ANNUAL REPORTS &
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER
2023

TABLE OF CONTENTS

TABLE OF CONTENTS

GENERAL INFORMATION

Directors	Mr. Benjamin Asante-Ayeh Mr. Stephen Narkotey Mr. Amos Oppong Danquah Mr. Kofi Adu Agyarko Ms. Josephine Agyei Dr. Godwin Debrah *(Appointed January 2023)*
Registered Office	Mumuadu Rural Bank Limited, Osaberima Otu Darko IV Street Osino - Dwenase Main Road, Osino
Bankers	ARB Apex Bank Limited Consolidated Bank Ghana Limited GCB PLC
Independent Auditors	Intellisys No. 15 Lardzeh Crescent North Dzorwulu P.O. Box KN 4169 Kaneshie- Accra
Company Secretary	SECON Consultancy Services Limited No. 10 Paradise Street GA-073-0411 Asylum Down Accra

NOTICE OF MEETING

Notice is hereby given that the **35th** Annual General Meeting of **Mumuadu Rural Bank PLC** will be held on **Saturday, 10th August, 2024 at 10:00 a.m. at the Presbyterian Church Premises, Osino, Eastern Region.**

AGENDA

1. To receive and adopt the Report of the Directors, Financial Statements for the year ended 31st December, 2023 and the Independent Auditor's Report thereon.
2. To receive the Report of the Chairman of the Board of Directors for the year ended 31st December, 2023.
3. To declare dividend for the year 2023 (pending Bank of Ghana's approval).
4. To re-elect Directors retiring by rotation as per the Companies Act, 2019(Act 992).
5. To elect a new (additional) Director.
6. To fix and approve the remuneration of the Directors.
7. To authorize the Directors to fix the remuneration of the Auditors.

NOTE:

A member of the Company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not also be a member of the Bank. A form of proxy is annexed to the report.

A copy of the proxy form must be completed and deposited at the office of **Mumuadu Rural Bank PLC** not less than 48 hours before the time appointed for holding the meeting.

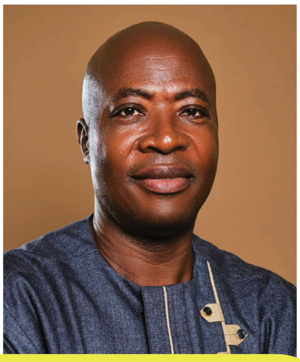
BY ORDER OF THE BOARD

SIGNED
SECON CONSULTANCY SERVICES LIMITED
(COMPANY SECRETARY)

DATED THIS 28TH DAY OF JUNE, 2024.

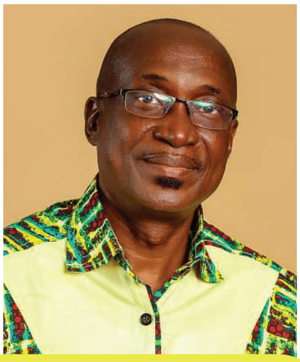
SHAREHOLDERS ARE TO PICK COPIES OF THE AUDITED ACCOUNTS AT THE NEAREST BRANCH OF THE BANK.

BOARD MEMBERS & MANAGEMENT



Mr. Benjamin E. Asante-Ayeh
Chairman

Mr. Stephen Narkotey
Vice-Chairman



Mr. Kofi Adu Agyarko
Director

Ms. Josephine Agyei
Director

Mr. Amos Oppong-Danquah
Director

Dr. Godwin Debrah
Director

Mr. Francis Mawunyo Kotoko
Chief Executive Officer

Mr. Kwadwo Asante Oppong-Agyare
Deputy Chief Executive Officer

REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Nananom,
Esteemed Shareholders,
Fellow Directors,
Distinguished Ladies and Gentlemen

On behalf of the Board of Directors, I warmly welcome you to the 35th Annual General Meeting (AGM) of the Mumuadu Rural Bank Limited and to report on the performance of our Bank for the 2023 financial year.

GLOBAL ECONOMIC TRENDS

Events in the Ghanaian markets are reflective of the occurrences in the global economy. In 2023 the global economy was expected to grow at 2.8%. This is a reduction from the reported growth of 3.4% in 2022. Analysts anticipated that global economic growth will stabilize at 3.0% in 2023.

Economic growth in advanced economies was predicted to fall sharply from 2.7% in 2022 to 1.3% in 2023. The International Monetary Fund indicated that as central banks have increased interest rates, inflation has been on the decline. However, there are persistent price pressures due to tight labour markets in several economies.

The rapid increase in policy rates is starting to have unintended consequences, as concerns about the banking sector's vulnerabilities and contagion risks across the broader financial sector, including non-bank financial institutions, have emerged.

The global headline inflation was set to fall from 8.7% in 2022 to 7.0% in 2023 on the back of lower commodity prices, but underlying (core) inflation is likely to decline more slowly. Inflation's return to target is unlikely before 2025 in most cases. Also, the natural rate of interest is important as it's a good gauge of the stance of monetary and fiscal policies and a key determinant of the sustainability of public debt.

Debt levels remain high, which limit the ability of fiscal policymakers to address new challenges. Commodity prices, which initially spiked due to Russia's invasion of Ukraine, have now stabilized. However, the war and geopolitical tensions persist. There were widespread outbreaks of new infectious COVID-19 strains last year, but countries like China, which were heavily affected, are showing signs of recovery, leading to improved supply-chain operations.

However, there are still significant risks and uncertainties, particularly due to the banking sector turmoil in Europe and America in Q1 of 2023. The war in Ukraine significantly impacted the global economy, hampering access to European gas imports from Russia and disrupting trade flows, particularly for energy and food. The magnitude of these interruptions is determined not only by the decline in exports resulting from the conflict but also by the global supply and demand elasticity.

