. These statements comprise the Statement of Financial Position as at 31st December, 2024, the Statement of Comprehensive Income and the Statement of Changes in Equity and Cash Flow Statements for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibilities

The directors are responsible for the preparation and fair presentation of these statements in accordance with International Financial Reporting Standards (IFRS) and with the requirements of the Ghana Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). This responsibility includes: designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibilities

Our responsibilities are to express an independent opinion on those financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosure in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risk of material misstatements of the financial statements.

Misstatement can arise from fraud or error, and either:

- i) Describe that they 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; or
- ii) Provide a definition or description of materiality in accordance with the applicable financial reporting framework.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedure that are appropriate in the circumstance but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on auditing (ISAS). Our responsibility under those standards are further described in the Auditor's Responsibility for the Audit of the Financial Statement section of our report. We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standard Board for Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31st December, 2024 and of the financial performance and cash flows of the bank for the year then ended in accordance with the International Financial Reporting Standards (IFRS) and generally complied with the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-taking Institutions Act, 2016 (Act 930)

Report on Other Legal Requirements

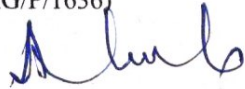
The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

- i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- ii) in our opinion proper books of account have been kept by the bank, so far as appears from our examination of those books; and
- iii) that the bank's Statement of Financial Position and Statement of Comprehensive Income are in agreement with the books of account.

The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), section 85 requires that we state certain matters in our report. We hereby state that:

- i) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;
- ii) That the bank's transactions are within its powers; and
- iii) That the bank has complied with the provisions of the Banks and Special Deposit-taking Institutions Act, 2016 (Act 930).

The Engagement Partner on the audit, resulting in this Independent Auditor's Report is Dr. Alhaji Chief Yahaya Abdul-Rahman (ICAG/P/1636)



.....
For and on behalf of Ruyan Consult(ICAG/F/092)
(Chartered Accountants)
Accra



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2024

	(NOTES)	2024 GH¢	2023 GH¢
Interest Income	(5)	18,757,935	12,399,777
Interest Expense	(5)	5,506,926	3,417,771
Net Interest Income		13,251,009	8,982,007
Fees & Commission Income	(6)	1,532,223	1,565,371
Fees & Commission Expense	(6)	346,766	251,014
Net Fees & Commission Income		1,185,456	1,314,356
Other Operating Income	(7)	1,102,420	26,335
Total Operating Income		15,538,885	10,322,698
Net Impairment Loss on Financial Assets	(14)	-	-
Personnel Expenses	(8)	5,840,866	4,005,005
Depreciation and Amortisation	(9)	471,393	413,910
Other Expenses	(10)	5,155,473	4,262,354
Total Expenses		11,467,732	8,681,269
Profit Before Growth & Sustainability Levy		4,071,153	1,641,429
Growth & Sustainability Levy-5%		(203,558)	(61,554)
Profit Before Tax		3,867,595	1,579,875
Income Tax Expense	(11)	(890,997)	(396,153)
Profit/Loss After Tax		2,976,597	1,183,722

The attached notes are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2024

ASSETS	(NOTES)	2024 GH¢	2023 GH¢
Cash and Cash Equivalents	(12)	16,174,782	9,107,463
Investment in Securities	(13)	39,956,307	19,646,307
Total Liquid Assets		56,131,089	28,753,770
Loans and Advances to Customers	(14)	64,658,772	39,159,277
Other Assets	(15)	6,032,216	3,653,411
Other Investments	(16)	206,380	148,648
Total Current Assets		127,028,456	71,715,106
Property, Plant & Equipment	(24)	5,225,991	1,995,033
TOTAL ASSETS		132,254,448	73,710,139
LIABILITIES			
Deposits from Customers	(17)	128,344,012	78,664,339
Current Tax & Levies Liabilities	(11)	322,235	124,153
Other Liabilities	(19)	3,055,955	1,327,240
Institutional Borrowings	(18)	-	562,400
Total Liabilities		131,722,202	80,678,132
EQUITY AND RESERVES			
Stated Capital	(20)	3,280,913	2,700,634
Income Surplus		(8,692,388)	(10,728,958)
Statutory Reserve	(22)	2,498,833	1,558,806
Capital Surplus	(21)	1,597,864	63,814
Credit Risk Reserve	(23)	1,847,024	(562,285)
Total Equity and Reserves		532,246	(6,967,989)
TOTAL LIABILITIES AND EQUITY		132,254,448	73,710,139

The attached notes are an integral part of these financial statements.

