



Nwabiagya
Rural Bank Ltd.

The new Standard in Rural Banking

ANNUAL REPORT

And financial Statements

2021

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VISION

To become the best and leading Community Bank in the provision of competitive and affordable Financial Services.

BASIC INFORMATION

Date of Incorporation	24-Jun-87
Certificate Number:	C-32,422
Date of Re-Registration	4-May-18
New Registration Number	C5100602018
Date of Commencement	13-Jul-95
Date Licence was Issued	3-Aug-87
Bank of Ghana Licence No.	123

Old Tin	931B000005
New Tin	C0008832803

Board of Directors

Chairman of the Board:	Mr. Maxwell Yeboah	1-Jan-21	3-Sep-21
Vice Chairman:	Mr. Eric Adu-Yeboah	1-Jan-21	3-Sep-21
Ag Chairman of the Board:	Mr. Andrews Kwarteng Amanning	3-Sep-21	31-Dec-21
Member:	Mr. Andrews Kwarteng Amanning	1-Jan-21	3-Sep-21
Member:	Mr. Samuel Yaw Amoah	1-Jan-21	3-Sep-21
Member:	C.O.P Rtd. George Tuffour	1-Jan-21	
Member:	Mr. Kwame Appiagyei Antwi	1-Jan-21	31-Dec-21
Member:	Mr. Daniel Nkrumah	3-Sep-21	31-Dec-21
Member:	Ms. Diana Asiedu	1-Jan-21	31-Dec-21
Board Secretary	Osei-Wusu Antwi Esq.	1-Jan-21	31-Dec-21

Senior Management

Mrs. Helen Adjei Yankey	Chief Executive Officer
Mr. Edward Yeboah	Deputy Chief Executive Officer
Mr. Ernest Owusu Fordjour	Chief Finance Officer
Mr. Emmanuel Yeboah Mensah	Chief Risk Officer
Mr. Ofori Amanfo	Chief Compliance Officer
Mr. Emmanuel Kwame Asirifi	Chief Internal Auditor
Mr. Richard Badu	Chief Operation Officer

Branches

Barekese (Head Office)	Sagoe Lane
Bohyen	Bompata
Abuakwa	Anwiam
Offinso	Tech Junction
Magazine	

Clearing Bank

ARB Apex Bank	Danyame -Kumasi
Ecobank	Harper Road
Cal Bank Plc	Nhyiaeso
Consolidated Bank Ghana Ltd.	Harper Road

Registered Office

Nwabiagya Rural Bank Limited Building
Barekese Branch
P. O. Box B 170
Bantama-Kumasi

Email Address

nwabiagyarbb@yahoo.co.uk

Website

nwabiagyaruralbank.org/index.html

Auditors

Asamoah Bonsu & Co
Chartered Accountants
Hse. No. Otb 169 Odum Kumasi
Near Kataban House
P. O. Box Ks 7909
Tel. No. 03220 24914
Kumasi

Solicitors

Minkah - Premo & Co
P. O. Box AN 2464
Ash Town - Kumasi



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **34TH ANNUAL GENERAL MEETING** of Shareholders of **Nwabiagya Rural Bank Limited** will be held at the **Barekese Community Centre, Barekese on Friday, 2ND September 2022 at 10.00 a.m.** to transact the following business:

1. To read the Notice convening the meeting.
2. To confirm the minutes of the 33rd Annual General Meeting.
3. To receive the Chairman's Report for the year ended 31st December, 2021.
4. To consider and adopt the financial statements of the Bank for the year ended 31st December, 2021 and the Report of the Directors.
5. To receive the External Auditors' Report.
6. To authorise the Directors to fix the remuneration of the Auditors.
7. To fix the remuneration of Directors.
8. To elect Directors in place of those retiring.

DATED THIS 1st Day of August, 2022

Diana Asiedu (Ms)
(Acting Board Secretary)

NOTE

Every member is entitled to attend and vote at the meeting or appoint a Proxy to attend and vote instead of him/her. A form of proxy has been deposited at the Bank's registered offices.

Completed Proxy form should be lodged with the Secretary, Nwabiagya Rural Bank Limited, Barekese not less than Seventy-two (72) hours prior to the time of the meeting.

Shareholders can pick up copies of the 2021 Annual Report and Financial Statements at all branches of the Bank.

N/B: All COVID 19 Protocols would be observed



34TH ANNUAL GENERAL MEETING:

We announce for the information of all shareholders that the 34th Annual General Meeting of the Bank would be held at the Barekese Community Centre, on **Friday, 2nd September 2022** at 10:00 hours.

In accordance with the Constitution of the Bank and the Companies Act, 2019 (Act 992), the following Directors shall retire from office by rotation at the end of the meeting:

<u>NAME</u>	<u>ZONE</u>
1. Mr Andrew Kwarteng Amaning	Adankwame/Esaso Zone
2. Ms Diana Asiedu	Offinso
3. COP George Tuffour (Resigned)	Abuakwa

Pursuant to the Constitution of the Bank, the retiring Directors are eligible for re-election. The **Adankwame/Esaso, Offinso and Abuakwa Zones** are declared vacant and are expected to be filled in line with the Bank's Zonal System of electing Directors to the Board.

Shareholders are hereby informed that under the Companies Act, 2019 (Act 992), they are at liberty to propose any person of their choice to contest the election to the Office of Director of the Bank. The elections will be held in accordance with the provision under the Section 53 (1) of the Companies Act, 2019 (Act 992).

A person seeking to hold office as a Director of the Bank shall be nominated by two (2) shareholders in good standing. The Applicant shall submit the nomination form together with his acceptance to the Bank. A Nominating Shareholder and a Secunder must have a minimum of **5,000 shares each** in the Bank pursuant to the Constitution of the Bank. The Nomination Form and the Acceptance with accompanying Curriculum Vitae should be deposited at the Bank's registered office during working hours from **Monday 15th August, 2022 to Friday, 26th August, 2022**.

Eligibility for Directorship

1. Be a shareholder for not less than 1 year;
2. Own a minimum of **40,000 shares** in the Bank;
3. Must be an accountholder of Nwabiagya Rural Bank Ltd;
4. Have a minimum academic qualification in tertiary education and with experience in the area of Banking, Law, Finance, Accounting, Economics, Information Technology, Business Administration, Financial Analysis, Entrepreneurship, Risk Management, Strategic Planning, Corporate Governance and any other area the Bank deems fits; and
5. Satisfy other eligibility criteria set out in the Companies Act, 2019, the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and the Constitution of the Bank.

NOTE: A prospective Director must attend and pass a vetting to be eligible for the elections.

By Order of the Board

Diana Asiedu (Ms)

(Ag Board Secretary)

NWABIAGYA RURAL BANK LIMITED

CHAIRMAN'S REPORT FOR THE 34TH ANNUAL GENERAL MEETING

INTRODUCTION



Nananom, Distinguished shareholders, fellow Directors, I warmly welcome you all to the 34th Annual General Meeting of Shareholders of Nwabiagya Rural Bank Limited. It is a great pleasure for us to assemble and to present to you the performance of your Bank for the financial year ended 31st December, 2021.

The 2021 financial year, no doubt, was characterized by turbulent economic uncertainties – sharp fluctuations in the economic fundamentals, shortages, all mainly as a result of the ravages of the COVID-19 pandemic. This economic envelopment created anxieties for both individuals and institutions and our Bank was no exception. The Bank's ability to recover GH¢3,300,703 in interest

from the funds that were locked up with some Fund Managers significantly affected the (financial) results of the Bank for the year under review. The Bank is poised to embrace all economic opportunities to ensure improved performance in the future.

Pragmatic efforts have been put in place with the aim of providing more robust customer-centric banking solutions. We recognize that successful recovery of hardcore loans, closely monitoring of top Management performance target and the remaining locked-up funds with Funds Managers will give a further boost to your Bank's performance, and we are ready to execute all that

Economic Environment

The economic environment in which your Bank performed during the fiscal year, 2021 recorded some key indicators. Some of these economic indicators had impact on the Bank's performance during the fiscal year. Whiles increase in inflation resulted in increase in the operational cost, decrease in Treasury bill rate reduced the expected investment income of the bank during the period under review.

Key Economic Indicators

Indicator	31 December, 2021	31 December, 2020
Policy Rate	14.5%	14.5%
Inflation	12.7%	10.6%
91-day T/Bill	12.14%	14.1%
182-Day T/Bill	12.39%	14.15%
1-Year T/Bill	14.27%	16.96%

The Banking Sector Performance

The banking sector's performance remained strong during 2021. Available data showed sustained growth in total assets, deposits and investments. The industry's assets expanded on the back of the continued increase in total deposits during 2021. However, credit growth remained sluggish due to COVID-19 effects.

Operating Results

Financials

Nananom, Distinguished shareholders, we are happy to assure you that your Bank continues to record increase performance in all the sensitive performance areas including but not limited to deposits, Assets, Low-risk investments.

Distinguished Shareholders, Nananom, it is our pleasure to inform you that your Bank recorded impressive growth trends in key areas of its operations.

- Net Interest Income increased from GH¢9,809,122 in 2020 to GH¢11,178,784 in 2021 representing an increase of 13.96%.
- Commissions and Fees increased by 2.21% that is, GH¢104,402 from GH¢4,715,533 in 2020 to GH¢4,819,935 in 2021.
- Total operating income recorded an increase of GH¢3,247,826 representing 20.23% from GH¢16,051,597 in 2020 to GH¢19,299,423 in 2021.

Dear Shareholders, in spite of the huge sums that were locked up with some financial institutions in times past, your Bank put up an encouraging performance.

Year-on-Year Performance

No	Indicator	2021	2020
1	Total Income	19,299,423	16,051,597
2	Total operating cost	16,480,512	14,824,672
3	Deposits	153,679,044	147,593,486
4	Investments in Treasury Bills	21,563,974	18,200,000
5	Loans and Advances (net)	34,650,594	38,630,905
6	Paid-up Capital	2,719,305	2,719,305
7	Profit before tax	2,818,912	1,226,925
8	Profit after tax	2,136,065	(1,198,297)
9	Total Assets	149,896,974	153,471,222

Source: 2021 Annual Report

Dividend to Shareholders

We are unable to recommend payment of dividend to shareholders due to the negative income surplus in accordance with Section 31 of Act 2016 (Act 992). We, therefore, assure you that the Board and Management have put in place stringent measures to ensure quick restoration of the Bank's income surplus.

The Board of Directors is unable to recommend payment of dividends to the Bank's Shareholders due to the negative Income Surplus position in accordance with Section 31 of Act 2016 (Act 992). The Board however, wishes to inform you that stringent measures have been put in place to ensure a restoration of a positive income surplus position in the near future.

Corporate Governance

Nwabiagya Rural Bank is committed to the principles of good corporate governance in line with the dictates of the Corporate Governance Directive for Rural and Community Banks. In the year under review the Board intensified its oversight responsibilities over the activities of the Bank. The diverse expertise of Directors of the Bank has made it possible for the Board to put effective measures to bear on the operations of the Bank. Directors have deep understanding of the requirements of oversight which is expected to increase Shareholder value.

Changes in Directorship

Dear Shareholders you would recall at the Bank's 33rd AGM held in September 2021, Messrs. Yaw Amoah Samuel (representing Barekese Zone 1), Maxwell Yeboah (representing Barekese Zone 2) and Eric Adu Yeboah (representing Fufuo Zone) who were re-elected as Directors of the Bank.

In accordance with the Bank of Ghana 'fit and proper test' enshrined in the Corporate Governance Directive, the Bank of Ghana has approved the appointment of Mr. Samuel Yaw Amoah who has since commenced work as a director. However, the appointment of Messrs. Yeboah and Adu Yeboah are still pending. They have therefore not held themselves out as directors of the Bank.

During the year, there were a few changes to the membership of the board. Messrs. Daniel Nkrumah resigned from the Board for various reasons. On behalf of shareholders, the Board and the entire staff of the Bank, I express my profound gratitude and appreciation to him for his services and outstanding contributions to the growth of the Bank, and wish him the very best in his endeavor.

Election of Directors

Two Directors, Mr. Andrews Kwarteng Amanning (Adankwame / Esaso Zone) and Ms. Diana Asiedu (Offinso Zone) shall be retiring according to the three-year rotation plan at the end of today's meeting. Both of them have applied for re-election.

The Abuakwa Zone is declared vacant as its representative, C.O.P. retired had resigned.

Outlook For 2022

In the years ahead, the Board will maintain a high level of Stakeholder engagement – customers, communities, regulators (Bank of Ghana and ARB Apex Bank) and others. The Board will continue to focus on risk management in all aspects of the Bank's operations. For example, we shall pragmatically engage risk matters relating to credit, operations, cyber security, etc. The Board will explore both the financial and money markets with the aim of obtaining maximum benefits for the bank. We pledge to control cost and thereby ensure efficiency in the Bank's operations. Customer satisfaction will continue to engage the Board's attention, offering responsive products and solutions to these customers and prospective ones.