THE GHANAIAN ECONOMY

The Ghanaian economy appears to have been impacted significantly by happenings in the global economy. In the first quarter of 2023, Ghana's domestic economy showed signs of weakness, with a slowdown in GDP growth despite renewed confidence among consumers and businesses. The approval of the IMF Extended Credit Facility (ECF) package, in the amount of USD3.0 billion, during the second quarter of 2023 bolstered recovery efforts aimed at restoring macroeconomic stability and debt sustainability. This also assisted in restoring investor confidence in the domestic economy.

Having been locked out of the international financial market in late 2021, the Ministry of Finance (MoF) eventually, in December 2022, had no option but to announce a suspension of payments on selected external debts and then launched the Ghana's Domestic Debt Exchange Programme (DDEP). The DDEP was a voluntary invitation to holders of selected Government of Ghana (GoG) debt instruments to voluntarily surrender them in exchange for new bonds issued at new rates and maturities. The new rates and maturities meant a value loss for investors, including banks. After several engagements with MoF and assurances of some regulatory forbearances, the banking industry signed up to the DDEP.

The direct impact of the bond exchange by banks meant their assets were now impaired and significant impairment losses needed to be recognized by the affected banks.

A second phase of the DDEP was undertaken in 2023 on Ghana Cocoa Board on the cocoa bills. Unlike the first, the tenor under the second phase for the eligible instruments is much shorter with arguably improved returns. The response of the banking industry to the second phase of the DDEP appears to be calm. Industry participants believe that the impairment already taken on this round two eligible instruments will be more than enough for any modification loss required given the improved terms when these eligible instruments eventually are exchanged for the new ones.

Tax changes for the year 2023

A number of tax changes were also introduced for the year 2023. In November 2022, the Government rolled-out its plans for the fiscal year 2023. The budget made some new tax proposals which were rolled out. Those that affected our operations are as follows:

- Unification of the provisions on carry forward of tax losses.
- Conversion of the National Fiscal Stabilization Levy ("NFSL") to Growth and Sustainability Levy ("GSL") to cover all entities.
- Modification of the regime for taxing capital gains.
- Increase in the standard Value Added Tax ("VAT") rate from 12.5% to 15%.

THE BANKING INDUSTRY

The DDEP has significantly affected the banking industry given that banks account for about a third of the Exchange's bonds. Generally, the Exchange disrupted normal banking business and it has made it difficult for some banks to meet the minimum regulatory benchmarks expected by the Bank of Ghana. Accordingly, in December 2022, the Bank of Ghana provided forbearances to commercial banks that were impacted by the programme while the affected banks explored options to restore their financial strength.

- Minimum regulatory Capital Adequacy Ratio ("CAR") reduced from 13% to 10%. Additionally, losses from the DDEP are to be reflected in the computation of CAR over a period of up to three (3) years. CAR generally measures a bank's ability to withstand shocks.

- Cash Reserve Ratio ("CRR") reduced from 14% to 12%. The CRR on foreign currency denominated deposits was however maintained at 12%. CRR indicates the amount of deposits that banks are required to maintain in reserve as cash rather than lending it out. The Monetary Policy Committee ("MPC") of Bank of Ghana, in its first quarter sitting, reversed the CRR, effective in April 2023. We understand that the reversal was part of the central bank's liquidity management measures to address excess liquidity conditions in the market.

That notwithstanding, the banking sector remained profitable and liquid throughout the year in spite of the challenging economic environment, which was predominantly influenced by the high national debt levels, inflationary pressures amongst others; in aggregate, resulting in higher market interest rates and failures in other macro fundamentals. Key performance indicators such as return on assets, return on equity, total assets and deposit levels have improved.

Inflation

Headline inflation in Ghana is gradually decreasing, attributed to synchronized monetary policy tightening and improved supply chain conditions. From January 2023 to Dec 2023, Ghana's headline inflation dropped from 53.6% to 23.2%. This represents a cumulative decline of 30.4% since the beginning of the year. This however, was still higher than the Government's targeted headline inflation rate of 18.9% at the end of December 2023 and 8.0% ± 2 in the medium-term. (Bank of Ghana Monetary Policy Committee Press Release| May 2) The easing of inflation can be attributed to monetary policy tightening, exchange rate stability, and declining international crude oil prices, which have facilitated downward adjustments in ex-pump petroleum prices. However, despite the decline, the headline inflation rate remains high, further eroding the purchasing power of the average Ghanaian.

Treasury Bill Rate

Treasury bill rates increased significantly in 2022. In view of the strong inflationary pressure in the economy in 2022, interest rates on treasury bills increased substantially. As at December 2022 interest rates on the 91-day and 182-day Treasury bills were 34.48% and 36.23% respectively. The upward trajectory continued into 2023 with interest rates on 91-day and 182-day Treasury bills registering 35.4% and 35.6% as at 27 February 2023. In a bid to force down the rates, the Government, on 03 March 2023, rejected all the bids for the sale of Treasury bills from investors. This reduced interest rates on 91-day and 182-day Treasury bills to 29.3% and 32.4% respectively as at 25th December, 2023. The average commercial banks' lending rate has a positive correlation with the treasury bill rates. As a result of the reduction in inflation in 2023, interest rates on treasury bills have also started to decline.