The financial statements were approved by the Board of Directors on 28th Feb, 2025 and signed on its behalf by:


.....
BOARD CHAIRMAN


.....
DIRECTOR

STATEMENT OF CHANGES IN EQUITY

2024	Stated Capital GH¢	Income Surplus GH¢	Statutory Reserve GH¢	Capital Surplus GH¢	Dev't Fund GH¢	Welfare Fund GH¢
Bal. as at Jan. 1, 2024	2,700,634	(10,728,958)	1,558,806	63,814	-	-
Alignment/Adjustment		(195,878)	195,878	(63,814)	-	-
Profit/loss after tax for the yr		2,976,597	-			
Total Equity	2,700,634	(7,948,239)	1,754,684	-	-	-
Transactions with Equity Holders						
Shares issued	580,279	-				
Bonus Shares						
Dividend Paid/Tax						
Total TWEH	580,279	-	-	-	-	-
Regulatory & Other Transfers						
Trf to Statutory Reserve	-	(744,149)	744,149	-		
Trf to Revaluations	-	-	-	1,597,862		
Reduction in Impairment	-	-	-			-
Total ROTs	-	(744,149)	744,149	1,597,862	-	-
Bal. as at Dec. 31, 24	3,280,913	(8,692,388)	2,498,833	1,597,864	-	-
2023						
	Stated Capital GH¢	Income Surplus GH¢	Statutory Reserve GH¢	Capital Surplus GH¢	Dev't Fund GH¢	Welfare Fund GH¢
Bal. as at Jan. 1, 2023	2,153,907	(12,132,289)	1,262,875	63,814	143,098	34,197
Alignment		(46,747)	-		-	-
Profit/loss after tax for the yr.		1,183,723	-	-	-	-
Total Equity	2,153,907	(10,995,313)	1,262,875	63,814	143,098	34,198
Transactions with Equity Holders						
Shares issued	546,727	-				
Bonus Shares						
Dividend Declared/Payable						
Total TWEH	546,727	-	-	-	-	-
Regulatory & Other Transfers						
Trf to Statutory Reserve		(295,931)	295,931	-		
Trf to Other Liabilities		-	-	-	(143,098)	(34,197)
Reduction in Impairment		562,285				
Total Regul. & Other Transfers		266,354	295,931	-	(143,098)	(34,197)
Bal. as at Dec. 31, 23	2,700,634	(10,728,958)	1,558,806	63,814	-	-

Any transfer to the Reserve Fund is according to Section 34 of the Banks & Specialised Deposit-Taking Institutions Act 2016 (Act 930).

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER 2024

	(NOTES)	2024 GH¢	2023 GH¢
Cash flows from operating activities			
Profit/(Loss) before tax		4,071,153	1,641,429
Adjustments for:			
Depreciation & amortisation	9	471,393	413,910
Impairment on Provision Adjustment	14	1,847,024	-
		6,389,569	2,055,339
Change in loans and advances		(25,499,495)	(17,304,214)
Change in other assets		(2,378,805)	(1,550,067)
Change in deposits from customers		49,679,673	15,276,254
Change in other liabilities		1,728,715	(766,365)
		29,919,659	(2,289,053)
Tax paid & Adjustment		(408,803)	(245,629)
Net cash flows from operating activities		29,510,856	(2,534,682)
Cash flows from investing activities			
Change in Investment in Securities		(20,310,000)	3,828,693
Change in Other Investments		(57,732)	(48,110)
Change in Property & Equipment and adjustments		(4,610,643)	(840,375)
Change in Property & Equipment Disposal		982,909	-
Net cash flows used in investing activities		(23,995,466)	2,940,208
Cash flows from financing activities			
Changes in Borrowings		(562,400)	562,400
Issue of ordinary shares		580,279	546,727
Capital Surplus		1,534,050	-
Net cash flows used in financing activities		1,551,929	1,109,127
Net change in cash and cash equivalents		7,067,319	1,514,653
Cash and cash equivalents at 1 January		9,107,463	7,592,810
Cash and cash equivalents at 31 December		16,174,782	9,107,463
Cash & Cash Equivalents			
Cash balance		4,956,982	3,170,675
Unrestricted balance with ARB Apex bank & others		351,195	2,288,943
Restricted balance at ARB Apex bank- 5% placement & ACOD		10,866,604	3,647,844
		16,174,782	9,107,463

The attached notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2024

1. Reporting entity

NAARA RURAL BANK PLC is a limited liability company incorporated under the Companies Act, 2019 (Act 992) and domiciled in Ghana. The bank is located in Paga Kasena Nakana West District, within the Upper East Region of Ghana. Opposite the Paga Football Park - Navrongo Road, GPS Address: UR-003-8106, P. O Box 14.