Acknowledgement

I am grateful to my entire team for the support in helping us achieve the results presented. I extend my profound appreciation to the Management and Staff of your Bank. Their remarkable adaptability and resilience have been top notch. I would also like to extend my thanks to all our Stakeholders and Customers for the trust reposed in us.

Thank you.

MINUTES OF THE 33RD GENERAL MEETING OF SHAREHOLDERS HELD AT THE BAREKESÉ COMMUNITY CENTRE ON FRIDAY, 3RD SEPTEMBER 2021

1.0 PRESENT

A. DIRECTORS

- | | | | |
|-----|-------------------------------|---|-------------------------|
| 1. | Mr. Maxwell Yeboah | - | Board Chairman |
| 2. | Mr. Eric Adu-Yeboah | - | Vice Chairman |
| 3. | COP George Tuffour (Retired) | - | Member |
| 4. | Ms. Diana Asiedu | - | Member |
| 5. | Mr. Samuel Yaw Amoah | - | Member |
| 6. | Mr. Kwame Appiagyei Antwi | - | Member |
| 7. | Mr. Andrews Kwarteng Amanning | - | Member |
| 8. | Mr. Daniel Nkrumah | - | Co-opted Member |
| 9. | Mrs. Helen Adjei Yankey | - | Chief Executive Officer |
| 10. | Osei-Wusu Antwi | - | Secretary |

B. INVITED GUESTS

A total of Fifty-Six (56) dignitaries invited by the Board of Directors attended the meeting.

C. SHAREHOLDERS

One Hundred and Twenty-Three (123) Shareholders attended the Annual General Meeting.

2.0 OPENING

2.1 Rev. Fr. John Opong (St. Peter's Catholic Church-Barekese) prayed for the commencement of the Meeting at 10.28am.

3.0 INTRODUCTION OF DIRECTORS AND DIGNITARIES

Messrs. Ofori Amanfo and Osei-Wusu Antwi, Esq. were the Masters of Ceremony and they combined to introduce the Directors of the Bank, Dignitaries and the Invited Guests.

4.0 Notice Convening the AGM

The notice convening the 33rd AGM was read by Osei-Wusu Antwi, Esq.

5.0 MINUTES OF THE 32nd AGM

Minutes of the Bank's 32nd Annual General Meeting held on Friday, 6th September, 2019 at the Barekese Community Centre was read by Mr. Ofori Amanfo. Mr. Adam Sarpong (Barekese) moved for the acceptance of the minutes of the previous meeting and was seconded by Madam Juliana Agyeman (Barekese).

5.0 BOARD CHAIRMAN'S REPORT

Mr. Maxwell Yeboah, the Board Chairman, read the Board Chairman's Report and the highlights were as follows:

5.1 ECONOMIC AND BANKING SCENARIOS: COVID-19 AND ITS IMPACT

The Chairman informed the Shareholders of the devastating impact of the COVID 19 pandemic on the global economy and said the global recession has been the deepest since World War II. The global economy contracted by 3.3% in 2020, a 6.7% decline relative to the 3.4% growth forecast by the IMF back in October, 2019.

5.2 THE RURAL BANKING INDUSTRY

On the Rural Banking sub-sector, the Chairman said some significant improvements were recorded in the year 2020 with total assets growing by 33.3% year-on-year from GH¢4.2 billion to GH¢5.6 billion at the end of September 2020.

He added that Rural Banks still have significant amount of money locked up with some Securities and Exchange Commission (SEC) regulated institutions and this continues to have a great toll on the industry.

5.3 THE BANK'S PERFORMANCE

On the Bank's Performance, the Chairman said it was an undeniable fact that Banks operated under extremely difficult situation in the year under review, and Nwabiagya Rural Bank was no exception.

He said in spite of the challenges confronting the banking industry, Nwabiagya Rural Bank's contribution to the general economic growth during the period under review was very remarkable.

5.4 CORPORATE SOCIAL RESPONSIBILITY (CSR)

On the Bank's Corporate Social Responsibilities, the Chairman noted that in line with the Bank's CSR Policy, an amount of GH¢55,900.00 was spent on socially responsible activities in the field of education, healthcare, etc. These projects, inter alia, included a mechanized borehole for the Barekese Asenie Community and re-roofing of the Methodist Primary School building at Achiase. The Bank donated some beds to Abuakwa Polyclinic, and also made donations to the Atwima Nwabiagya North District and Atwima Nwabiagya South Municipal Assembly.

5.5 CHANGE OF NAME AND AUDITORS

The Bank is enjoined by the Company's Act, 2019 (Act 992) Section 21 thereof to change its name to end with these last words "Public Limited Company" ("PLC"), therefore the Chairman announced that the Board would seek the approval of members to effect the change of name.

5.5 Change of Auditors

Messrs. Asamoah Bonsu and Associates were appointed by shareholders upon the recommendation of the Board to replace Donaldy and Associates as the External Auditors of the Bank as the latter's term of office had expired. Mr. Maxwell Yeboah expressed the Board of Director's heartfelt gratitude to Donaldy and Associates for their immense contributions during their tenure. The chairman further thanked Messrs. Asamoah Bonsu and Associates for their hard work, support and cooperation so far.

5.6 CORPORATE GOVERNANCE AND CHANGES TO THE BOARD

According to the Chairman, the Board has the full complement of its members, all of whom have been duly cleared by the Bank of Ghana, in line with Section 58 of the Act 930. The Board executes its mandate and responsibility through its four (4) Committees, namely Finance and Operations, Business Strategy & Remuneration, Credit & Legal and Audit, Risk and Compliance.

He noted that the newly introduced Corporate Governance Directives for the Rural and Community Banks issued by the Bank of Ghana enjoins all RCBs including NRB to have a Board size of at least five (5) and at most seven (7) Directors who are ordinarily resident in Ghana, one of whom must be a female.

He noted that the term of office of himself, Mr. Maxwell Yeboah (Board Chairman), Mr. Eric Adu Yeboah (Vice-Chairman), and Hon. Samuel Yaw Amoah had ended, and that they were seeking re-election during the meeting.

5.7 DECLARATION AND PAYMENT OF DIVIDENDS

He said the directive from BOG does not permit the Board to recommend declaration of dividend payment in the circumstances of the Bank having recorded a post-tax loss in the year 2020.

5.8 CAPITALISATION

The Board Chairman said the Board is of the considered view that though the Bank's stated capital of GH¢2,719,305.00 is above the BoG's new minimum capital requirement for the RCBs, it was still on the low side given the size of the Bank's balance sheet. He thus underscored the need to encourage the purchase of shares.

5.9 AWARDS AND ACCOLADES

A gold award for the Best Rural Bank in the category of Deposit Mobilization was conferred on the Nwabiagya Rural Bank by the Ashanti Financial Services Excellence Awards (17th edition), organized under the auspices of Manhyia Palace in commemoration of the 70th birthday of Otumfuo Osei Tutu II, Asantehene, and in particular recognition of the outstanding contribution of Nwabiagya Rural Bank to the Economic Development of the Ashanti Region.

5.10 LOOKING AHEAD

The Board and Management are studying the market closely and would adopt measures that will help in containing the negative impact of the pandemic and aggressively recover the locked-up funds as it did in the past year.

5.11 ACKNOWLEDGEMENT

Before resuming his seat, the Chairman expressed his heartfelt gratitude to the entire Board, Management and Staff of Nwabiagya Rural Bank, and by extension retired Directors for their unflinching support and commitment. He also acknowledged the contribution of Mr. Daniel Nkrumah who was set to retire from the Board as a Co-opted Director at the end of the meeting.

The chairman congratulated the Bank's 2020 Best Worker, in the person of Miss Harriet Sammah Osei, Bompata Branch, for her outstanding performance during the year.

6.0 Directors' Report

Mr. Eric Adu Yeboah, the Vice Chairman of the Board of Directors, presented the Directors' Report for the year ended 31st December, 2020 on behalf of the Board of Directors.

He said the Directors did not recommend the payment of dividend for the year under review. He said the Bank held twenty-four (24) Full Board Meetings and Twenty Four (24) Sub-Committee meetings during the year in addition to an Annual General Meeting (AGM) on the 9th October, 2020. The Vice Chairman affirmed the Board of Directors commitment at ensuring good corporate governance as a means of determining the direction and performance of the Bank.

7.0 AUDITORS' REPORT

Ms. Deborah Cobbinah, from Asamoah Bonsu & Co (Chartered Accountants) read the Report of the Independent Auditor to the Shareholders. She said her firm audited the Financial Statements of the Bank which comprised Statement of Financial Position as at 31st December 2020, and the Statement of Profit or Loss and other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year 2020.

On the basis of the Modified Opinion, Ms. Cobinnah said the Bank is taking steps to comply with the disclosure requirement of the Bank of Ghana Guidelines for Financial Publication for Banks & Other Licensed Financial Institutions. The Related Earnings (Income Surplus) Balance is negative GHs13, 692,129.

Mr. Osei Yaw Asamoah also of Asamoah Bonsu & Co gave the Twi interpretation to the External Auditor's report.

8.0 ACCEPTANCE AND DISCUSSIONS OF REPORTS

Mr. Eric Kwaku Aboagye (Kumasi) moved for the acceptance of the reports and was seconded by Mr. Odei Koranteng Koduah (Barekese)

8.1 Ms. Angelina Brobby Asabre (Barekese)

She enquired of the status of the shares her late mother bought since all efforts after the death of her mother had been fruitless.

In response, Lawyer Antwi requested that she should produce the Letters of Administration for her late Mother and she would be assisted to trace the shares.

8.2 Mr. Kwabena Arhin (Barekese)

Mr. Arhin requested to rationale for the change of the name of the Bank to Nwabiagya Rural Bank Plc as well as updates on the Bank's locked up funds with the collapsed firms.

The Board Chairman said the change in name was in line with the Companies Act 2019 and said the details of the locked-up funds could not be available at the meeting and requested Mr. Arhin to pass by the Bank for the details.

8.3 Mr. Eric Aboagye (Kumasi)

He renewed his appeal to the Board to review the shareholdings for Directorship from the 40,000 shares. He therefore so called for the review of the current 40,000 shareholding criterion for Directorship. He further called for explanation as to why the shares of Goodwell Microfinance Company are sold at GHp0.35 as against the price GHp0.50 for the normal shares.

Mr. Maxwell Yeboah responded that per the mandate of the Board it was within their powers to review from time-to-time shareholdings of Directors. He added that the current and aspiring Directors ought to hold adequate shares within the institution as a precaution.

On the Goodwell shares, the Board Chairman reminded Mr. Aboagye that it was a decision of shareholders at the 30th AGM held in Abuakwa for the right issue.

8.4 Mr. Eric Nti (Fufuo)

Mr. Nti referred to the eligibility for Directorship and said it has become a preserve for the rich considering the 40,000 shares required for directorship. He further called for a reduction in the quantities of shares required by prospective Directors. He called for the recapitalisation of the Bank for expansion.

The Board Chairman and Legal Affairs Manager responded to the various issues raised by Mr. Eric Nti. The Board set the Director's eligibility criteria based on Companies Act 2019, Corporate Governance Principles and other Directives of the Bank of Ghana, therefore it is not skewed. Mr. Nti was further directed to channel all other concerns to the Board through the Chief Executive Officer for redress.

8.5 Mr. Johnson Osei Owusu (Adankwame)

Mr. Osei Owusu pleaded for a special dispensation for the numerous aged Shareholders of the Bank in the area of Corporate Social Responsibilities. He also requested for the full disclosure of the Bank's assets for Shareholders' perusal.

Mr. Maxwell Yeboah thanked Mr. Owusu for the concern for the aged Shareholders of the Bank. He said the Bank of Ghana had imposed an embargo on the Bank's capital projects. Nonetheless, the Board would consider the merits of any such issue that comes up.

8.6 Mr. Kwabena Dwommoh (Kumasi)

Mr. Dwommoh requested for an update of the records of the Shareholders of the Bank to enable Shareholders receive SMS alerts updates. He was also concerned about the frequencies of Board Meetings as captured in the 2020 Annual Report. He finally asked how Shareholders outside the Bank's catchment would receive their dividends when profits are declared.

Mr. Maxwell Yeboah, in responding said the Bank's doors are opened every working day, so, Shareholders should not hesitate to call to update their records. On the frequencies of Board Meetings, the Chairman said per the resolution of the Board, Full Board Meetings are now held quarterly. Finally, shareholders outside the Bank's catchment area can issue Standing Orders for their dividends to be paid to them when profits are declared.