MUMUADU'S PERFORMANCE

PERFORMANCE INDICATOR	2023 GH¢	2022 GH¢	2021 GH¢	2020 GH¢	2019 GH¢
TOTAL INCOME	39,872,694	33,158,219	28,655,633	23,219,206	20,784,320
TOTAL EXPENSE	37,618,907	33,460,179	23,884,186	19,834,849	19,159,145
PROFIT (LOSS) BEFORE TAX	2,253,787	301,960	4,777,279	3,384,357	1,625,175
CORPORATE TAX	1,303,939	774,628	1,235,817	941,556	860,413
PROFIT (LOSS) AFTER TAX	949,848	-1,076,588	3,541,462	2,442,801	976,999
DEPOSITS	143,755,867	122,342,521	101,896,826	88,742,036	61,199,035
LOAN	66,529,258	59,052,267	57,674,173	52,019,725	42,468,503
INVESTMENT	55,599,876	44,555,729	43,585,913	33,727,847	20,338,716
TOTAL ASSET	163,783,621	145,523,852	124,226,695	113,830,760	82,783,021
STATED CAPITAL	4,041,925	4,041,925	4,041,925	3,921,202	3,921,202
DEPOSIT FOR SHARES	424,561	153,803	70,648	120,723	96,180
EQUITY	13,393,069	12,172,463	14,582,481	13,477,719	11,222,612
RETAINED EARNINGS	3,304,819	2,658,944	5,152,117	5,003,369	3,330,446

Distinguished shareholders, ladies and gentlemen, coming back home, let us see how well our bank performed. It is an understatement to say that the competition among the Universal Banks and other sister Rural and Community Banks (RCBs) remained robust.

It is refreshing to note however that in spite of the vicissitudes in the economy during the year under review, Mumuadu as usual was equal to the challenges. In many aspects of our operations, as the table above succinctly depicts, the success story of our bank is one to be proud of.

FINANCIAL PERFORMANCE

SIGNIFICANT GROWTH SECTORS

Financial Performance

1.1.1 TOTAL INCOME

Total earnings increased by **20.25%** from **GH¢33,158,219** in 2022 to **GH¢39,872,694** in 2023.

1.1.2 TOTAL EXPENSES

Total Expenses on the other hand increased by **12.43%** from **GH¢33,460,179** in 2022 to **GH¢37,618,907** in 2023, showing prudent control over expenses.

1.1.3 LIQUIDITY AND CAPITAL ADEQUACY RATIO

a) The Bank's liquidity ratio reduced marginally from **36.41%** in 2022 to **35.67%** in 2023

b) The Capital Adequacy ratio of **12%** was recorded in 2023 as against the required ratio of 10% by BoG.

1.1 Total Assets Growth

The Bank's total assets at the end of year 2023 increased from **GH¢145,523,852** in 2022 to **GH¢163,783,621** indicating **12.55%**increment during the year.

1.2 Investments

The Bank increased its short and medium-term as well as investments securities by **24.79%** from the portfolio of **GH¢44,555,729** in 2022 to **GH¢55,599,876** in 2023.

1.3 Loans and Advances

The outstanding loans and advances after provision of bad and doubtful debts increased from **GH¢59,052,267** in 2022 to **GH¢66,529,258** in 2023. This represents an increase of **12.66%.**

1.4 Deposits

Deposits increased from **GH¢122,342,521** in 2022 to **GH¢143,755,867** in 2023, representing an increase of **17.50%**.

1.5 Stated Capital

Stated Capital remained **GH¢4,041,925** in 2022 and 2023.

1.6 Shareholders' Funds

Shareholders' funds increased from **GH¢12,172,463** in 2022 to **GH¢13,393,069** in 2023.

Profit before Tax

After posting a technical loss before tax of **GH¢ 301,960** in 2022, the Bank returned to profit ways, having recorded profit before tax of **GH¢ 2,253,787** in 2023. This registers a robust growth of **846.39%**.

Corporate Tax

The tax on profit paid to the government of Ghana increased from **GH¢ 774,628** in 2022 to **GH¢ 1,303,939** in 2023, representing an increase of **68.33%**.

MICROFINANCE OPERATIONS

The Department increased group loans disbursement by **3.95%** from **GH¢ 21,037,772** in 2022 to **GH¢ 21,868,123**.

Group numbers also increased from **586** in 2022 to **675** in 2023 with a membership of **921** for males and **5,217** for females. The prospects in this sector remain high and it is our expectation that more groups will be formed to access funds under the programme.

CORPORATE SOCIAL RESPONSIBILITY

The Bank spent a total of **GH¢104,460** on various social intervention activities during the year under review. This represents an increase of **17.90%** over the previous year figure of

GH¢88,599. The Bank shall continue to undertake social interventions within our catchment areas and beyond. This shall be done in areas of education, health, security etc.,

ELECTION OF DIRECTORS

Dear Shareholders, in the course of this meeting, there will be an election of new Directors to augment and strengthen the Board. Those to be elected meet the fit and proper criteria set by the Bank of Ghana in terms of their educational and professional qualifications, background and area of experience and expertise.

After their election, their profile will be submitted to the Bank of Ghana for final approval before they assume office as members of the Board. Whilst I wish each contestant the best of luck, I entreat shareholders to vote wisely.

OUR COLLECTIVE OUTLOOK

Dear Shareholders, Ladies and Gentlemen, I want to emphasize MRB's commitment and resolve to leverage on evolving opportunities in its quest to return more value for its Shareholders.

Our management team will remain on the right track and it is my fervent hope and desire that with a disciplined focus on executing our strategic priorities and being quick and nimble, we will continue to remain resilient to give good performance.

The Board will continue to support the team while maintaining appropriate governance and risk oversight to deliver profitable returns in an appropriate and sustainable manner.

We will continue our strong momentum in our digital transformation agenda to achieve projected milestones in the years ahead.