2. Basis of Preparation

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB).

b) Basis of Measurement

The financial statements have been prepared on the historical cost basis except loans and advances which are measured at fair value.

c) Functional and Presentational Currency

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

d) Use of Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the notes.

3. Significant Accounting Policies

The significant accounting policies set out below have been applied consistently to all periods presented in these financial statements.

a) Interest

Interest revenue is generally recognised when future economic benefits of the underlying assets will flow to the organisation and it can be reliably measured. It is income derived from use of an entity's assets and hence the interest is mostly dependent on the underlying agreement. Interest income and expense are however generally recognised in the income statement on straight-line basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability.

The calculation of the effective interest rate includes all fees paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the P&L and OCI include:

- Interest on financial assets and liabilities at amortised cost on an effective interest rate basis and -
- Interest on available-for-sale investment securities on an effective interest basis.

b) Fees and Commissions

Fees and Commission income and expenses that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees and special statement request are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

c) Net Trading Income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest and dividends.

d) Financial Assets and Liabilities

i) Recognition

The bank initially recognises loans and advances, deposits and debt securities issued on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the bank becomes a party to the contractual provisions of the instrument.

ii) De-recognition

The bank de-recognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial asset that is created or retained by the bank is recognised as a separate asset or liability.

The bank de-recognises a financial liability when its contractual obligations are discharged or cancelled or expired. The bank enters into transactions whereby it transfers assets recognised on its balance sheet, but retains all risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are then transferred assets are not de-recognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

iii) Offsetting

Financial assets and liabilities are set off and the net amount presented in the financial position when, and only when, the bank has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from similar transactions.

iv) Amortised Cost Measurement

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

v) Fair Value Measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist and valuation models.

vi) Identification and Measurement of Impairment

At each reporting date the bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The bank considers evidence of impairment at both an individual and collective level. All individual significant financial assets are assessed for specific impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the bank on terms that the bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers, or economic conditions that correlate with defaults in the group.

In assessing collective impairment the bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised on the unimpaired portion through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through profit or loss.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost net of any principal repayment and amortisation and current fair value, less any impairment loss previously recognised in profit or loss out of equity to profit or loss. When a subsequent event that can be related to the event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through profit or loss, otherwise, the decrease is recognised through OCI.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity. Changes in impairment provisions attributable to time value are reflected as a component of interest income.

vii) Designation at Fair Value through Profit or Loss

The bank has designated financial assets and liabilities at fair value through profit or loss when either:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise; or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

The notes sets out the amount of each class of financial asset or liability that has been designated at fair value through profit or loss. A description of the basis for each designation is set out in the note for the relevant asset or liability class.

e) Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with ARB Apex Bank and Other Banks 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 amortised 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.

f) Trading Assets and Liabilities

Trading assets and liabilities are those assets and liabilities that the bank acquires or incurs principally for the purpose of selling or repurchasing in the near term, or holds as part of a portfolio that is managed together for short term profit or position taking.

Trading assets and liabilities are initially recognized and subsequently measured at fair value in the statement of financial position with transaction costs taken directly to profit or loss. All changes in fair value are recognised as part of net trading income in profit or loss. Trading assets and liabilities are not reclassified subsequent to their initial recognition.

g) Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the bank does not intend to sell immediately or in the near term.

When the bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the financial asset is recognised within loans and advances.

When the bank purchases a financial asset under a commitment to sell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the financial asset is accounted for as a loan, and the underlying asset is not recognised in the bank's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method, except when the bank chooses to carry the loans and advances at fair value through profit or loss as described in the accounting policy.

h) Investment Securities

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as either held-to-maturity, fair value through profit or loss, or available-for-sale.

i) Held-to-Maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through profit or loss or available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method. It must be noted that IFRS 9 only considers fair value and amortised cost based on the business models for managing the financial asset and the contractual cash flow characteristics of the financial asset. Thus all HTM assets are classified as amortised cost.