10. AUTHORISATION OF DIRECTORS TO FIX REMUNERATION OF AUDITORS

Upon a motion moved by Mr. Adams Sarpong (Barekese) and seconded by Ms. Angelina Brobbey Asabre (Barekese), the meeting authorized the Directors to fix the remuneration of the External Auditors.

11. FIXING OF THE REMUNERATION OF DIRECTORS

The Chairman informed the Shareholders that the Board had resolved not to seek for an increment in their current allowances due to the financial position of the Bank.

Mr. Yaw Atta Asare (Barekese) in the light of the Board Chairman's comments proposed that the current Board's remuneration should be maintained and was seconded by Madam Mary Nkrumah (Barekese)

12. Special Resolution to change name of Bank to Nwabiagya Rural Bank

Limited to Nwabiagya Rural Bank PLC and its Constitution.

Lawyer Osei-Wusu Antwi (Legal Affairs Manager/Company Secretary) read the special resolution to change the name of the Bank and its Constitution. The resolution read: "that in compliance with Section 21(1)(4) of the Company's Act, 2019 (Act 992) amend the Bank's name to read "Nwabiagya Rural Bank PLC" and its constitution.

Mr. Kwabena Dwommoh (Barekese) moved for the acceptance of the resolution and was seconded by Mr. Eric Kwaku Aboagye (Kumasi). The motion was unanimously approved

13. Optional Speeches

13.1 Speech by Mr. George Annor on behalf of Acting MD of the ARB Apex Bank (Mr. Alex Awuah)

Mr. Annor congratulated the Bank on the occasion of its 33rd AGM of Shareholders. He further gave an ovation to Mrs. Helen Adjei Yankey for assuming the role of Chief Executive Officer of the Bank and gave a pat on the back of Ms. Florence Addae for her exceptional performance as the Bank's Specie Officer.

Mr. Alex Awuah speech begun with a congratulations to the Shareholders, Boards, Management and Staff of the Bank for their hard work in the year 2020. He referred to the RCBs Quarterly Performance Reports and said Nwabiagya Rural Bank has consistently maintained the "Satisfactory" category in its performance rating since September 2015.

The Acting Managing Director spoke on issues pertaining to the RCBs industry such as Governance, Risk and Compliance, Credit Management and Fraud.

He advised Banks to seek reference from the Bank of Ghana and the ARB Apex Bank whenever they are appointing new staff and charged RCBs to ensure that operational control structures in their banks are effective.

13.2 Speech by Mr. Patrick Owusu (National President-Association of Rural Banks-Ghana)

Mr. Owusu extended congratulations to the Shareholders and Directors of the Bank on the occasion of its 33rd AGM. He appealed to the Shareholders to continue the purchase of shares in their Bank to ensure that the Bank is adequately capitalized.

Mr. Owusu further urged the Board of Directors and Management of the Bank to also work hard and bring on board innovative products and services to attract more customers to the Bank.

The ARB President announced that the Ashanti Region would be hosting the 8th edition of the Rural Banking Week slated for 27th November 2021 and urged all to find time to participate in the celebrations.

He concluded that the Rural Banks are the most preferred Banks in Ghana and urged Shareholders and the general public to do more business with Rural Banks within their catchments.

13.3 Address by Comfort Owusu (Mrs.) Executive Director Association of Rural Banks –Ghana

Mrs. Owusu extended the felicitations of the season from the National Secretariat of the Association of Rural Banks to the Shareholders and Directors of the Bank.

She expressed her delight at the calm and orderly atmosphere at the meeting and urged the shareholders to keep that up.

Mrs. Owusu said she was sad the Bank could not pay dividends for the year 2020 and urged Management to work harder and turn the situation round at the next AGM. She, however, expressed the hope that the Bank would not relent in its Corporate Social Responsibility within the Bank's catchment.

13.4 Address by Nana Amoapim Brenya (Barekesehene)

Nana Brenya congratulated the Bank on its 33rd Annual General Meeting of Shareholders. He thanked the promoters of the Bank for their decision in 1987 to start the Bank in the Nwabiagya catchment area.

He expressed his appreciation to the Board and Management for their untiring efforts to place the Bank on a higher pedal.

Nana Brenya said education is part of his priorities and called on the Bank to assist in this area. He finally called on Shareholders to purchase more shares in the Bank to ensure that the Bank is well resourced to operate.

14. Acclamation of New Directors

Officials from the Atwima Nwabiagya North District Electoral Commission Office led by Ms. Mercy Opong Afra led the acclamation of the three new Directors of the Board since they were nominated unopposed. They are in the persons of:

- | | | | |
|------|----------------------|---|---------------|
| i. | Mr. Maxwell Yeboah | - | Barekese Zone |
| ii. | Hon Samuel Yaw Amoah | - | Barekese Zone |
| iii. | Mr Eric Adu-Yeboah | - | Fufuo Zone |

14. Closing

The meeting closed at 1.41pm and the vote of thanks was offered by Ms. Harriet Abena Adjei.

The closing prayer was said by Rev Anthony Boakye (Superintendent Minister- Good Shepherd Methodist Church-Barekese).

SIGNED



ANTWI-OSEI WUSU (Esq)
BOARD SECRETARY

NWABIAGYA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021
DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the audited Financial Statements of Nwabiagya Rural Bank Ltd, the Bank, for the year ended 31st December, 2021 and report thereon as follows:

PRINCIPAL ACTIVITIES

The principal activities carried out by the Bank during the year under review are within the limits permitted by its Regulations and its Banking Licence and also consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

RESULTS AND DIVIDEND

FINANCIAL STATEMENTS AND DIVIDEND

The results are summarized as follows:

	2021	2020
	<u>GH¢</u>	<u>GH¢</u>
Profit/Loss for the year ended 31st December, after Taxation is	2,136,065	(1,198,297)
Prior Period Error	(9,234,465)	(3,167,017)
Reversal in Interest previously taken to Income	-	-
To which is added balance on (Income Surplus) Retained Earnings brought forward of	(16,542,224)	(12,176,910)
Giving a total of	23,640,624)	(16,542,224)
Out of which the following declarations were paid and transfers made:		
Transfer to Dividend or Dividend Paid	-	-
Transfer from Other Commitment Accounts	-	-
Transfer to Credit Risk Reserve	-	-
Transfer to (Statutory) Reserve Fund	-	-
Leaving an adverse balance on Retained Earnings Account carried forward of	(23,640,624)	(16,542,224)

The results of operations for the year ended 31st December, 2021 are set out in the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the Notes to the Financial Statements from pages 12 - 30.

"The Directors are unable to recommend the payment of dividend in respect of the year ended 31 December, 2021: (2020: GH¢ 0.00)."

DIRECTORS' ASSESSMENT OF THE STATE OF AFFAIRS

The Directors consider the Bank's State of Affairs to be satisfactory. The Directors have a reasonable expectation that the Bank will continue in operational existence for the foreseeable future, inspite of the adverse Retained Earnings balance of GH¢23,640,622 for 2021 (2020: GH¢16,542,223) and have therefore used the Going Concern basis in preparing these Financial Statements as Directors and staff of the Bank have committed to reverse the loss in the Profit or Loss from 2021 and the negative Retained Earnings balance within a period of four years starting from 2022.

FULL BOARD MEETINGS

A total of 12 full Board meetings, 6 Emergency Meetings and 8 Committee meetings were held. In attendance were as follows:

Names of Members	Full Board Meeting	Emergency Meeting	Committee Meeting
Maxwell Yeboah	9/12	5/6	6/8
Eric Adu Yeboah	9/12	5/6	8/8
Diana Asiedu	12/12	6/6	8/8
Andrews Kwarteng Amanning	12/12	6/6	7/8
Samuel Yaw Amoah	12/12	5/6	6/8
Kwame Appiagyei Antwi	8/12	4/6	7/8
Daniel Nkrumah	5/12	3/6	3/8
DCOP Tuffour	8/12	3/6	4/8

APPROVAL OF THE FINANCIAL STATEMENTS

The Statement of Financial Position and its report of the Bank have been signed by two Directors indicating the Board's approval of the Financial Statements on 6th April, 2022.

CORPORATE SOCIAL RESPONSIBILITY

The following expenses were incurred in respect of corporate social responsibility in the course of the year.

COVID/Institutional Donation	3,900	2,000
Farmers Day/Public Relations	5,000	3,000
School-Methodist Primary	-	5,300
Borehole-Barekese Aseneye Community Construction Support	-	10,500
Hospital-Crank Hospital Beds		9,500
Other Donations/Contributions	18,040	25,600
TOTAL	26,940	55,900

STEPS TAKEN TO BUILD THE CAPACITY OF DIRECTORS

Directors attended these various training and capacity building programmes listed below:

Course	Board Member	Organisers
Presentation on Compliance Anti-money, and Combating the financing of Terrorism	All Board Members	Risk and Compliance Department
Companies Act for Banker	Mr. Maxwell Yeboah	Millennium Financial Centre
Training on AML/CFL for new Director	George Tuffour, Daniel Nkrumah and Kwame Appiagyei	Risk and Compliance Department
International Financial Reporting Standards(IFRS)	Mr. Maxwell Yeboah	Association of Rural Bank- Ghana
Investment Appraisal Guideline for RCB'S	Mr. Maxwell Yeboah	ARB APEX Bank
Effective Group Lending Methodology and Practices	Mr. Kwame Appiagyei Antwi	Association of Rural Bank- Ghana and GIZ

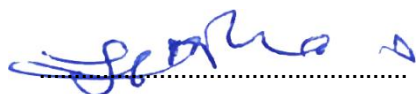
AUDIT FEES

Audit fees payable amounts to Fifty-Five Thousand Ghana Cedis (GH¢57,500) (2019: GH¢50,000).

PARTICULARS OF ENTRIES IN THE INTERESTS REGISTER

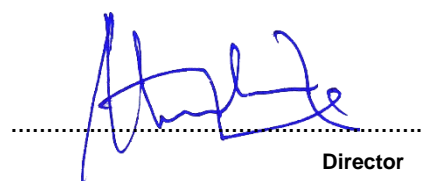
There was no Interest Register, there was no transaction with potential conflict of interest situation requiring entry in the Interests Register. No disclosure of these entries in the interest register was stated in Financial Statements ended December 31, 2021.

BY ORDER OF THE BOARD



Director

Mr. Andrews Kwarteng Amanning



Director

Mr. Kwame Appiagyei Antwi
Barekese

NWABIAGYA RURAL BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE DIRECTORS' REPORT
AND THE FINANCIAL STATEMENTS**

The Companies Act, 2019, (Act 992) requires the Directors to prepare Financial Statements for each year, which give a true and fair view of the state of affairs of the Bank and of their Profit or Loss for the year.

The Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) requires every bank to prepare annually as at 31st December of each year, Financial Statements and returns in accordance with that Act.

In preparing these Financial Statements, the Directors are required to:

- a. Select accounting policies, which comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), Anti-Money Laundering Act, 2020, (Act 1044) (AML) and in accordance with International Financial Reporting Standards and to apply them consistently.
- b. Make judgements and estimates that are reasonable and prudent.
- c. Ensure applicable accounting standards have been followed and any material departures disclosed.
- d. Ensure the Financial Statements are prepared on a Going Concern basis unless it is inappropriate to presume that the Bank will continue in business.

The Directors are responsible for the preparation of these Financial Statements in accordance with International Financial Reporting Standards and ensuring that the Bank keeps accounting records which disclose with reasonable accuracy the Financial Position of the Bank and which enable them to ensure that the Financial Statements comply with the Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act, 2020, (Act 1044) (AML). They are also responsible for safeguarding the assets of the Bank and hence taking steps for the prevention of fraud and other irregularities, as well as designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements.

The above Statement which should be read in conjunction with the Report of the Auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to these Financial Statements.

NWABIAGYA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021
REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS

Report on the Audit of the Financial Statements

We have audited the Financial Statements of Nwabiagya Rural Bank Ltd, which comprise the Statement of Financial Position as at 31st December, 2021, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, which include a summary of significant accounting policies as set on pages 12 to 30.

Modified Opinion

In our opinion, except for few compliance issues regarding the Bank of Ghana Guidelines for Financial Publication for Banks & Other Licensed Financial Institutions, the accompanying Financial Statements show a true and fair view of the Financial Position of the Bank as at 31st December, 2021, and of its Financial Performance and Cash Flows for the year then ended in accordance with the Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), and the Anti-Money Laundering Act, 2020, (Act 1044) (AML), and International Financial Reporting Standards.