AGENCY BANKING

A new survey suggests that banks should venture into the provision of their services by partnering consumer outlets such as neighborhood pharmacies, mobile money vendors, grocery shops, restaurants and supermarkets. These outlets will be branded and provided with on-site software solutions to offer basic financial services to the public on behalf of the bank. By this channel, customers can undertake transactions such as withdrawals, deposits, interbank transfers, bill payments, air time top up, balance enquiry, statement requests, among other transactions at the agent point. I am happy to inform you that your bank has started registering some of these pharmacies, mobile money vendors, grocery shops, restaurants and supermarkets as agents. This means that very soon your bank will be everywhere.

STAFF TRAINING

The Board recognizes that an institution may have the best products and facilities on paper but without a well-trained and motivated personnel it cannot achieve much. It is against this background that the Bank has invested heavily in training our staff in modern banking technology to offer improved services to its esteemed customers. It is our expectation that with this heavy dose of soft skills, good corporate attitude, and our very well motivated staff will bring on board strategies to make our banking operations better and more efficient. The Board was not left out in training programmes and workshops which sharpened their oversight skills.

GRATITUDE

Dear Shareholders, ladies and gentlemen, may I, before I resume my seat express my profound gratitude to the shareholders, and especially to my fellow Board members for the unflinching support and ensuring that the Mission and Vision of our bank remained on track. I am also grateful to the management and staff of the bank for their loyalty, had work and commitment to the achievements of our collective objective of making our bank the first among equals.

Thank You for Your Attention and may the Good Lord Bless Us All.

REPORT OF DIRECTORS

In accordance with the requirements of section 136 of the Companies Act 2019 (Act 992), we the Board of Directors of Mumuadu Rural Bank Limited submit our report together with the audited financial statements of the Bank for the year ended 31 December 2023.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are required to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements satisfy the financial reporting standards as to form and content in the presentation of the statement of financial position, results of operations and business of the Bank, and explain the transactions and financial position of the business of the Bank at the end of the financial year. The annual financial statements are based upon appropriate accounting policies consistently applied throughout the Bank and supported by reasonable and prudent judgements and estimates.

The Directors acknowledge that they are ultimately responsible for the system of internal controls established by the Bank and place considerable importance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board sets standards for internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Bank and all employees are required to maintain the highest ethical standards in ensuring the Bank's business is conducted in a manner that in all reasonable circumstances is above reproach.

The focus of risk management in the Bank is on identifying, assessing, managing and monitoring all known forms of risk across the Bank. While operating risk cannot be fully eliminated, the Bank endeavors to minimize it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatements or losses. The going-concern basis has been adopted in preparing the annual financial statements. Based on forecasts and available cash resources, the Directors have no reason to believe that the Bank will not be a going concern in the foreseeable future.

PRINCIPAL ACTIVITY

The Bank is licensed to carry out the business of rural banking in Ghana. There was no change in the nature of the Bank's business during the year.

FINANCIAL RESULTS

The Bank generated a profit after tax of GHS 949,848 for the year ended 31 December 2023 (2022: loss of GHS 1,076,588).

GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realization of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

EVENTS AFTER REPORTING DATE

The Directors are not aware of any matter or circumstance arising since the end of the financial year to the date of this report that could have a material effect on the financial position of the Bank.

DIRECTORS' INTEREST IN CONTRACTS

To our knowledge none of the Directors had any interest in contracts entered into during the year under review.

AUTHORISED AND ISSUED SHARE CAPITAL

During the current financial year, the total number of ordinary shares issued was 902,527 (GHS 270,758). These are yet to be regularized at the Registrar General's Department.

BORROWING LIMITATIONS

In terms of the Regulations of the Bank, the Directors may exercise all the powers of the Bank to borrow money, as they consider appropriate.

DIVIDENDS

No dividends were declared. However, long outstanding dividends of GHS 341,619 were paid to shareholders during the year under review (2022: GHS 882,372).

DIRECTORS

The Directors of the Bank during the year and to the date of this report were:

Mr. Benjamin Asante-Ayeh	Chairman
Mr. Stephen Narkotey	Vice Chairman
Mr. Amos Oppong Danquah	Member
Mr. Kofi Adu Agyarko	Member
Ms. Josephine Agyei	Member
Dr. Godwin Debrah	Member

SECRETARY

The Bank's designated secretary is SECON Consultancy Services Limited.

INDEPENDENT AUDITORS

Intellisys were the independent auditors for the year under review. The audit fee payable for the year 2023 was GHS 52,000 (2022: GHS 40,000).

The annual financial statements as set out on pages 18 to 51 were approved by the Board of Directors and signed on their behalf by:

Director **Director**

Date 25th April, 2024

Chartered Accountants
No. 15 Lardzeh Crescent
North Dzorwulu
P.O. Box KN 4169
Kaneshie, Accra, Ghana
GPS: GA-196-3610
Phone: +233 (0) 302 502801
Email: info@intellisysgh.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mumuadu Rural Bank Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Mumuadu Rural Bank Limited set out on pages 18 to 51, which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements give a true and fair view of the financial position of the Bank as at 31 December 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG), and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters (continued)

Key Audit Matter	How we addressed the key audit matter
Impairment provisions on loans and advances to customers (Refer to note 9)	**Our audit procedures in this area included among others:**
Impairment allowances represent management's best estimates of the losses incurred within the loan portfolio at the statement of financial position date. The Directors make judgements over both the timing of recognition of impairment and the estimation of any such impairment. Impairment allowance is calculated on an individual basis for all loans and requires judgement to determine when an impairment event has occurred and then to estimate the expected future cash flows related to that loan. The underlying assumptions are subjective. The risk that the impairment provision on loans and advances may not be adequate to cover the default risk in the loan portfolio has been identified as significant and considered in our audit approach.	• We updated our understanding of and evaluated key controls within the loan origination, approval, monitoring and recovery processes. • We examined a sample of loans and advances challenging the assumptions for classification of the loans and advances contrary to the Bank of Ghana's prudential guidelines for adequate provisions and classification of loans and advances. • We independently re-performed the calculation of impairment allowance and compared with the Bank's estimate.