(ii) Fair Value through Profit or Loss

The bank carries some investment securities at fair value, with fair value changes recognised immediately in profit or loss as described in the accounting policy.

(iii) Available-for-Sale

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in profit or loss using the effective interest method. Dividend income is recognised in profit or loss when the bank becomes entitled to the dividend.

Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is transferred to profit or loss.

Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance is transferred to profit or loss.

I) Property, Plant and Equipment (i) Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When components of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

(ii) Subsequent Costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Revaluation Model

After recognition of an asset, an item of property, plant and equipment whose fair value can be measured reliably shall be carried at a revalued amount, being the fair value at the date of the revaluation less any subsequent accumulated depreciation and accumulated impairment losses.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period.

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

(iv) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	5%
Motor Vehicles	20%
Office Equipment	20%
Furniture and Fittings	20%
Computers & Accessories	20%

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

j) Provisions

A provision is recognised if, as a result of a past event, the bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Before a provision is established, the bank recognises any impairment loss associated with it.

k) Employee Benefits

The bank contributes to two defined contribution schemes (Social Security Fund and Provident Fund) on monthly basis on behalf of employees and the last month outstanding contribution is included in creditors and accruals.

i) Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Bank contributes 13% of employee's basic salary in addition to 5.5% deduction from employees basic salary to SSNIT for employee pensions.

The bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

ii) Provident Fund

The bank has a provident fund scheme for all employees of the bank. Employees contribute 10% of their basic salary to the fund whilst the bank contributes 7.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates.

iii) Termination Benefits

Termination benefits are recognised as an expense when the bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to employees who have reached their statutory retirement date.

(iv) Short-Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for an amount expected to be paid under short-term cash if the bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

i) Share Capital and Reserves (i) Ordinary Shares

The bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

(ii) Share Issue Costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

m) Dividend

Dividend declared is treated as an appropriation of profits in the year of approval, whilst dividend proposed is disclosed as a note to the financial statements.

n) Offsetting of Financial Assets and Liabilities

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right of set-off and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

o) Borrowings (Liabilities to Banks and Customers)

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost using the effective interest method, any differences between proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings. Borrowings and other forms of financial liabilities shall be de-recognised from the books only when they are extinguished, ie when the obligation specified in the contract is discharged or cancelled or expired.

4. Financial Risk Management**a) Introduction and Overview**

The bank has exposure to the following risks arising from the use of financial instruments. Typical of such risks are as follows:

- credit risk
- liquidity risk
- market risk
- operational risk.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk Management Framework

This depends mainly on the Risk Management framework set out by the Central Bank. Bank specific framework based on the overall structure of the bank ensures that the Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The Board has established the necessary committees which are responsible for developing and monitoring the Bank's risk management policies. These committees include members of the Bank's Management Committee and report regularly to the Board of Directors on their activities.

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

The Bank Audit, Risk & Compliance Committee (ARC), is in place, responsible for monitoring compliance with the bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank.

a) Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the bank's loans and advances to customers and other Banks and investment securities.

Management of Credit Risk

The Board of Directors has delegate responsibility for the management of credit risk to its bank credit and Microfinance Committee. A separate Bank Credit department, reporting to the Bank Credit Committee, is responsible for oversight of the bank's credit risk;

- i) Formulating credit policies in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.
- ii) Establishing the authorisation and structure for the approval and renewal of credit facilities. Authorisation limits are allocated to branch credit officers and managers. Larger facilities require approval by the head of credit.
- iii) Reviewing and assessing credit risk. The Bank credit assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- iv) Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band, Market liquidity and country (for investment securities).

Exposure to credit risk	2024			2023		
	Rates	Gross Amount GH¢	Impairment GH¢	Gross Amount GH¢	Impairment GH¢	
Current (Not past due)	1%	65,792,556	657,926	36,014,603	360,146	
OLEM (Past due 30-90 days)		792,046	79,205	2,868,807	286,881	
Sub-Standard (Past due 91-180 days)	25%	578,031	144,508	2,043,831	510,958	
Doubtful (Past due 181-360 days)	50%	524,558	262,279	2,549,046	1,274,523	
Loss (past due above 360 days)	100%	4,878,886	4,878,886		5,437,319	
Total		72,566,076	6,022,802	48,913,605	7,869,826	
Change in impairment provision			(1,847,024)			

b) Liquidity Risk

The Bank defines liquidity risk as the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Management of Liquidity Risk

The Bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses that will damage the bank's reputation.