Basis of Modified Opinion

The Bank is taking steps to comply fully with the disclosure requirement of the Bank of Ghana Guidelines for Financial Publication for Banks & Other Licensed Financial Institutions. The Retained Earnings (Income Surplus) Balance is negative GH¢23,640,622. We conducted our audit in accordance with 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.

Key Audit Finding

The Retained Earnings adverse balance of GH¢23,640,622 for 2021 (2020:GH¢16,542,223) could affect the Going Concern of the Bank, but the directors have resolved to reverse the adverse balance within four (4) years from December 31, 2021.

Independence

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Directors for the Financial Statements

As described on Pages 3, 4 and 5, the Bank's Directors are responsible for the preparation of these Financial Statements in accordance with Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Anti-Money Laundering Act, 2020, (Act 1044), (AML) and the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing, and maintaining internal control as Management determines is necessary and relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatements, whether due to fraud or error, and selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the Financial Statements, Management is responsible for assessing the Bank's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting unless Management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Management and Board of Directors are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The

risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity's or 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's audit. We remain solely responsible for our audit opinion.

We communicated with Management and Board of Directors regarding to, 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 those charged with governance with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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 interest benefits of such communication.

Report on other Legal and Regulatory Requirements

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

- a) We have obtained all the information and explanations which we considered necessary for the performance of the audit.
- b) In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- c) The Statement of Financial Position (Balance Sheet) and Statement of Comprehensive Income (Profit or Loss Account) of the Bank are in agreement with the books of account.
- d) In compliance with section 143 of the Companies Act, 2019, (Act 992), we are independent of the Bank.

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

- i. The Financial Statements give, subject to the matters contained in the Modified Opinion, a true and fair view of the State of Affairs as at 31st December, 2021 of the Bank and the results for the year ended on that date.
- ii. We have obtained all the information and explanation required for the efficient performance of our audit.
- iii. The Bank's transaction were within its powers; and
- iv. The Bank has generally complied with the provisions in the Companies' Act, 2019, (Act 992), the Banks and Specialised Deposit-Taking Institutions, Act 2016, (Act 930), the Anti-Money Laundering Act, 2021, Act (1044), (AML) and International Financial Reporting Standards.

Osei Asamoah Bonsu(ICAG/P/1013)
Kumasi

Asamoah Bonsu & Co.(ICAG/F/2021/155)
Chartered Accountants
Otb 169, Odum, Near Kataban House
P. O. Box Ks 7909
Kumasi

NWABIAGYA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>NOTES</u>	2021	2020
		<u>GH¢</u>	<u>GH¢</u>
<u>CURRENT ASSETS</u>			
Cash and Short-Term Funds	17	43,941,819	44,903,928
Funds with Other Financial Institutions	18	33,523,905	35,057,851
Funds - 182-Day Treasury Bill	18	21,563,974	18,200,000
Loans and Advances to Customers	20	34,650,594	38,630,905
Inventories	19	196,772	209,995
Other Assets	24	2,897,497	2,941,484
		136,774,561	139,944,163
<u>NON CURRENT ASSETS</u>			
Intangible Assets		47,825	154,563
Long-Term Investment	26	123,683	123,683
Property, Plant and Equipment	22	12,950,905	13,248,813
		13,122,413	13,527,059
TOTAL ASSETS		149,896,974	153,471,222
<u>LIABILITIES AND SHAREHOLDERS FUNDS</u>			
Deposits and Current Accounts	27	153,679,044	147,593,486
Current Tax Liabilities	15	-	1,625,312
Deferred Tax Liabilities		1,095,375	1,058,963
Other Liabilities		4,001,802	3,644,586
Institutional Borrowings		1,379,321	2,624,206
Provisions		1,957,556	2,061,897
TOTAL LIABILITIES		162,113,098	158,608,450
FINANCED AS FOLLOWS:			
Stated Capital	30	2,719,305	2,719,305
Share Deals Account		174,839	155,333
Revaluation Reserve		4,371,657	4,371,657
Reserve Fund		3,906,190	3,906,191
Retained Earnings (Income Surplus)		(23,640,622)	(16,542,223)
Credit Risk Reserve		252,507	252,507.37
Total Shareholders' Funds		12,216,124	(5,137,228)
TOTAL LIABILITIES AND SHAREHOLDERS FUND		49,896,974	153,471,222

These Financial Statements were approved at a meeting of the Board held on the date below.

Mr. Andrews Kwarteng Amanning
Director
Barekese

Mr. Kwame Appiagyei Antwi
Director
6th April, 2022

NWABIAGYA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021
STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	2021 <u>GH¢</u>	2020 <u>GH¢</u>
Interest Income	8	16,244,388	14,354,292
Interest Expenses	9	(5,065,603)	(4,545,170)
Net Interest Income		11,178,784	9,809,122
Commission and Fees	10	5,410,531	5,265,573
Commission and Fees Expense		(590,596)	(550,040)
Net Commission and Fees		4,819,935	4,715,533
Net Trading Income		-	-
Other Operating Income	16	3,300,703	1,526,941
Total Operating Income		19,299,423	16,051,597
Net Impairment Loss on Financial Assets	25	(2,264,138)	(1,068,429)
Personnel Expenses	12	(9,698,631)	(9,337,336)
Depreciation & Amortisation		(945,647)	(726,423)
Other Operating Cost		(3,572,096)	(3,692,485)
Total Operating Expenses		(16,480,512)	(14,824,672)
Profit Before Taxation		2,818,912	1,226,925
Tax Expense	15	(682,847)	(2,425,222)
Net Profit for the Year		2,136,065	(1,198,297)
OTHER COMPREHENSIVE INCOME		-	-
Revaluation of Property, Plant and Equipment		-	4,251,053
Defined Benefit Plan Actuarial Gain/(Loss)		-	-
Other Comprehensive Inc. for the Year (Net of Tax)		-	4,251,053
Total Comprehensive Income for the Year		2,136,065	3,052,756
Profit attributable to:			
Controlling Equity Holders of the Bank		2,136,065	3,052,756
Non-Controlling Interest		-	-
Profit for the Year		2,136,065	3,052,756
Basic Earnings per Share		0.73807	(0.41685)
Diluted Earnings per Share GH¢		-	-

NWABIAGYA RURAL BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENT OF CHANGES IN EQUITY

2021	Stated Capital	Revaluation Reserve	Reserve Fund	Inc. Surp./Retained Earnings	Credit Risk Reserve	Shareholders Fund
Balance b/f	2,719,305	4,371,657	3,906,191	(16,542,223)	252,507	(5,292,563)
Prior Period Error	-	-	-	(9,234,465)	-	(9,234,465)
Preference Shares	-	-	-	-	-	-
Reversal of Int. on Fixed Dep.	-	-	-	-	-	-
Total Comp. Income	-	-	-	2,136,065	-	2,136,065
	2,719,305	4,371,657	3,906,191	(23,640,622)	252,507	(12,390,963)
Transactions with Equity Holders						
Issue Treas. Shares Share Deals						
Balance Brought Forward	155,333	-	-	-	-	155,333
Addition	19,506	-	-	-	-	19,506
	174,839	-	-	-	-	174,839
Transfer to Reserve Fund	-	-	-	-	-	-
Transfer to Credit Reserve	-	-	-	(264,178)	264,178	-
Dividend Paid	-	-	-	-	-	-
Share Acquisition	-	-	-	-	-	-
	2,894,144	4,371,657	3,906,191	(23,640,622)	252,507	(12,216,124)
2020						
	Stated Capital	Revaluation Reserve	Reserve Fund	Inc. Surp./Retained Earnings	Credit Risk Reserve	Shareholders Fund
Balance b/f	2,719,305	120,604	3,906,191	(12,176,910)	252,507	(5,178,304)
Prior Period Errors	-	-	-	(3,167,017)	-	(3,167,017)
Preference Shares	-	-	-	-	-	-
Reversal of Int. on Fixed Dep.	-	-	-	-	-	-
Tax Audit Charges	-	-	-	-	-	-
Total Comprehensive Income	-	4,251,053	-	(1,198,296)	-	3,052,758
	2,719,305	4,371,657	3,906,191	(16,542,223)	252,507	(5,292,563)
Transactions with Equity Holders						
Issue Treas. Shares (Share Deals)						
Addition for Year	155,333	-	-	-	-	155,333
	155,333	-	-	-	-	155,333
Dividend Paid	-	-	-	-	-	-
Regulation Transfer	-	-	-	-	-	-
Transfer from Other Commit. Fund	-	-	-	-	-	-
Transfer to Reserve Fund	-	-	-	-	-	-
Transfer to Credit Reserve	-	-	-	-	-	-
	2,874,638	4,371,657	3,906,191	(16,542,223)	252,507	(5,137,230)

NWABIAGYA RURAL BANK LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021

STATEMENT OF CASH FLOWS

	2021	2020
	<u>GH¢</u>	<u>GH¢</u>
Cash Flow from Operating Activities		
Net Profit Before Tax	2,818,912	1,226,925
Adjustment for:		
Prior Period Adjustments	(9,234,465)	(3,167,017)
Profit on Disposal - Motor Vehicles	-	(119,659)
Adjustments to Cost/Values of PPEs	-	325,897
Adjustments to Depreciation Cost/Values of PPEs	-	(134,919)
Impairment on Financial Assets	2,264,138	1,068,429
Depreciation and Amortisation	540,952	726,423
Operating Profit before Working Capital Changes	(3,610,463)	(73,921)
Change in Funds with Other Financial Institution	1,533,946	6,886,373
Change in 182-Day Treasury Bills	(3,363,974)	(6,200,000)
Change in Loans and Advances to Customers	1,716,174	(2,132,410)
Inventories	13,224	(17,042)
Change in Other Assets	43,985	1,405,907
Change in Deposits from Customers	6,085,559	36,086,126
Change in Other Liabilities	357,216	1,789,673
Change in Provisions	(104,342)	(199,627)
	6,281,787	37,619,001
Net cash from operating activities	2,671,324	37,545,080
Income Taxes Paid	(2,271,748)	(669,597)
<u>Cash Flows from investing activities</u>		
Purchase of Property, Plant & Equipment	(127,706)	(546,487)
Purchase of Intangible Assets	(8,600)	(7,828)
Refund from HFC on Automated Teller Machines	-	-
Revaluation Reserve	-	(4,251,053)
Proceeds from Disposal - Motor Vehicles	-	131,800
Net Cash used in Investing Activities	(136,306)	(4,673,568)
<u>Cash flows from financing activities</u>		
Dividend Paid	-	-
Drawdown of Borrowings	-	-
Repayment of Borrowings	(1,244,885)	(1,435,385)
Reversal of Interest on Investments & Tax Charges	-	-
Issue of Ordinary Shares in TYreasury	19,506	72,697
Net Cash used in Financing Activities	(1,225,379)	(1,362,688)
Net (Decrease)/Increase in Cash and Cash Equivalents	(962,109)	30,839,227
Cash and Cash Equivalents at 1 January	44,903,928	14,064,701
Cash and Cash Equivalents at 31 December	43,941,819	44,903,928
Represented by Cash and Cash Equivalents as at 31 December	43,941,819	44,903,928

NWABIAGYA RURAL BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2021
NOTES TO THE FINANCIAL STATEMENTS

1. NATURE OF OWNERSHIP AND OPERATIONS

The Bank was incorporated as a Private Limited Liability Company on 24th June, 1987 with Registration No. C-32,422 now re-registered with number CS100602018 on 10th May, 2018 under the Companies' Act 2019 (Act 992) in Ghana. The Bank was issued with a licence on 3rd August, 1987, with Licence No. 123 by Bank of Ghana to operate a business of Banking.

1.1 Functional and Presentational Currency

The Financial Statements are presented in Ghana Cedis (GH¢) which is the Company's functional currency.

2. ACCOUNTING POLICIES

The significant Accounting Policies adopted by the Bank and which have been applied in preparing these Financial Statements are stated below:

2.01 Basis of Accounting

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis in compliance with International Financial Reporting Standards, IFRS, and requirements, as for Investments and Financial Assets and Financial Liabilities measured at Fair Value. The Bank of Ghana Guideline 'Guide for Financial Publication for Banks and BOG Licensed Financial Institutions' for 2016 and 2018 require certain disclosures to be completely complied with in applicable areas. These guidelines have not been so completely complied with and to this extent, the Financial Statements are not in compliance with International Financial Reporting Standards, IFRS.

2.02 Revenue Recognition

Revenue is recognised on accrual basis and to the extent of the economic benefits expected to flow to the Bank and that the Revenue can be reliably measured as provided hereunder.

2.03 Interest Income and Expense

Interest income and expense are recognised in the Statement of Comprehensive Income in respect of interest bearing Financial Instruments including Loans and Advances as interest accrues using the Effective Interest Rate method. This method calculates the amortised cost of a Financial Asset or Liability and allocates the Interest Income or Interest Expense also the discount rate applicable to future cash flows (receipts or payments), over the life of the Financial Asset or Liability to its net carrying amount.