Key Audit Matter	How we addressed the key audit matter
Short and medium term investments (Refer to Note 15)	**Our audit procedures in this area included among others:**
Bank of Ghana (BoG) and Securities and Exchange Commission (SEC) had revoked the licenses of (386) Financial Institutions and (53) Fund Management Companies respectively in 2019. The Bank had investments with Ideal Capital Partners Limited, Ideal Finance Company Limited, CDH Savings and Loans Company Limited and Blackshield Management Capital (Formerly Gold Coast Fund Management) which had their licenses revoked. The risk that these investments may not be recovered has been identified as significant and considered in our audit approach. The impairment of these financial assets was determined on an expected credit loss basis under IFRS 9. IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation in its implementation. We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias: - Probability of Default - PD - (estimate of the likelihood that financial institutions will be unable to meet their debt obligations over a particular time horizon). - Exposure At Default - EAD - (amount expected to be owed the Bank At the time of Default) - Loss Given Default - LGD - (percentage Exposure At risk that is not expected to be recovered in an event of Default)	• We obtained and assessed the claims sheet filed to the appointed receiver. • Checked the claims validated by the receiver. • Checked for any subsequent payments made by the receiver through the bank statement. • Compared amount per the validated claims less any amounts received to amount stated in the client's trial balance. • Adjusted for (any) difference so as to ensure that the investment recognised did not exceed the amount validated. • We assessed the measurement decisions and the ECL models developed by the Bank

Other Information

The Directors are responsible for the other information. The other information comprises the Report of the Directors, which we obtained prior to the date of this auditor's report. The other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the Directors and those charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana (ICAG), the requirements of the Companies Act 2019 (Act 992), and the Specialized Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so. Those charged with governance 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 misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 International Standards on Auditing (ISAs), we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

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

- Obtain an understanding of internal controls 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 controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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.
- Communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

(i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.

(ii) In our opinion proper books of accounts have been kept by the Bank so far as appears from our examination of those books, and

(iii) The statement of profit or loss and other comprehensive income and the statement of financial position are in agreement with the books of accounts.

(iv) in our opinion, to the best of our information and according to the explanations given to us, the accounts give the information required under the Act, in the manner so required and give a true and fair view of the state of affairs of the Bank at the end of the financial year and of the profit or loss for the financial year then ended.

(v) we are independent of the Bank pursuant to section 143 of the Companies Act, 2019 (Act 992).

(vi) The Bank is yet to complete the regularization of the change in the last words of the name of the Bank to Public Limited Company (PLC) as required by S2 (b) of the Companies Act, 2019 (Act 992).

The Banks and Specialized Deposit-Taking Institutions Act 2016, (Act 930) section 85(2) requires that we state certain matters in our report.

We hereby state that:

(i) The financial statements give a true and fair view of the state of affairs of the Bank and its results for the year under review.

(ii) We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors:

(iii) The Bank's transactions were within its power: and

(iv) The Bank has generally complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930) and section 137 of the Companies Act, 2019 (Act 992).

(v) The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749) as amended, the Anti-Terrorism Act, 2008 (Act 762) and section 137 of the Companies Act, 2019 (Act 992).

The engagement partner on the audit resulting in this independent auditor's report is MyraStella Ansah (ICAG/P/1438)

Intellisys

Intellisys (ICAG/F/2024/078)
Chartered Accountants
No. 15 Lardzeh Crescent
North Dzorwulu, Accra

Dated: 25th April **24**

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	Notes	2023	2022
Interest income	4	**34,341,320**	29,477,000
Interest expense	5	**(8,939,269)**	(7,827,163)
Net interest income		**25,402,051**	21,649,837
Fee and commission income	6	**3,625,435**	2,614,669
Fee and commission expense	7	**(356,099)**	(413,658)
Net fee and commission income		**3,269,336**	2,201,011
Other operating income	8	**1,905,939**	1,066,550
Operating income		**30,577,326**	24,917,398
Net impairment loss on financial assets	9	**(2,374,173)**	(3,279,937)
Personnel expenses	10	**(13,142,831)**	(11,187,189)
Depreciation and amortization	11	**(1,201,753)**	(1,172,967)
Other operating expenses	12	**(11,604,782)**	(9,579,265)
Profit/(loss) before income tax		**2,253,787**	(301,960)
Income tax expense	13	**(1,303,939)**	(774,628)
Profit/(loss) for the year		**949,848**	(1,076,588)
Other comprehensive income		-	-
Total comprehensive income/(loss) for the year		**949,848**	**(1,076,588)**
Earnings per share Basic and diluted (pesewas)	14	**0.03**	(0.04)

The notes on pages 22 to 51 are an integral part of the financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