It is the policy of the Bank to maintain adequate liquidity at all times. Liquidity risk management is governed by the Asset and Liability Management Committee (ALCO), which is headed by the CEO. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures, maintaining a liquidity crisis contingency plan.

b) Market Risk

The Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates. The Bank is exposed to market risk arising principally from customers driven transactions.

Market risk is governed by the Bank's risk office which is supervised by RAFC through the ALCO, which is yet to be established.

c) Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the bank's operations and are faced by all business entities.

The bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity. The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the bank standards is supported by a programme of periodic reviews undertaken by Internal Audit, which is in the process of being established. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit, Risk & Compliance Committee of the bank.

	2024 GH¢	2023 GH¢
5. Net Interest Income		
Interest income		
Loans and advances to customers	12,821,852	8,297,138
Investment securities	5,936,083	4,102,639
Total Interest Income	18,757,935	12,399,777
Interest Expense		
Deposits from customers	5,397,258	3,417,771
Interest on Borrowings	109,668	-
Total interest expense	5,506,926	3,417,771
Net Interest Income	13,251,009	8,982,006
6. Net Fees and Commission Income		
6a. Fees and Commission Income		
Commitment Fees	685,781	504,956
Commission on Salaries	-	963,262
Commission on Cheques Clearing	105,344	93,769
Commission on Placement	696,671	-
Commission on ATM/SMS	37,380	-
Commission on Remittance	7,046	3,385
Total Fees and Commission Income	1,532,223	1,565,371
6b. Fees and Commission Expense		
Bank Charges	119,019	57,692
Ezwich Expenses	-	65,200
Susu/mobilization expenses	227,748	128,122
Total Fees and Commission Expense	346,766	251,014
Net Fees and Commission Income	1,185,457	1,314,357
7. Other Operating Income		
Discount Income	110,181	-
Bad Debt Recovered	-	4,135
Sundry Income (COT, Comm. on cleared cheque, Susu Income)	992,239	22,200
Total Other Operating Income	1,102,420	26,335

	2024	2023
	GH¢	GH¢
8. Personnel Expenses		
Salaries	4,316,381	2,891,089
Social Security Cost	404,741	254,076
Provident Fund	173,369	126,058
Staff Allowances	590,136	467,493
Medical Expenses	76,498	42,195
Staff training	279,741	224,095
Total Personnel Expenses	5,840,866	4,005,005
9. Depreciation and Amortisation		
Depreciation of property & equipment	471,393	362,000
Amortisation of impaired investments	-	51,910
Total Depreciation and Amortisation	471,393	413,910
10. Other Expenses		
Audit Fees	34,185	32,330
Directors Remuneration	46,800	33,310
Board Meeting Expenses	45,615	28,456
Traveling Expenses	676,651	576,470
Printing and Stationery	319,832	257,153
Motor Vehicle Running Expenses	299,538	271,025
Motor Vehicle Repairs & Maintenance	15,455	9,397
Repairs & Maintenance	73,931	38,965
Postage and Communication	163,897	99,029
Insurance Premium	109,322	81,281
Sundries/Other Expenses	349,003	365,778
Adverts & Publicity	83,006	19,623
Subscriptions and Periodicals	98,040	71,352
AGM/Anniversary Expenses	169,877	145,884
Donations & charitable contributions	-	1,050
Computerization & software licence	798,474	788,452
Police/Security Guard Expenses	245,996	228,498
Specie Movement	96,185	38,314
Generator Running Cost	198,858	143,805
Legal Expenses	115,190	74,500
Rent and Rates and Taxes	32,634	32,634
Office Expenses	287,847	194,980
Electricity and Water	597,731	477,218
GDPC Premium	297,406	252,850
Total Other Expenses	5,155,473	4,262,354

	2024 GH¢	2023 GH¢
11. Income Tax Expense		
Current Income Tax (a)	890,997	396,153
	890,997	396,153

(a) Current income tax

Year of Assessment	Charged to P& L GH¢	Payments during the yr GH¢	Tax Outstanding GH¢
2022	-	-	-
2023	396,153	(396,153)	-
2024	890,997	(592,916)	298,081
	1,287,150	(989,069)	298,081