2.03 Non-Interest Income

Commission and Fees are earned on accrual basis on services such as Funds Transfer on completion of the transaction.

2.04 Dividend

Interest calculated using the effective interest method is recognised in the Statement of Comprehensive Income. Dividends on equity instruments are recognised in the income statement when the Bank's right to receive payment is established.

2.05 Income Tax

Income Tax comprises Current Tax and Deferred Tax.

Current Tax relates to determination of expected payable tax from the Profits of the Financial Statements in relations to Tax obligations imposed from by legislation of Ghana.

Deferred Income Tax relates to Tax Provision on all Temporary differences at the Financial Position date arising from Tax bases of assets and liabilities and their carrying amounts. Deferred Tax Assets are the recoverable taxes of future periods which include deductible Temporary differences. Deferred Tax Liabilities are the recognised payable Taxable Temporary differences on future taxable profits. Deferred taxes (Assets or Liabilities) are calculated using the enacted rate expected to be applicable in the period when the asset is realised or the liabilities settled.

Deferred Tax Assets and Liabilities are offset when they arise in the same tax reporting entities and relate to income taxes of the same taxation authority, and when a legal right to set-off exists.

The carrying amounts of Deferred Tax Assets or Liabilities are reviewed at the end of each reporting date and adjusted to reflect the new values through the Profit or Loss.

2.06 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

2.061 Categorisation

The Bank classifies its Financial Assets into those measured at Fair Value through Profit or Loss and those measured at Amortised Cost; and Financial Assets measured at Fair Value through Other Comprehensive Income.

2.062 Date of Recognition

Purchases and Sale of Financial Assets are recognised on the Transaction date.

2.063 Initial Recognition of Financial Instruments

Financial Instruments are initially recognised at their fair value plus, in the case of Financial Assets or Financial Liabilities not at Fair Value through Profit or Loss, transaction costs that are directly attributable to the acquisition or issue of the Financial Asset or Financial Liability.

2.064 Subsequent Measurement of Financial Instruments

(a) Financial Assets at Fair Value through Profit or Loss. A Financial Asset at fair value through Profit or Loss is that which meets either of the following conditions.

➤ Held for Trading

A Financial Asset is classified as Held for Trading if it is acquired principally for the purpose of selling in the near future, or is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

➤ Designated at Fair Value through Profit or Loss

Upon initial recognition as Financial Asset, it is designated at fair value through Profit or Loss. Financial Assets at fair value through Profit or Loss are measured at fair value subsequent to initial recognition. Gains or Losses upon subsequent measurement are treated in Profit or Loss.

All equity instruments are measured at fair value.

(b) Financial Assets Measured at Amortized Cost. A Financial Asset is measured at amortised cost if the following conditions are met:

- i. The Asset is held within a business model whose objective is to hold assets in order to collect contractual Cash Flows
- ii. The contractual terms of the Financial Asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Term Loans to customers come under this category. They are initially recognised when cash is advanced to the borrowers at fair value, inclusive of transaction costs. Subsequent to initial recognition, Term Loans are measured at amortised cost less impairment losses.

(c) Financial Assets Measured at Fair Value through Other Comprehensive Income

Securities including investments in money market and equity shares, other than those classified as trading securities, or at fair value through Profit or Loss, are classified and recognised in the Statement of Financial Position at their fair value. Other Financial Assets that are neither cash nor categorised under any other category also come under this classification.

Financial Assets measured at fair value through Other Comprehensive Income are measured at Fair Value with gains and losses arising from changes in Fair Value recognised directly in Other Comprehensive Income until the Financial Asset is either sold, becomes impaired, or matures, at which time the cumulative gain or loss previously recognised in equity is recognised in Profit or Loss.

(d) Financial Liabilities

Financial Liabilities are classified as non-trading, held for trading or designated as at fair value through Profit and Loss. Non-Trading Liabilities are measured subsequent to initial recognition at Amortised Cost applying the effective interest method. Held for Trading Liabilities or Liabilities designated as at fair value through Profit or Loss, are measured at fair value. All Financial Liabilities shown in the Statement of Financial Position are non-trading liabilities.

2.08 Determination of Fair Value of Financial Instruments

i. Availability of Active Market

The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the reporting date is based on its quoted market price without any deduction of transaction costs.

ii. Non-Availability of Active Market

Equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost. However, Fair Values for such equity investments, are determined from the declaration of capital appreciations by the investee organisation of amounts so declared in the form of additional shares in the equity holdings. Investments whose fair value can be reliably measured are measured professionally through the use of valuation techniques.

iii. Short-Term Receivables

The fair value of short term receivables approximate book value and are measured as such.

2.09 Offsetting of Financial Instruments

Financial Assets and Financial Liabilities are offset when there is a legally enforceable right to do so and the net amount stated in the Statement of Financial Position. This happens when there is the intention settle on net basis or realise the Financial Asset and redeem the Financial Liability.

2.10 Derecognition of Financial Assets and Liabilities

A Financial Asset or a portion thereof, is derecognised when the Bank's rights to cash flows has expired or when the Bank has transferred its rights to cash flows relating to the Financial Assets, including the transfer of substantially all the risk and rewards associated with the Financial Assets or when control over the Financial Assets has passed.

A Financial Liability is derecognised when the obligation is discharged, cancelled or has expired.

2.11 Impairment of Financial Assets

(a) Framework for measuring impairment of Financial Assets.

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a Financial Asset or group of Financial Assets has become impaired.

Evidence of impairment may include indications that the borrower or a group of borrowers is/are 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.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the income statement.

(b) Loans and Advances and Amounts due from Banks & other Financial Institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised 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, whether significant or not, 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 asset's carrying amount and the present value of the 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 recognised in the Profit or Loss.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilised or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the Allowance Account. If a write-off is later recovered, the recovery is credited to the Profit or Loss and charged to the Allowance Account ('Credit Loss Expense').

The present value of the estimated future cash flows is determined using the Financial Asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

For the purposes of collective evaluation of impairment, Financial Assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

(c) Other Financial Assets

The Bank assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

In the case of other debt instruments, impairment is assessed based on the same criteria as Financial Assets carried at amortised cost. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the Income Statement, the impairment loss is reversed through the Income Statement.

3 REGULATORY CREDIT RISK RESERVE

To cater for any difference between the Bank of Ghana's Credit Loss Provision requirements and Loans and Advances Impairments based on IFRS Principles, a charge or credit is made to Income Surplus in respect of the difference required to bring up the cumulative provision to the level required under the Bank of Ghana regulations. Under current regulations the Credit Risk Reserve does not qualify as Tier 1 Capital for the computation of Capital Adequacy.

4 PROPERTY, PLANT AND EQUIPMENT

The Bank recognises an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materiality threshold set by the Bank.

Property, Plant and Equipment are stated at Cost or revalued amount less Accumulated Depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the asset which is determined in percentages. The depreciable amount of each asset is the difference between the cost/revaluation and the residual value which is set to zero of the asset. No depreciation is provided on Land.

The residual value is the estimated amount, net of disposal costs that the Bank would currently obtain from the disposal of an asset in similar age and condition as expected at the end of the useful life of the asset. In the last year or period of the charge of depreciation to Profit or Loss, the depreciation amount is reduced by GH¢1 so that the asset has GH¢1 value to give an indication of the existence of the item of Property, Plant and Equipment.

The current Annual Depreciation rates for each class of Property, Plant and Equipment are as follows:

Building	5.0%
Bank Development	5.0%
Motor Vehicles	12.5%
Office Equipment	25.0%
ATM Equipment	10.0%
Electrical Installation	25.0%
Office Bungalow Furniture	20.0%
Computer & Accessories	25.0%

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalised if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property, plant and equipment are reviewed for indications of impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property, plant and equipment is the greater of net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of Property, Plant and Equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Income Statement in the year the item is derecognised.

Residual values, useful lives and methods of depreciation for Property, Plant and Equipment are reviewed and adjusted if appropriate, at each financial year end.

5 USE OF ESTIMATES AND JUDGEMENT

The preparation of Financial Statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the Financial Statements are described in Notes 4.

6 RISK MANAGEMENT

The Bank's operations come with these risks: Credit, Market, Liquidity and Operational.

6.1 Credit Risk

To the Bank, Credit Risk is the likelihood that a receivable from a financial instrument issued by the Bank to a borrower is unlikely to be received regarding the principal with or the interest according to the terms contained in the financial instrument. This will result in economic loss to the Bank.

The Credit Risk arises from largely Loans and Advances to customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensures that periodic review of the status of the receivable at every stage from application to completion of the repayment of the advance by the borrower. The Credit Department submits reports of the performance of the Loans and Overdrafts to a Credit Committee which takes appropriate actions for recovery. Credit facilities are monitored for early warning signals of non-performance. The maximum amount of Credit Risk emanating from these sources is as follows:

6.2 Market Risk

Market Risk is the potential of losses arising from movements in market prices such as Interest Rates, Exchange Rates, and Equity and Commodity Prices. Currently, the Bank's activities expose it to Interest Rate risks with no exposure to exchange rate, equity or commodity price risks. The Interest Rate risk is inherent in the Bank's Financial Assets and Liabilities such as Loans, Customer Deposits and Borrowings.

6.3 Liquidity Risk

Liquidity Risk is the potential loss to the Bank arising from either its inability to meet its maturing Short-Term obligations as they fall due or to fund increases in assets without incurring unacceptable costs. The management of this risk enables the Bank to minimise the timing of cash flows relating to its Assets and Liabilities to ensure that it regularly maintains the Primary Reserve requirement of 13% of Total Deposits as required by Bank of Ghana and ARB Apex Bank.

6.4 Operational Risk

Operational Risk is direct or indirect loss resulting from inadequate or failed internal and processes, staff and systems. These are managed by well-designed operating manuals that reflect the main operating procedures, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

7 CAPITAL

7.1 The Objectives of Capital Management

The Capital Management Objective of the Bank is to ensure the financial net assets at the end of the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions to and adding contributions from the owners.

The objective is also to ensure that, at any time, the Stated Capital requirement by Bank of Ghana could be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This is achieved by maintaining the appreciable level of profits to meet the expected Capital increases by Bank of Ghana.

7.2 Capital Description

The Bank's Capital is its Shareholders' funds comprising Stated Capital, Statutory Reserves and Income Surplus, which includes current and previous year's retained earnings. The current level of the Bank's capital complies with the existing minimum Stated Capital requirement of Bank of Ghana.

7.3 The Level of Capital Adequacy		2021	2020
		GH¢	GH¢
1	Paid Capital	2,894,130	2,874,625
2	Permanent Non-Cumulative Preference Shares	13	13
4	Disclosed Reserves	(19,361,321)	(12,262,920)
5	Sub-Total Tier 1 Capital (1+2.3+4)	(16,467,178)	(9,388,282)
	Less		
6	Goodwill/Intangibles/Preliminary Expenses	2,945,322	3,096,047
7	Losses not provided for	-	-
8	Investments In Subsidiaries	10	10
9	Invest. In Capital of Other Banks & Fin. Inst.	3,069	3,069
10	Capitalised Revaluation Reserve	4,371,657	4,371,657
11	Connected Lending of Long-Term Nature	-	-
12	Net Tier 1 Capital(5-6-7-8-9-10-11)	(23,787,236)	(16,859,065)
	Add		
13	Revaluation Reserves	4,371,657	4,371,657
14	Subordinated Term Debt (Limited to 50% of 4)	-	-
15	Hybrid Capital	-	-
16	Tier 2 Capital (12+14+15)(Limited to 100% of 5)	4,371,657	4,371,657
15	Adjusted Capital Base (12 + 16)	(19,415,579)	(12,487,407)
16	Total Assets	149,896,974	153,471,222
	Less		
17	Cash on Hand	4,425,373	5,055,154
18	Claims on Bank of Ghana/ARB Apex Bank v. Special Deposits	7,586,853	6,861,295
19	Claims on Government		
	i. Treasury Securities (Bills and Bonds)	48,677,985	43,609,548
	ii. Stocks	-	-
28	80% of Cheques drawn on Other Banks	-	-
29	Goodwill/Intangibles	2,945,322	3,096,047
30	Investments in Subsidiaries	10	10
31	Investments in the Capital of Other Banks & Fin. Insts	3,069	3,069
34	80% of claims on Other Banks {Cedis/Forex}	3,852,466	6,062,345
35	50% of claims on Other Fin Insts. (Public Sector)	16,761,952	17,528,925
38	50% of Residential Mortgage Loans	966,664	663,970
40	Adjusted Total Assets (16-17-18-19.....-39)	64,677,280	70,590,859
52	TOTAL OFF- BAL SHEET ITEMS (40+41+.....48)	-	-
53	Less:		
54	50% of class 1 Risk Weighted Off-Bal Sheet Items	-	-
55	80% of Class 2 Risk Weighted Off-Bal Sheet Items	-	-
56	Net Contingent Liabilities (40+41-48)	-	-
57	Add:		
58	100% of 3yrs Average Annual Gross Income	15,442,940	18,564,723
59	ADJUSTED ASSET BASE (40+52+56+59)	80,120,220	89,155,582
	Adjusted Capital Base as %age of Adjusted Asset Base	(24.23)	(14.01)
	CAPITAL SURPLUS/(DEFICIT)	(25,825,196)	(19,619,854)

The Bank's regulatory capital was below the required minimum throughout the years 2021 and 2020.