Figures in GHS	Notes	2023	2022
Assets			
Cash and cash equivalents	15	**23,989,208**	21,687,587
Short and medium term investments	16	**27,288,485**	16,452,649
Loans and advances to customers	17	**66,529,258**	59,052,267
Investment securities	18	**28,311,391**	28,103,080
Current tax	30	**-**	354,504
Other assets	19	**10,442,905**	12,620,927
Property, plant and equipment	20	**7,222,374**	7,252,838
Total Assets		**163,783,621**	145,523,852
Equity and Liabilities			
Equity			
Stated capital	21	**4,041,925**	4,041,925
Capital Surplus		**518,801**	518,801
Credit Risk Reserve	22	**185,242**	-
Statutory Reserves	23	**4,917,721**	4,798,990
Deposit for shares	24	**424,561**	153,803
Retained Earnings	25	**3,304,819**	2,658,944
		13,393,069	12,172,463
Liabilities			
Deposits and current accounts	26	**143,755,867**	122,342,521
Borrowings	27	**780,766**	1,875,793
Managed funds	28	**974,678**	3,017,343
Dividend	29	**468,516**	810,134
Current tax	30	**303,837**	-
Deferred taxation	31	**170,518**	149,538
Interest payable and other liabilities	32	**3,936,370**	5,156,060
		150,390,552	133,351,389
Total Equity and Liabilities		**163,783,621**	145,523,852

The annual financial statements as set out on pages 18 to 51 were approved by the Board of Directors and signed on their behalf by:

Director
25th April, 2024

Director
25th April, 2024

The notes on pages 22 to 51 are an integral part of the financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	Stated capital	Capital Surplus	Statutory Reserves	Credit Risk Reserve	Deposit for shares	Retained Earnings	Total
Balance at 1 January 2023	4,041,925	518,801	4,798,990	-	153,803	2,658,944	12,172,463
Profit for the year	-	-	-		-	949,848	949,848
Transfer to statutory reserve	-	-	118,731		-	(118,731)	-
Shares issued	-	-	-		270,758	-	270,758
Dividend paid						-	-
Transfer credit risk reserve				185,242		(185,242)	-
Balance at 31 December 2023	**4,041,925**	**518,801**	**4,917,721**	**185,242**	**424,561**	**3,304,819**	**13,393,069**
Balance at 1 January 2022	4,041,925	518,801	4,798,990	-	70,648	5,152,117	14,582,481
Loss for the year	-	-	-		-	(1,076,588)	(1,076,588)
Dividend paid	-	-	-			(1,416,585)	(1,416,585)
Shares issued	-	-	-		83,155	-	83,155
Balance at 31 December 2022	**4,041,925**	**518,801**	**4,798,990**	**-**	**153,803**	**2,658,944**	**12,172,463**

The notes on pages 22 to 51 are an integral part of the financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	Notes	2023	2022
Cash flows from operating activities			
Profit/(loss) before tax		**2,253,787**	(301,960)
Adjustments for:			
Depreciation of Property, plant and equipment	11	**1,201,753**	1,172,967
Other impairments	9	**2,374,173**	3,341,674
Loan write-off	9	**-**	(61,737)
Operating cash flow before working capital changes		**5,829,713**	4,150,944
Working capital changes			
Increase in loans & advances	17	**(8,657,768)**	(2,640,967)
(Increase)/decrease in short and medium term investments	16	**(10,835,836)**	4,295,083
(Increase)/decrease in investment securities	18	**1,006,323**	(6,828,898)
(Increase)/decrease in interest payable and other liabilities	32	**(1,219,706)**	1,230,947
Increase in other assets	19	**(230,008)**	(9,226,912)
(Increase)/decrease in customer deposits	26	**21,413,346**	20,445,696
Decrease in managed funds	28	**(2,042,652)**	(122,335)
Cash generated by operating activities		**5,263,412**	11,303,558
Income tax paid	30	**(624,616)**	(951,125)
Net cash from operating activities		**4,638,796**	10,352,433
Cash flows from investing activities			
Property, plant and equipment acquired	20	**(1,171,287)**	(2,060,479)
Transfer of property, plant and equipment	20	**-**	995,049
Net cash utilised in investing activities		**(1,171,287)**	(1,065,430)
Cash flows from financing activities			
Capital issued	24	**270,758**	83,168
Loans (repaid)/raised	27	**(1,095,027)**	1,616,933
Dividends paid	29	**(341,619)**	(882,372)
Net cash (utilised in)/generated by financing activities		**(1,165,888)**	817,730
Increase in cash and cash equivalents		**2,301,621**	10,104,732
Cash and cash equivalents at beginning of the year		**21,687,587**	11,582,855
Cash and cash equivalents at end of the year	15	**23,989,208**	21,687,587

The notes on pages 22 to 51 are an integral part of the financial statements.

ACCOUNTING POLICIES

1. General information

Mumuadu Rural Bank Limited is a limited liability Company incorporated and domiciled in Ghana under the Companies Act, 2019 (Act 992). The address of the Bank's registered office is Bank Premises, P. O. Box 31, Dwenase Main Road, Osino. The Bank operates with a Banking license that allows it to undertake the business of rural banking. The Bank has 8 registered branches at Osino, Koforidua, Begoro, Kyebi, Nkawkaw, Nsawam, Suhum and New Abirem.

2. Statement of compliance

The annual financial statements of the Bank have been prepared in accordance with the Companies Act, 2019 (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and all applicable International Financial Reporting Standards (IFRS), issued by the international Accounting Standards Board and adopted by the Institute of Chartered Accountants, Ghana.

2.1 Basis of preparation

The annual financial statements have been prepared under the historical cost convention, as modified by available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

Items included in the annual financial statements are measured using the currency of the primary economic environment in which the Bank operates (functional currency). The Bank's functional currency is the Ghana Cedis (GHS). Financial information presented in Ghana Cedis are rounded to the nearest whole number.

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the annual financial statements are disclosed in note 3.