(b) Growth & Sustainability Levy-5%

Year of Assessment	Charged to P& L GH¢	Payments during the yr GH¢	Tax Outstanding GH¢
2023	61,554	(61,554)	-
2024	203,558	(179,404)	24,153
	265,112	(240,958)	24,153

The above tax position is however subject to the agreement of the Ghana Revenue Authority (GRA)

12. Cash and Cash Equivalents

Cash balance	4,956,982	3,170,675
Unrestricted balance with ARB Apex bank & others	351,195	2,288,943
Restricted balance at ARB Apex bank- 5% placement & ACOD	10,866,604	3,647,844
	16,174,782	9,107,463

13. Investments in Securities

Treasury Bills	31,494,000	11,184,000
Government Stocks/Bonds	2,142,307	2,142,307
Other Placements (Black Sheild)	6,320,000	6,320,000
	39,956,307	19,646,307

14. Loans and Advances to Customers	2024	2023
Analysis by type of product to retail customers:	GH¢	GH¢
Overdrafts	39,285,692	25,728,761
Term Loans	32,248,414	21,538,640
Staff Loans	1,031,971	1,646,203
	72,566,076	48,913,604
Loans written off	-	-
	72,566,076	48,913,604
Allowances for impairment	(7,907,304)	(9,754,327)
Allowance for Int. in Suspense/adjustment	-	-
	64,658,772	39,159,277
Analysis by business segment to retail customers:		
Agriculture	7,868,053	5,609,787
Cottage Industries	2,652,670	6,500,593
Transport	6,740,669	8,784,459
Commerce	17,552,375	13,162,407
Susu and other credit lines	37,752,310	14,856,358
	72,566,076	48,913,604
Allowances for impairment		
Individual allowances for impairment		
Balance at 1 January	9,754,328	9,754,327
Impairment loss for the year:		
Charge for the year	-	-
Provision Adjustments	(1,847,024)	-
	7,907,304	9,754,328
Bad Debt Written-off/Adjustments	-	-
Balance at 31 December	7,907,304	9,754,328
Loan statistics		
i) Twenty (20) largest exposure	12,740,855	10,101,308
i) Twenty (20) largest exposure to total exposures	17.56%	20.65%
ii) Loan loss provision ratio	10.90%	19.94%

	2024	2023
	GH¢	GH¢
15. Other Assets		
Stationery Stocks	234,533	248,367
Office Account (Dr)	109,498	282,280
Interest & Commission Accrued	1,631,997	263,735
Ghana Pay	0	160
Inter - Branch	471,569	1,003,250
Rent Prepaid	248,992	-
Insurance Prepaid	106,250	5,415
Uncleared Effects	2,251,208	917,151
E-Zwich Operation	949,857	132,621
Suspense Account (Dr)	28,311	800,431
	6,032,216	3,653,411
16. Other Investment Securities		
AMF TIER 2	-	-
Investment in ordinary shares of ARB Apex bank	206,380	148,648
	206,380	148,648
17. Deposits from Customers		
Retail customers:		
Demand deposits	18,449,081	11,512,225
Savings deposits	77,715,170	45,874,799
Time deposits	13,460,065	9,217,657
E-zwich/Other deposits	18,719,696	12,059,657
	128,344,012	78,664,339
Deposit statistics		
i) Ten (10) largest depositors	8,392,614	3,922,827
i) Ten (10) largest depositors to total deposit ratio	6.5%	5.0%
18. Institutional Borrowings		
ARB Apex Bank Ltd	-	-
Other -REDF Loan	-	562,400
	-	562,400

	2024	2023
	GH¢	GH¢
19. Other Liabilities		
Staff Provident Fund	81,491	-
Provision for Growth & Sustanaibility Levy	-	61,554
Ghana Pay	1,035	1,001
Provision for ICT	-	3,810
Sundry Liabilities	184,684	68,312
Office Account (Credit)	227,698	42,127
Payment Orders Outstanding	81,102	64,154
Accrued Interest	364,187	220,350
Unearned investment income	1,258,135	312,621
Unearned Interest	-	65,502
Rent & Rates	3,318	3,318
Interest Suspense	650,286	143,481
Others-Ezwich operations	204,019	163,715
Sub-Total	3,055,955	1,149,945
Dividend Payable	-	-
Development Fund	-	143,098
Welfare Fund	-	34,197
Total	3,055,955	1,327,240