I) Dividend

Dividend payable is recognised as a liability in the period in which they are approved at the AGM.

8	INTEREST INCOME							
	Advances					9,554,828		10,716,891
	Investment					6,689,559		3,637,401
						16,244,388		14,354,292
						2020		2019
9	INTEREST EXPENSES					GH¢		GH¢
	Deposit Liabilities					4,715,597		4,168,441
	On Borrowing					350,006		376,729
						5,065,603		4,545,170
10	COMMISSIONS AND FEES							
	Retail Banking Customer					4,411,054		4,360,990
	Sundry					999,477		904,583
						5,410,531		5,265,573
11	COMMISSIONS AND FEES EXPENSES							
	Bank Charges/Clearing					74,526		55,785
	Susu					516,070		494,254
						590,596		550,040
	Net fees and commission income					4,819,935		4,715,533
12	PERSONNEL EXPENSES							
	Salaries					7,640,693		7,421,684
	Contributions to Defined Benefit Plans - SSF					1,057,215		1,018,973
	Contributions to Defined Contribution Plans -Provident Fund					559,137		482,282
	Other Staff Costs					334,028		300,256
	Medical					23,321		29,809
	Staff Training					84,236		84,330
						9,698,631		9,337,336
13	DEPRECIATION AND AMORTISATION							
	Depreciation of Property & Equipment					540,952		624,004
	Amortisation of Purchased Software					404,695		102,420
						945,647		726,423
14	OTHER EXPENSES							
	Directors Fees					34,110		93,500
	Software Licensing and Support					431,883		214,142
	Audit Fees					57,500		50,000
	Right of Use (Rent)					311,985		314,528
	Other Operating					1,430,926		1,787,277
	Electricity & Water					376,617		463,419
	Social Responsibility					26,940		55,900
	Other Administrative					902,135		713,718
						3,572,096		3,692,485
15	TAXATION							
15a	BANK	Balance	Charges	Payments	Balance	Charge	Payments	Balance
	Tax Years	1-Jan-21	for Year		31-Dec-20	for year		31-Dec-21
		GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
	Up to 2017	-	-	-	-	-	(46,646)	(46,646)
	2018	(64,243)	-	-	(64,243)	-	(1,109,218)	(1,173,461)
	2019	32,663	-	(500,000)	(467,337)	-	(126,646)	(593,983)
	2020	-	2,326,489	(169,597)	2,156,892	(425)	(295,306)	1,861,161
		(31,580)	2,326,489	(669,597)	1,625,312	(425.00)	(1,577,817)	47,070

2021	-	-	-	-	646,861	(693,931)	(47,070)
	(31,580)	2,326,489	(669,597)	1,625,312	646,436	(2,271,748)	(0)
Deferred Tax	960,230	98,733	-	1,058,963	36,412	-	1,095,375
	928,650	2,425,222	(669,597)	2,684,275	682,847	(2,271,748)	1,095,375
Dividend Tax							
Up to '18	-	-	-	-	-	-	-
2019	-	-	-	-	-	-	-
2020	-	-	-	-	-	-	-
	-	-	-	-	-	-	-

15b DEFERRED TAX AND COMPUTATION		2021	2020
		GH¢	GH¢
Profit Before Tax		2,818,912	1,226,925
Income Tax Using Applicable Tax Rate 25%		704,728	306,731
Deferred Tax			
Balance 31-Dec		1,058,962	960,230
Adjustments for Deferred Tax		2,288,465	98,733
Balance 31-Dec		3,347,427	1,058,962
Profit Before Tax Expense		2,818,912	1,226,925
Deferred Tax		2,288,465	98,733
Total		2,993,193	405,464
Effective Tax Rate %		106	33

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

Deferred income tax is calculated using the enacted income tax rate of 25%. Deferred income tax liabilities and deferred income tax charge in the profit or Loss are attributable to the following items:

Income tax expense		
Current Income Tax (a)	(425)	107,663
Deferred Income Tax (b)	36,412	4,217
	35,987	111,880
16 OTHER INCOME		
Interest Recovered on Investments	3,300,703	1,240,516
Other	-	166,766
Profit on Disposal of Asset	-	119,659
	3,300,703	1,526,941
17 CASH AND SHORT TERM FUNDS		
Cash on hand	4,425,373	5,055,154
Balances with other banks	572,495	2,058,873
Unrestricted balance with ARB Apex bank	2,243,088	2,019,059
Restricted Balance with ARB Apex Bank- 5% Placement	7,586,853	6,861,295
ARB Apex Bank ACOD 7	2,000,000	3,500,000
91 Day Government of Ghana Treasury Bill	27,207,576	26,800,000
	44,035,384	46,294,380
Interest Receivable on Investment	(93,565)	(1,390,452)
	43,941,819	44,903,928

18	FUNDS WITH OTHER FINANCIAL INSTITUTIONS		
18.1	(a) Deposits - Receiver for Defunct Financial Institutions		
	Gold Coast Fund Management	9,983,629	8,851,000
	Apex Capital Partners	1,016,881	1,215,000
	Integrity Fund Management	31,635	81,635
	Unisecurities Ghana Limited	2,862,689	4,500,000
	McOttley Capital Limited	956,526	1,100,000
	Heritage Securities Limited	562,329	1,000,000
		15,413,689	16,747,635
18.2	(b) Other Deposits:		
	SIC Financial Services	12,231,562	12,231,562
	National Trust Holding Company	5,595,533	5,795,533
	Prestige Capital Limited	283,121	283,121
		18,110,216	18,310,216
		33,523,905	35,057,851
18.3	182-Day Treasury Bill		
	182 Days Government of Ghana Treasury Bill	21,563,974	18,200,000
		21,563,974	18,200,000
		2021	2020
		GH¢	GH¢
19	INVENTORIES	196,772	209,995
20	ADVANCES		
	Loans and Advances to Customers	49,377,983	45,026,708
	SMS Charges	(9,234,465)	(3,167,017)
	Impairment Loss	(5,492,924)	(3,228,786)
		34,650,594	38,630,905
20.1	Allowances for impairment		
	Balance b/fwd	3,228,786	1,647,451
	Written off Reversed (Written off)	-	512,906
	Loan Impairment Charges	2,264,138	1,068,429
		5,492,924	3,228,786
20.2	Loans and advances to customers at amortised cost-		
	Loans by business segment to customers:		
	Agriculture (Individual)	1,720,054	528,236
	Cottage Industries (Private Enterprise)	1,578,210	8,043,714
	Transport (Others)	841,728	206,540
	Commerce	13,045,872	12,570,980
	Susu and Other Credit Lines	32,192,119	23,677,238
		49,377,983	45,026,708
20.3	Allowances for Impairment		
	Individual and Collective Allowances for Impairment		
	Balance at 1 January	3,228,786	1,647,451
	Written off Reversed (Written off)	-	512,906
	Charge for the Year	2,264,138	1,068,429
	Balance at 31 December	5,492,924	3,228,786

Loan statistics

i) Twenty (20) largest exposures to total exposures	9.17%	10.77%
ii) Loan loss provision ratio	6.04%	3.94%
iii) Non-performing ratio	12.90%	6.91%

Right of use - office rent

Non-cancellable operating lease rentals are payable as follows:

Between one and five years	311,985	314,528
More than five years	714,430	714,430
	1,026,415	1,028,958

The Bank leases a number of branch premises for its operations. The rent lease paid for the year 2021 is GH¢314,528. Rent for beyond 2022 for various years came to GH¢714,430. The rent lease for each one of them has an option to renewal after expiry date.

21 INTANGIBLE ASSETS**Cost**

Balance at 1 January	583,748	575,920
Acquisitions	8,600	7,828
Balance at 31 December	592,348	583,748

Amortisation

Balance at 1 January	429,185	326,766
Amortisation for the year	115,338	102,420
Balance at 31 December	544,523	429,185

Carrying amounts

Balance at 1 January	154,563	249,154
Balance at 31 December	47,825	154,563

The intangible asset relates to purchased software called Bankmill from Mindmill Inc. in India and implementation started in 2016

22	PROPERTY, PLANT & EQUIP.	BALANCE	DISPOSSAL OR	REVALUATION	ADDITIONS/TF	BALANCE
22.1	2021	1-Jan-21	TRANSFERS		RS	31-Dec-21
a	<u>COST</u>					
	Land and Building	7,385,521	-	-	-	7,385,521
	Agency Development	657,327	-	-	-	657,327
	Motor Vehicle	707,537	-	-	-	707,537
	Office Equipment	2,065,822	-	-	42,751	2,108,573
	ATM Equipment and Installation	606,533	-	-	-	606,533
	Electrical Installation	121,539	-	-	-	121,539
	Office Bungalow Furniture & Fittings	403,154	-	-	8,713	411,867
	Computers and Accessories	1,182,382	-	-	76,242	,258,623
	Capital WIP/Branch Development	4,146,697	-	-	-	4,146,697
		17,276,512	-	-	127,706	7,404,218

	BALANCE 01/01/2021	PROVISION REVERSED	OVER PROVISION REVERSED	CHARGED FOR YEAR	BALANCE 31/12/2021
b	<u>DEPRECIATION</u>				
Land and Building	160,513	-	-	71,890	232,403
Agency Development	83,373	-	-	6,618	89,991
Motor Vehicle	588,168	-	-	61,302	649,470
Office Equipment & Electrical Installation	1,286,009	-	-	241,883	1,527,892
ATM Equipment and Installation	413,804	-	-	-	413,804
Electrical Installation	53,450	-	-	-	53,450
Office Bungalow Furniture & Fittings	345,607	-	-	-	345,607
Computers and Accessories	1,096,776	-	-	43,921	1,140,697
Capital WIP/Branch Development	-	-	-	-	-
	4,027,699	-	-	425,614	4,453,313
c	NET BOOK VALUE				
	13,248,813			-	12,950,905
22.2	2020				
a	BALANCE		REFUND ATM		BALANCE
	<u>1-Jan-20</u>	<u>DISPOSSAL</u>		<u>ADDITIONS</u>	<u>31-Dec-20</u>
Land and Building	3,269,386	(134,918)	4,251,053	-	7,385,521
Agency Development	657,327	-	-	-	657,327
Motor Vehicle	866,841	(287,024)	-	127,720	707,537
Office Equipment	1,889,748	-	-	176,074	2,065,822
ATM Equipment and Installation	606,533	-	-	-	606,533
Electrical Installation	42,901	-	-	78,638	121,539
Office Bungalow Furniture & Fittings	369,278	36	-	33,840	403,154
Computers and Accessories	1,115,784	-	-	66,598	1,182,382
Capital WIP/Branch Development	4,162,013	(78,933)	-	63,617	4,146,697
	12,979,810	(500,839)	4,251,053	546,487	17,276,512
b	BALANCE	DISPOSAL		CHARGED	BALANCE
	<u>1-Jan-20</u>			<u>FOR YEAR</u>	<u>31-Dec-20</u>
Land and Building	201,897	(66,979)	(134,918)	160,513	160,513
Agency Development	70,263	-	-	13,110	83,373
Motor Vehicle	742,865	(274,883)	28,909	91,276	588,168
Office Equipment & Electrical Installation	1,136,164	(102,419)	140,488	111,775	1,286,009
ATM Equipment and Installation	364,663	-	-	49,141	413,804
Electrical Installation	25,793	-	-	27,657	53,450
Office Bungalow Furniture & Fittings	314,578	-	-	31,029	345,607
Computers and Accessories	957,274	-	-	139,502	1,096,776
Capital WIP/Branch Development	-	-	-	-	-
	3,813,497	(444,281)	34,479	624,004	4,027,699
c	NET BOOK VALUE				
	9,166,313				13,248,813

	2021 GH¢	2020 GH¢
23 DISPOSAL OF PPEs-MOTOR VEHICLES		
Proceeds	-	131,800
Cost	-	287,024
Accumulated Depreciation	-	-
Net Book Value	-	287,024
Profit on Disposal	-	(155,224)
	2021	2020
24 OTHER ASSETS	GH¢	GH¢
Office account	237,724	224,355
Prepayments	1,810,487	2,131,157
Accrued interest	-	29,956
Inter-Agency account	501,336	14,225
Insurance Prepaid	14,391	
Others	323,036	77,208
Uncleared effect	10,523	464,583
	2,897,497	2,941,484
25 IMPAIRMENT OF FINANCIAL ASSETS		
Loans and Advances/Expected Credit Loss	2,264,138	1,068,429
26 INVESTMENT SECURITIES		
Investment in ordinary shares of ARB Apex bank	123,673	123,673
Investment in Rural Services	10	10
	123,683	123,683
Investment securities have upon initial recognition been designated at fair value through equity, and therefore eliminates or reduces any accounting mismatch that would otherwise arise.		
27 DEPOSITS FROM CUSTOMERS		
Retail customers:		
Demand deposits	31,334,106	29,278,289
Savings deposits	62,810,724	56,748,492
Time deposits	27,344,321	31,431,983
Instalment deposits - Susu	32,189,893	30,134,722
	153,679,044	147,593,486
Deposit statistics		
i) Ten (10) largest depositors to total deposit ratio	8.42%	13%
28 PROVISION		
28.1 (a) Shares Redemption		
Balance at Beginning	-	-
Transfer from Income Surplus	-	-
Payments to Goodwell MF Development	-	-
Balance at End	-	-

This is in respect of repurchase of shares by the Bank for the ordinary/equity shares of Goodwell MF Development Company Limited. Goodwell exited in the year 2018 and was paid off by the Bank and these shares are treated as Treasury Shares.