The estimates and underlying assumptions are reviewed on an ongoing concern basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

2.2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.3 New standards, amendments and interpretations adopted by the Bank

2.3.1 IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers effective for periods beginning on 1 January, 2018 with early adoption permitted. IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (IFRS 9, financial Instruments and IFRS 16, leases).

ACCOUNTING POLICIES

Statement of compliance continued...

Revenue under IFRS 15 needs to be recognized as goods and services are transferred, to the extent that the transfer or anticipated entitlement to goods and services. The standard also specifies a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and the corresponding cash flows with customers. Adoption of the IFRS 15 did not have any significant impact on the Bank. The Bank has elected to adopt IFRS 15 using the cumulative effect method, under which the comparative information has not been restated.

2.4 New and amended standards/interpretation issued not yet adopted by the Bank

2.4.1 IFRS 16 Leases

The following standards have been issued or amended by the IASB but are yet to become effective for annual periods beginning on or after 1 January, 2018:

The IASB published a new accounting standard on leases namely, Leases (IFRS 16). IFRS 16 takes effect on 1 January, 2019 and will replace IAS 17, Leases (IAS 17). IFRS 16 is envisaged to improve the quality of financial reporting for Companies with material off balance sheet leases. The new standard does not significantly change the accounting for leases for lessors. However, it requires lessees to recognize most leases on their balance sheets as lease liabilities, with leases for lessors. However, it requires lessees to recognize most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognized leases, but will have the option not to recognize 'short- term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognized leases will be similar to today's finance lease accounting, with interest and depreciation expense recognized separately in the statement of profit or loss.

2.5 Financial instruments – initial recognition

2.5.1 Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers, deposits due to customers, and borrowings, are initially recognized on the trade date, i.e., the date on which the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades, i.e., purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes deposits due to customers, and borrowings when funds are transferred to the Bank.

2.5.2 Initial measurement of financial instrument

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

ACCOUNTING POLICIES

Statement of compliance continued...

2.5.3 Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the difference between the transaction price and fair value in net trading income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

2.5.4 Measurement categories of financial assets and liabilities

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

- Amortised Cost
- Fair value through OCI
- Fair value through profit or loss

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied."

2.6 Determination of fair value

"In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as summarized below:

- Level 1 financial instruments − Those where the inputs used in the valuation are unadjusted quoted prices from active markets for identical assets or liabilities that the Bank has access to at the measurement date. The Bank considers markets as active only if there are sufficient trading activities with regard to the volume and liquidity of the identical assets or liabilities and when there are binding and exercisable price quotes available on the balance sheet date.
- Level 2 financial instruments − Those where the inputs that are used for valuation and are significant, are derived from directly or indirectly observable market data available over the entire period of the instrument's life. Such inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical instruments in inactive markets and observable inputs other than quoted prices such as interest rates and yield curves, implied volatilities, and credit spreads. In addition, adjustments may be required for the condition or location of the asset or the extent to which it relates to items that are comparable to the valued instrument. However, if such adjustments are based on unobservable inputs which are significant to the entire measurement, the Bank will classify the instruments as Level 3.
- Level 3 financial instruments − Those that include one or more unobservable input that is significant to the measurement as a whole.

The Bank periodically reviews its valuation techniques including the adopted methodologies and model calibrations. The Bank evaluates the levelling at each reporting period on an instrument-by-instrument basis and reclassifies instruments when necessary, based on the facts at the end of the reporting period.

ACCOUNTING POLICIES

Statement of compliance continued...

2.7 Financial assets and liabilities

2.7.1 Due from banks, Loans and advances to customers, financial assets at amortized cost

The Bank measures Due from banks (including Cash and Cash equivalents with other banks), Loans and advances to customers and other financial investments at amortized cost only if both of the following conditions are met:

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

The details of these conditions are outlined below.

2.7.2 Business model assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

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

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

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

2.7.3 The SPPI test

"As a second step of its classification process the Bank assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortisation of the premium/discount). The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set. In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL."

ACCOUNTING POLICIES

Statement of compliance continued...

2.7.4 Financial assets or financial liabilities held for trading

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

Included in this classification are debt securities, equities, short positions and customer loans that have been acquired principally for the purpose of selling or repurchasing in the near term.

2.7.5 Debt instruments at FVOCI

The Bank classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

2.7.6 Equity instruments at FVOCI

Upon initial recognition, the Bank occasionally elects to classify irrevocably some of its equity investments as equity instruments at FVOCI when they meet the definition of Equity under IAS 32 Financial Instruments: Presentation and are not held for trading. Such classification is determined on an instrument-by-instrument basis. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognised in profit or loss as other operating income when the right of the payment has been established, except when the Bank benefits from such proceeds as a recovery of part of the cost of the instrument, in which case, such gains are recorded in OCI. Equity instruments at FVOCI are not subject to an impairment assessment.

2.7.7 Debt issued and other borrowed funds

After initial measurement, debt issued and other borrowed funds are subsequently measured at amortised cost. Amortised cost is calculated by taking into account any discount or premium on issued funds, and costs that are an integral part of the EIR.

A compound financial instrument which contains both a liability and an equity component is separated at the issue date. Classification of the liability and equity components of a convertible instrument is not revised as a result of a change in the likelihood that a

ACCOUNTING POLICIES

Statement of compliance continued...

conversion option will be exercised, even when exercising the option may appear to have become economically advantageous to some holders. When allocating the initial carrying amount of a compound financial instrument to the equity and liability components, the equity component is assigned as the residual amount after deducting from the entire fair value of the instrument, the amount separately determined for the liability component. The value of any derivative features (such as a call options) embedded in the compound financial instrument, other than the equity component (such as an equity conversion option), is included in the liability component. Once the Bank has determined the split between equity and liability, it further evaluates whether the liability component has embedded derivatives that must be separately accounted for.