20. Stated Capital-Ordinary Shares

	Number of Shares		Proceeds	
	2024	2023	2024	2023
			GH¢	GH¢
Authorized				
Ordinary Share of no par value	5,000,000,000	5,000,000,000		
Issued and fully paid:				
Previously issued/adjusted	33,963,758	33,417,031	2,700,634	2,153,907
Cash Issue in the year	580,279	546,727	580,279	546,727
Balance	34,544,037	33,963,758	3,280,913	2,700,634
Holdings of 20 largest shareholders	1,837,331	-	1,837,331	-
Share of 20 largest shareholders	5.3%	0.0%	56.0%	0.0%

Shares in Treasury: There is no share in treasury and no call or instalment unpaid on any share.

	2024	2023
Capital Adequacy Ratio	0.38%	-12.58%

21. Capital Surplus

Balance at beginning	63,814	63,814
Adjustment	(63,814)	-
Transfers	1,597,862	-
Balance at end	1,597,862	63,814

22. Statutory Reserve

Balance at Beginning	1,558,807	1,262,875
Adjustment	195,878	-
Transfer from Retained Earnings	744,149	295,931
Balance at End	2,498,834	1,558,807

	2024	2023
	GH¢	GH¢
23. Credit Risk Reserve		
Balance at Beginning	(562,285)	-
Impairment reduction-based on classification of advances	1,847,024	(562,285)
Total impairment b/fwd-adjusted	562,285	-
Balance at End	1,847,024	(562,285)

24 Property, Plant and Equipment -2024

Cost/Valuation	Balance at 1st Jan 2024	Additions in the Year	Trf /Adjust/Disp	Balance at 31st Dec. 24
	GH¢	GH¢	GH¢	GH¢
Land & Buildings	1,460,388	4,464,300	797,713	5,126,975
Office Equipment	2,148,037	114,516	-	2,262,553
Furniture & Fittings	285,368	-	-	285,368
Motor Vehicles	670,489	-	-	670,489
T24 Software	228,721	31,827	73,596	334,144
Right of Use Asset-Prepaid Rent	111,600	-	111,600	-
MS Off/Windows Licence	84,863	-	-	84,863
	4,989,466	4,610,643	982,909	8,764,392

Depreciation	Balance at 1st Jan 2024	Charge for the year	Trf/ Adjust/ Disposals	Balance at 31st Dec. 24
	GH¢	GH¢	GH¢	GH¢
Land & Buildings	638,335	58,415	-	696,750
Office Equipment	1,620,787	284,394	-	1,905,181
Furniture & Fittings	273,048	11,557	-	284,605
Motor Vehicles	495,716	78,190	-	573,907
T24 Software	39,122	38,836	-	77,958
Right of Use Asset-Prepaid Rent	12,788	-	12,788	-
MS Off/Windows Licence	-	-	-	-
	3,079,796	471,393	12,788	3,538,401

Carrying Amount	2024	2023
	GH¢	GH¢
Land & Buildings	4,430,225	822,053
Office Equipment	357,372	527,250
Furniture & Fittings	763	12,320
Motor Vehicles	96,582	174,773
T24 Software	256,186	189,599
Right of Use Asset-Prepaid Rent	-	98,813
MS Off/Windows Licence	84,863	170,224
	5,225,991	1,995,032

24b Property, Plant and Equipment 2023

Cost/Valuation	Balance at 1st Jan 2023	Additions in the year	Trf/ Adjust/ Disposals	Balance at 31st Dec. 23
	GH¢	GH¢	GH¢	GH¢
Land & Buildings	1,460,388	-		1,460,388
Office Equipment	1,824,178	323,859		2,148,037
Furniture & Fittings	279,368	6,000		285,368
Motor Vehicles	602,489	68,000		670,489
T24 Software	245,320	-	16,599	228,721
MS Off/Windows Licence	125,550	-	13,950	111,600
Right of Use Asset-Prepaid Rent	-	170,224	-	170,224
	4,537,293	568,083	30,549	5,074,828

Depreciation	Balance at 1st Jan 2023	Charge for the year	Trf/ Adjust/ Disposals	Balance at 31st Dec. 23
	GH¢	GH¢	GH¢	GH¢
Land & Buildings	579,919	58,415		638,335
Office Equipment	1,394,670	226,117		1,620,787
Furniture & Fittings	262,437	10,611		273,048
Motor Vehicles	428,859	66,857		495,716
T24 Software	-	39,122		39,122
MS Off/Windows Licence	-	12,788		12,788
Right of Use Asset-Prepaid Rent	-	-		-
	2,665,886	413,910	-	3,079,796