	(b) Others		
28.2	Development Reserve		
	Balance at Beginning	195,995	195,995
	Transfer to/(from) Income Surplus	-	-
	Balance at End	195,995	195,995
	The fund is to support infrastructural activities within the bank.		
28.3	Scholarship Reserve		
	Balance at Beginning	191,721	191,316
	Provision for Scholarship	-	405
	Transfer to Other Commitments Fund	-	-
	Balance at End	191,721	191,721
	The fund is to support needy and brilliant students in the communities the Bank operates.		
28.4	Staff Pension Reserve		
	Balance at Beginning	473,653	673,685
	Payments to Retired Staff	(327,168)	(200,032)
	Transfer from Profit or Loss	22,827	-
	Balance at End	169,312	473,653
	The fund is to cater for staff who retires from active service.		
28.5	Community Development Reserve		
	Balance at Beginning	600,528	300,528
	Transfer from Income Surplus	-	-
	Transfer to Other Commitments Fund	-	300,000
	Balance at End	600,528	600,528
	The fund is to support development activities in the communities the bank operates.		
		2021	2020
28.6	ICT Development Fund	GH¢	GH¢
	Balance at Beginning	600,000	600,000
	Transfer to Income Surplus	-	-
	Payments	-	-
	Balance at End	600,000	600,000
	The fund is to cater for expenditures on information and communication technology.		
28.7	Other Commitments Fund		
	Balance at Beginning	-	553,500.00
	Additions for the Year	-	-
	Transfer to Scholarship Fund	-	(90,000.00)
	Transfer to Community Development Reserve	-	(300,000.00)
	Transfer to Profit or Loss	-	(163,500.00)
	Payments of Expenses	-	-
	Balance at End	-	-
	Total	1,957,556	2,061,897
28.8	Other liabilities		
	Dividend Account	174,932	186,727
	Creditors and Accruals	176,786	533,249
	Managed Funds - SEED Fund	22,631	-
	Office Account	485,242	45,799
	Payment Order	501,194	2,431
	ACH and Others - Suspense	17,411	215,537
	E-Zwich Operations	237,293	812,220
	Accrued/Unearned Interest on Deposits	966,727	942,072
	Loan Insurance Fund	1,419,586	906,551
		4,001,802	3,644,586

28.9	The Loan Insurance Risk summary account is as follows:		
	Balance at Beginning	906,551	445,419
	Transfer from Income Surplus	513,035	461,132
	Balance at End	1,419,586	906,551
28.10	Creditors and Accruals		
	Audit Fees	57,500	50,143
	Police Guard/Scholarship and others	119,286	54,451
	Withholding taxes	-	17,794
	Bills payable	-	210,395
	Sundry creditors	-	200,466
		176,786	533,249
29	INSTITUTIONAL BORROWINGS		
	RDF GHANA	1,157,875	1,578,947
	ARB Apex Bank Limited	-	380,920
	KfW (ERBB)	221,447	664,338
		1,379,321	2,624,206

29.1 RDF GHANA

A principal loan of GH¢2.0 million contracted from RDF Ghana Limited for on-lending for a duration of 5 years. Interest rate is at 16.89% with a moratorium of three months on both principal and interest.

29.2 ARB Apex Bank Limited

A principal loan of GH¢2.0 million contracted from ARB Apex Bank Limited for the construction of Abuakwa Branch. Interest rate on this facility is at 24.5% and it is secured by with Treasury bill investment with ARB Apex Bank Limited.

29.3 KfW E-zwich Rural Branchless Banking Project

A principal loan of GH¢1,771,568 contracted from the Bank of Ghana through kfw for the acquisition of e-zwich infrastructure and ancillary related services by GhIPPS under the E-Zwich Rural Branchless Banking lending policy for a period of four (4) years. Interest rate on the facility is at a fixed rate of 6% and shall not be subject to any revision.

30	STATED CAPITAL		2021		2020	
	Authorised:					
	Ordinary Share of no par value		50,000,000		50,000,000	
	Preference Share of no par value		-		-	
	DETAILS	ISSUED NO. OF SHARES	Amount	ISSUED NO. OF SHARES	Amount	
		2021	GH¢	2020	GH¢	
		Number		Number		
	Ordinary Shares					
		CONSIDERATION				
	Opening Balance	Cash	14,879,199	2,719,292	14,879,199	2,719,292
	Addition	Cash	-	-	-	-
			14,879,199	2,719,292	14,879,199	2,719,292
	Share Deals					
	Opening Balance		310,666	155,333	165,272	82,636
	Addition		39,012	19,506	145,394	72,697
			349,678	174,839	310,666	155,333
			15,228,877	2,894,131	15,189,865	2,874,625
	Transfer from Reserves/Retained Earnings					
	Opening Balance		-	-	-	-
	Addition		-	-	-	-
			-	-	-	-

Total - Ordinary Shares

Opening Balance	14,879,199	2,719,292	14,879,199	2,719,292
Addition-Share Deals	349,678	174,839	310,666	155,333
	15,228,877	2,894,131	15,189,865	2,874,625
Preference Shares				
Opening Balance	125,000	13	125,000	13
Addition	-	-	-	-
	125,000	13	125,000	13
TOTAL		2,894,144		2,874,638

Shares in Treasury**ISSUED NO. OF SHARES**

	2021	2020
	GH¢	GH¢
This is made up as follows:		
Opening Balance	2,850,065	2,995,459
Issues to Share Deals	(39,012)	(145,394)
Closing Balance	2,811,053	2,850,065

Shares in treasury represent shares acquired by the Bank from Goodwell MF Development Company Limited who exited in 2019. There is no call or instalment unpaid on any share.

Income Surplus or Retained Earnings

Dividends are declared from the profit of the year which has been transferred to Retained Earnings account. The net amount of profit for the year (after the declaration of dividend) is included in this Retained Earnings account. After the declaration of the balance on the account represents the residual of cumulative annual profits but are available for distribution to shareholders.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equal with regard to the bank's residual assets.

Dividend

The following dividends were paid by the Bank for the year ended 31 December:

	2021	2020
	GH¢	GH¢
GH¢0.00 per ordinary share in 2021 for 2020	-	-
GH¢0.00 per ordinary share in 2020 for 2019	-	-

No dividend was proposed by the directors in 2021; (2020: GH¢0.00 per share). No dividend has been provided for in the Profit or Loss or the Statement of Financial Position during the year and there is no income tax consequence.

31	RESERVES	2021	2020
31.1	REVALUATION	GH¢	GH¢
31.1.1	Revaluation reserve on Investment in ARB Apex Bank		
	Balance at Begin	120,604	120,604
	Addition	-	-
	Deduction/Reversal	-	-
	Balance at End	120,604	120,604
	This represents the value of shares with ARB Apex Bank Limited		
31.1.2	Revaluation Reserve on Land and Buildings		
	Balance at Begin	4,251,053	-
	Addition	-	4,251,053
	Deduction/Reversal	-	-
	Balance at End	4,251,053	4,251,053
	This represents the value of shares with ARB Apex Bank Limited		
	Total Revaluation Reserves	4,371,657	4,371,657

31.2 (STATUTORY) RESERVE FUND

Balance at Begin	3,906,191	3,906,191
Transfer from Income Surplus	-	-
Balance at End	3,906,191	3,906,191

These are a non-distributable reserve. There was no transfer to Reserve (Statutory) Reserve Fund in 2021 and also in 2020 of the net profit after tax and before dividend for the years then ended because of the loss position. The transfer is in compliance with section 34 of the Banks and Specialised Deposit Taking Institutions Act, 2016 (Act 930).

31.3 CREDIT RISK RESERVE

Balance at Begin	252,507	252,507
Transfer from Reserve Fund (Income Surplus) - Additions	264,178	-
	516,685	252,507
Transfer to Reserve Fund (Income Surplus) - Reversals	-	-
Balance at End	516,685	252,507

The credit risk reserve is a non-distributable reserve and it represents the excess of the total provisions for loans and advances determined in accordance with the Bank of Ghana prudential guidelines over the impairment loss for loans and advances recognized in the income statement under the IFRS framework.

32 PRIOR PERIOD ADJUSTMENTS/ERRORS

The following schedule of interest had been included in the Profit or Loss of the previous/ prior years stated against them for funds that are not yielding any cash inflows and are considered, impaired. These are being reversed in accordance with International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors

	GH¢	GH¢	GH¢	2020	2020	Up to 2018
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
1-Jan-16	3,048,824	-	3,048,824	-	-	3,048,824
2016	168,884	-	166,868	-	-	168,884
2017	7,325,827	-	7,325,826	-	-	7,325,827
2018	6,160,783	-	6,160,783	-	-	6,160,783
2019	199,707	(334,529)	(134,822)	-	(134,822)	-
2020	-	(1,595,383)	(1,597,403)	(1,595,383)	-	-
	16,904,025	(1,929,913)	14,970,076	(1,595,383)	(134,822)	16,704,318

These are summarised as follows:

	2021	2020
	GH¢	GH¢
Ivory Finance		91,796
McCotley		235,764
SIC-Financial Services		5,946,747
NTHC		328,303
Heritage Fund		62,329
Unisecurities		660,556
SDC		2,898,156
Gold Coast		4,746,425
	-	14,970,076

33 CONTINGENT ASSET

The above entities named under Note 32, were not performing and the therefore, no computation of interest had been accrued and no credit was taken for interest by the Bank. Just as GH¢3,300,703 had been included in these Financial Statements under Other Income, every amount of interest received from the named investee entities or on account of the investee entities will be included in the Financial Statements in the financial year in which the interest is received.

34 CONTINGENT LIABILITIES AND COMMITMENTS

34.1 Off Balance Sheet Contingencies and Commitments

In the ordinary course of business, the Bank did not conduct business involving guarantee, acceptance and performance bond.

34.2 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.

34.3 Legal Proceedings

The following law suits were pending against the Bank which could result in a loss or contingent liability. There was no legal opinion on the amount of claim, if any that the Bank could be made to suffer on any one of the suits.

No	Case Title	Brief	Status
1	Nwabiagya Rural Bank Ltd Vs Baffour Apraku	Case about recovery of the sum of GH21, 707.77 being outstanding balance of facility granted by the plaintiff.	Case Ongoing
2	Nwabiagya Rural Bank Ltd Vs Evans Yeboah	Misappropriating a sum GH380, 324.91 belonging to the Bank.	Case Ongoing
3	Nwabiagya Rural Bank Ltd V Nana Owusu Sarfo Anwona II	Case filed against his indebtedness to the Bank	Case Ongoing
4	Joseph Bright Amoh V Nwabiagya Rural Bank	Plaintiff filed case for "Unfair dismissal"	Adjourned sine die

35 RELATED PARTIES

35.1 Transactions with Directors

Loan Balances

Transactions in the normal course of business with directors who are hereby referred to as related party. The outstanding loan balances and deposits for the year are as follows:

	2021 GH¢	2020 GH¢
	Closing Balance	Closing Balance
Loans and advances to directors	160,052	227,577
Fixed deposits from directors		-
	160,052	227,577
	Max. Balance	Max. Balance
Maximum Amount of Loans granted to directors during the year		
Mortgage Lending and Other Secured Loans	-	-
Other Loans	5,000	5,000
	-	5,000
Directors Remuneration During the Year	168,190	120,330

35.2 Short-Term Directors' Benefits

The Bank does not have any share options policy in place for its Directors.