Carrying Amount	2023 GH¢	2022 GH¢
Land & Buildings	822,053	880,469
Office Equipment	527,250	429,508
Furniture & Fittings	12,320	16,931
Motor Vehicles	174,773	173,630
T24 Software	189,599	214,769
MS Off/Windows Licence	98,813	125,550
Right of Use Asset-Prepaid Rent	170,224	125,550
	1,995,032	1,966,409

25. Nature of Contingent Liabilities

Guarantees are generally written by a bank to support performance by a customer to third parties. The bank will only be required to meet these obligations in the event of the customer's default. An acceptance is an undertaking by the bank to pay a bill of exchange drawn on the customer. The bank expects most acceptances to be presented and reimbursed by the customer immediately.

As at 31/12/2024, there were no outstanding guarantees or acceptances.

26. Comparative Figures

Where necessary, figures within notes have been restated to either conform to changes in presentation in the current year or for the adoption of new IFRS requirement.

TAX COMPUTATION FOR 2024 YEAR OF ASSESSMENT

	2024	2023
	GH¢	GH¢
Net Profit/(Loss) as per Account	3,867,595	1,579,875
Add Back:		
Depreciation	471,393	413,910
Donations	-	1,050
Adjusted Profit/(Loss)	4,338,988	1,994,835
Less: Capital Allowance		
Balance B/fwd	-	-
Current Year	774,998	410,225
Utilised	774,998	410,225
Balance C/fwd	-	-
Chargeable Income	3,563,990	1,584,610
Tax Charged @25%	890,997	396,153

COMPUTATION OF CAPITAL ALLOWANCE - 2024

Items	Pool	Rate	WDV b/fwd	Additions	Total	Capital	WDV c/fwd
						Allowance	
			GH¢	GH¢	GH¢	GH¢	GH¢
Comp. & Accessories	1	40%	265,228	31,827	297,055	118,822	178,233
Motor Vehicles	2	30%	127,694	-	127,694	38,308	89,386
Equip't, Furn. & Fit.	3	20%	491,117	114,516	605,633	121,127	484,506
Land & Buildings	4	10%	503,109	4,464,300	4,967,409	496,741	4,470,668
						774,998	

The above Capital Allowance is however subject to the agreement of the Ghana Revenue Authority (GRA)

COMPUTATION OF CAPITAL ALLOWANCE - 2023

Items	Pool	Rate	WDV b/fwd	Additions	Total	Capital	WDV c/fwd
						Allowance	
			GH¢	GH¢	GH¢	GH¢	GH¢
Comp. & Accessories	1	40%	118,187	323,859	442,046	176,818	265,228
Motor Vehicles	2	30%	114,421	68,000	182,421	54,726	127,694
Equip't, Furn & Fittings	3	20%	607,896	6,000	613,896	122,779	491,117
Land & Buildings	4	10%	559,010	-	559,010	55,901	503,109
						410,225	

The above Capital Allowance is however subject to the agreement of the Ghana Revenue Authority (GRA)

OUR PRODUCTS & SERVICES

ACCOUNTS:

- SUSU
- CURRENT
- NAARA CHILD EDUCATION TRUST ACCOUNT (NCETA)
- SALARY
- NORMAL SAVINGS

INVESTMENT:

- FIXED DEPOSITS
- SHARES

E-BANKING:

- SMS ALERT
- MOBILE MONEY
- EZWICH SERVICES
- ELECTRONIC SUSU (E-SUSU)
- ACH (TRANSFER MONEY FROM OUR BANK TO ANY COMMERCIAL BANK)
- ATM SERVICES
- GHANAPAY (*707#)
- MOBILE BANKING (*992#)
- APEX LINK TRANSFER (I-TRANS)

LOANS:

- SUSU LOAN
- SALARY LOAN
- CONTROLLER LOAN
- COMMERCIAL OVERDRAFT, ETC
- SALARY ADVANCE (OVERDRAFT)
- CREDIT WITH EDUCATION (CwE) LOAN
- AGRIC LOAN
- TRADING LOAN
- MICROFINANCE LOANS



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