There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

No impairment losses have been recorded against balances outstanding during the period with Directors, and no specific allowance has been made for impairment losses on balances with Directors and their immediate relatives at the period end.

Loan and Advances to Directors and their Associates

The Bank has entered into transactions with its directors and their Associates, Associate's Companies or Directors as follows:

	2021 GH¢	2020 GH¢
Gross Amount at 1 January	227,577	439,471
Loans Disbursed		5,000
Interest Charged	21,269	48,104
	248,846	492,576
Cash Received	(88,794)	(264,999)
Net Movement in Overdraft Balances		-
Net Amount at 31 December	160,052	227,577

Included in Loans and Advances is GH¢0 (2020: GH¢227,577) advanced to companies in which some of the Board of Directors have interest with interest charges of GH¢21,269 (2019: GH¢48,104).

Included in Deposits in 2020 was GH¢0.00, (2019: GH¢0.00) due to subsidiary companies in which some of the Board of Directors have interest. No Interest was therefore paid.

All the transactions with the Related Parties are priced on arm's length basis and have been entered into in the normal course of business.

35.3 Directors' shareholding 2021	As At	Addition	As At	Percentage Holding (%)
	31-Dec-20	During Year	31-Dec-21	
	Number of Shares			
Name of Director	Shares			
Maxwell Yeboah	23,000	17,000	40,000	0.22
Eric Adu - Yeboah	33,434	1,026	34,460	0.19
Kwame Appiagyei Antwi	40,163	-	40,163	0.22
Samuel Yaw Amoah	40,255	-	40,255	0.22
George Tuffour	45,000	-	45,000	0.24
Diana Asiedu	16,755	2,857	19,612	0.11
Andrews Kwarteng Amaning	57,553	-	57,553	0.31
Total	256,160	20,883	277,043	1.50

2020	As At	Addition	As At	Percentage Holding (%)
	31-Dec-18		31-Dec-19	
Directors' shareholding	Number of Shares			
Name of Director				
Maxwell Yeboah	6,662	16,338	23,000	0.04
Eric Adu - Yeboah	6,634	26,800	33,434	0.04
Constance Agnes Oduro	84,744	-	84,744	0.56
Prof. Anthony Kwaku Edusei	180,016	-	180,016	1.19
Samuel Yaw Amoah	7,855	32,400	40,255	0.05
Daniel Yaw Osei	60,407	-	60,407	0.40
Lawyer Kwame Anyimadu-Antwi	71,782	-	71,782	0.47
Diana Asiedu	10,755	6,000	16,755	0.07
Andrews Kwarteng Amaning	14,353	43,200	57,553	0.09
Total	443,208	124,738	567,946	2.92

35.4 Transactions with key management personnel

The Bank's key management personnel includes directors (executive and non-executive) and members of the executive committee. Transactions in the normal course of business with these people who are hereby referred to as related party as follows:

	2021	2020
	Closing Balance	Closing Balance
Loans and advances to key management personnel	626,499	521,508
Fixed deposits from key management personnel	-	-

Maximum Amount of Loans Granted to Key Management During the Year

	Max. Balance GH¢	Max. Balance GH¢
Mortgage Lending and Other Secured Loans	233,513	82,857
Other Loans	392,986	438,651
	626,499	521,508

Key Management Remuneration During the Year

Key management personnel compensation for the year comprised

	2021 GH¢	2020 GH¢
	662,025	701,837

35.5 Related Party Income

Income earned on Key Management Personnel

All transactions other than with related parties are priced in an arm's length basis and was entered into in the normal course of business.

35.6 Short-Term Employee Benefits

The Bank does not have any share options policy in place for its Key Management Personnel and other employees

There were no Mortgages and therefore no Secured Loans granted over any Properties of borrowers.

No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with Key Management Personnel and their immediate relatives at the period end.

	2021 GH¢	2020 GH¢
Loans and Advances to Employees		
Balance at 1 January	6,274,745	4,913,752
Loans Advanced during the Year	2,461,570	2,127,114
Interest Charged	470,717	445,512
Loans Repayments/Interest Received	(2,828,909)	(1,211,633)
Balance at 31 December	6,378,123	6,274,745

Included in Loans and Advances is GH¢6,378.123 (2020: GH¢6,274,745) advanced to companies and/or some of Key Management Personnel and other staff.

All the transactions with the Related Parties are priced on arm's length basis and have been entered into in the normal course of business.

36 COUNTRY ANALYSIS

All assets and liabilities of the bank are held in Ghana.

37 COMPARATIVE FIGURES

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

38	List of Related Parties	Designation	From	To/From	To
	Maxwell Yeboah	Director	1-Jan-20	31-Dec-20	3-Sep-21
	Eric Adu-Yeboah	Director	1-Jan-20	31-Dec-20	3-Sep-21
	Constance Agnes Oduro	Director	1-Jan-20	9-Oct-20	
	Prof. Anthony Kwaku Edusei	Director	1-Jan-20	9-Oct-20	
	Samuel Yaw Amoah	Director	1-Jan-20	31-Dec-20	3-Sep-21
	Daniel Yaw Osei	Director	1-Jan-20	9-Jul-20	
	Lawyer Kwame Anyimadu-Antwi	Director	1-Jan-20	9-Oct-20	
	Diana Asiedu	Director	1-Jan-20	31-Dec-20	3-Sep-21
	Mr. Andrews Kwarteng Amanning	Director	1-Jan-20	31-Dec-20	3-Sep-21
	Mr. Kwame Appiagyei Antwi		9-Oct-20	31-Dec-20	3-Sep-21
	COP Rtd. George Tuffour		9-Oct-20	31-Dec-20	31-Dec-21
	Investment in Rural Services	100% Subsidiary			
		Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20
		Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20
		Director of Subsidiary	1-Jan-19	31-Dec-20	31-Dec-20

39 Key Management Personnel

Name	Designation	Period		
		From	To/From	To
Mrs. Helen Adjei Yankey	Chief Executive Officer	1-Jul-20	1-Jan-20	31-Dec-21
Mr. Edward Yeboah	Deputy Chief Executive Officer	30-Jun-20	1-Jan-20	31-Dec-21
Mr. Asamoah Agyapong	Deputy Chief Executive Officer	1-Jun-20	31-Dec-20	30-Sep-21
Mr. Emmanuel Kwame Asirifi	Deputy Chief Executive Officer	1-Jan-20	31-Dec-20	31-Dec-20
Mr. Emmanuel Kwame Asirifi	Deputy Chief Executive Officer		1-Jan-21	31-Jul-21
Mr. Emmanuel Kwame Asirifi	Deputy Chief Executive Officer		1-Aug-21	31-Dec-21
Mr. Charles Amofo	Ag Head (Internal Control)	4-May-20	31-Dec-20	
Mr. Charles Amofo	Head (Internal Control)		1-Jan-21	31-Jul-21
Mr. Ofori Amanfo	Head (Risk and Compliance)	1-Jan-20	31-Dec-20	
Mr. Ofori Amanfo	Head of Compliance/AML/CFT		1-Aug-21	31-Dec-21
Mr. Richard Badu	Head Finance/Central Accounts	1-Jan-20	31-Dec-20	
Mr. Richard Badu	Chief Operating Officer		1-Aug-21	31-Dec-21
Mr. Ernest Owusu-Fordjour	Deputy Chief Executive Officer	1-Jan-20	30-Apr-20	
Mr. Ernest Owusu-Fordjour	Head Investment/Reconciliation	1-May-20	31-Jul-21	
Mr. Ernest Owusu-Fordjour	Chief Finance Officer		1-Aug-21	31-Dec-21

40 a. Number of Shareholders

2021 2020

6,072 6,053

b. Twenty Largest Shareholders

Name	2021			2020			
	No. of Shares	%age to Total Shareholding	No. of Shares	%age to Total Shareholding			
	1-Jan-20	Addition	31-Dec-20	Percentage Holding (%)	Number of Shares	Percentage Holding (%)	
1	Vida Larbi	1,000,000	-	1,000,000	5.425	1,000,000	6.583
2	RBF Limited	800,000	-	800,000	4.340	800,000	5.267
3	Revd Solomon Sambo Zangu	500,200	-	500,200	2.714	500,200	3.293
4	Gloria Larbi	350,198	-	350,198	1.900	350,198	2.305
5	Kofi Osei Arhin	347,163	-	347,163	1.883	347,163	2.285
6	Ernest Owusu Fordjour	292,592	-	292,592	1.587	292,592	1.926
7	Dickson Osei Asibey	283,339	-	283,339	1.537	283,339	1.865

8	David Boakye Boateng	275,261	-	275,261	1.493	275,261	1.812
9	Anthony Appiah Kusi	273,505	-	273,505	1.484	273,505	1.801
10	Mary Osei Frimpong	237,101	-	237,101	1.286	237,101	1.561
11	David Agyeman Duah	205,769	-	205,769	1.116	205,769	1.355
12	Anthony Kwaku Edusei (Prof)	180,016	(20,000)	160,016	0.868	180,016	1.185
13	Joseph Bright Amo	171,958	-	171,958	0.933	171,958	1.132
14	Francis Kwadwo. Bonsu Jnr			-	-	168,113	1.107
15	Paul Yeboah Mensah	148,739	-	148,739	0.807	148,739	0.979
16	Paul Godfred Nti	136,876	-	136,876	0.743	136,876	0.901
17	Ernest Antwi Agyei	135,869	-	135,869	0.737	135,869	0.894
18	Kwame Asamoah Agyapong			-	-	135,503	0.892
19	Kofi Nyamekye Manu	134,844	-	134,844	0.732	134,844	0.888
20	Samuel Nuamah Dankwa	130,557	-	130,557	0.708	130,557	0.860
21	Theresa Averse	127,113	-	127,113	0.690	127,113	0.837
22	Esther Osei Wusu	123,113	-	123,113			
		5,854,213	20,000	5,834,213	30.98	6,034,716	39.73

	Reported Totals			5,834,213	0.3165	6,034,716	39.73%
	Unreported Totals			12,599,127	0.6835	9,155,149	60.27%
	Total			18,433,340	100.00%	15,189,865	100.00%

Analysis of shareholdings as at 31 December, 2021 and 2020

Number of shareholders

The Bank had 6,072 individual ordinary shareholders at 31 December, 2021 distributed (2020: 6,053) as follows:

	2021			2020		
	Number of Shareholders	Number of Shares	Percentage Holding (%)	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	4,920	1,119,276	6.07	4,908	1,118,126	7.36
1,001-5,000	817	1,619,583	8.79	814	1,611,460	10.61
5,001-10,000	132	921,050	5.00	132	920,691	6.06
Over 40,000 and above	203	14,773,431	80.15	199	11,539,588	75.97
Total	6,072	18,433,340	100.00	6,053	15,189,865	100.00

41 Number of Employees

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NWABIAGYA RURAL BANK LTD - BAREKESE

PROXY FORM

34th ANNUAL GENERAL MEETING of Nwabiagya Rural Bank Limited to be held on Friday, September 2nd, 2022, at the Barekese Community Centre, Barekese, at 10am prompt.

I/We.....Share ID/No..... being member(s) of Nwabiagya Rural Bank Limited hereby appoint Dr./Hon./Mr./Mrs./Ms./RevPhone Nos with a duly sealed proxy form to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on September 2nd, 2022

Dated this.....day of 2022

.....
Signature Phone No

	RESOLUTION FROM THE BOARD	FOR	AGAINST
1	To consider the Chairman's statement and Director's report for the year ended 31 st December, 2021		
2	To consider and adopt the Financial Statements of the Company for the year ended 31 st December, 2021 together with the report of the Directors and Auditors thereon		
3	To authorise the Directors to fix the remuneration of the external Auditors		
4	To fix the remuneration of Directors		
5	To consider and adopt the Board of Director's proposal to reduce shares for qualification for Directorship from 40,000 to 20,000		
6	To consider and approve the Board of Director's proposal to allow Shareholders to nominate and second a Candidate for elections irrespective of the person's shareholdings		

Please indicate with an 'X' in the appropriate square how you wish your votes to be cast on the resolutions set out above. Unless otherwise instructed the proxy will vote or abstain from voting at his/her discretion.

NOTE:

Completed Proxy Form should reach the Chief Executive Officer, Nwabiagya Rural Bank, not less than Seventy-two (72) hours prior to the time of the meeting.