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

Financial assets and financial liabilities in this category are those that are not held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria is met. Such designation is determined on an instrument- by- instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis;

Or

- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy;

Or

- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument.

Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

ACCOUNTING POLICIES

Statement of compliance continued...

2.7.9 Financial guarantees, letters of credit and undrawn loan commitments

Financial guarantees are initially recognised in the financial statements (within Provisions) at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the statement of profit or loss, and an ECL allowance. The premium received is recognised in the statement of profit or loss in fees and commission income on a straight-line basis over the life of the guarantee.

Undrawn loan commitments and letters of credits are commitments under which, over the duration of the commitment, the Bank is required to provide a loan with pre-specified terms to the customer. Similar to financial guarantee contracts, these contracts are in the scope of the ECL requirements.

2.7.10 Reclassification of financial assets and liabilities

The Bank does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Bank acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

2.8 Derecognition of financial assets and liabilities

2.8.1 Derecognition due to substantial modification of terms and conditions

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

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

- Change in currency of the loan
- Introduction of an equity feature
- Change in counterparty
- If the modification is such that the instrument would no longer meet the SPPI criterion

If the modification does not result in cash flows that are substantially different, as set out below, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded. For financial liabilities, the Bank considers a modification substantial based on qualitative factors and if it results in a difference between the adjusted discounted present value and the original carrying amount of the financial liability of, or greater than, ten percent. For financial assets, this assessment is based on qualitative factors.

ACCOUNTING POLICIES

Statement of compliance continued...

2.8.2 Derecognition other than for substantial modification

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Bank also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass–through' arrangement

Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents, including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset

Or

- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognised only to the extent of the Bank's continuing involvement, in which case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay. If continuing involvement takes the

ACCOUNTING POLICIES

Statement of compliance continued...

form of a written or purchased option (or both) on the transferred asset,the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

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

2.9 Impairment of financial assets

2.9.1 Overview of the ECL principles

The Bank records an allowance for expected credit loss for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts, in this section all referred to as 'financial instruments'. Equity instruments are not subject to impairment under IFRS 9.

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

The 12mECL is the portion of LTECLs that represents the ECL that results from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECL and 12mECL are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments. The Bank's policy for grouping financial assets measured on a collective basis is explained herein.

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

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

- Stage 1: When loans are first recognised, the Bank recognises an allowance based on 12mECL. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.

ACCOUNTING POLICIES

Statement of compliance continued...

- Stage 3: Loans considered credit-impaired. The Bank records an allowance for the LTECL.
- POCI: Purchased or originated credit impaired (POCI) assets are financial assets that are credit impaired on initial recognition. POCI assets are recorded at fair value at original recognition and interest income is subsequently recognised based on a credit-adjusted EIR. The ECL allowance is only recognised or released to the extent that there is a subsequent change in the expected credit losses.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

2.9.2 The calculation of ECL

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

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

- PD: The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio.
- EAD: The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD: The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately. It is usually expressed as a percentage of the EAD.

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

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

ACCOUNTING POLICIES

Statement of compliance continued...

The mechanics of the ECL method are summarised below:

- Stage 1: The 12mECL is calculated as the portion of LTECL that represents the ECL that results from default events on a financial instruments that are possible within the 12 months after the reporting date. The Bank calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD discounted by he original EIR. This calculation is made for each of the three scenarios.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument.
- Stage 3: For loans considered credit-impaired, the Bank recognises the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.
- POCI: POCI assets are financial assets that are credit impaired on initial recognition. The Bank only recognises the cumulative changes in lifetime ECL since initial recognition, based on a probability weighting of the four scenarios, discounted by the credit adjusted EIR.

2.9.3 Debt instruments measured at fair value through OCI

The ECL for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the assets.

2.9.4 Purchased or originated credit impaired financial assets (POCI)

For POCI financial assets, the Bank only recognises the cumulative changes in LTECL since initial recognition in the loss allowance.

2.9.5 Forward looking information

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

- GDP growth
- Unemployment rates
- Inflation rates

2.9.6 Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

ACCOUNTING POLICIES

Statement of compliance continued...

2.9.7 Cash and cash equivalents

Cash and cash equivalents as referred to in the cash flow statement comprises cash on hand, non–restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

2.10 Property, Plant and Equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the statement of comprehensive income. When revalued assets are sold, the amounts included in other reserves are transferred to income surplus.

Depreciation is provided on the straight-line basis which, it is estimated, will reduce the carrying amount of the property, plant and equipment to their residual values at the end of their useful lives. Items of property, plant and equipment are depreciated from the date that they are installed and available for use. Land is not depreciated as it is deemed to have an indefinite life. Where an item of property, plant and equipment comprises major components with different useful lives, the components are accounted for as separate items of property, plant and equipment.

The major categories of property, plant and equipment are depreciated at the following rates:

Furniture and fittings	20%
Bank building	2%
Motor vehicles	20%
Motor bikes	20%
Equipment	25%
Computer and accessories	25%
T24 banking software	10%

2.11 Investments

Investments are recognised and derecognised on the trade date when the Bank commits itself to purchase or sell an asset and are initially measured at fair value plus, in the case of investments other than trading securities, transaction costs. At each statement of financial position date, the Bank assesses whether there is any objective evidence that an

ACCOUNTING POLICIES

Statement of compliance continued...

investment or group of investments is impaired. Investments are further categorised into the following classifications for their measurement after initial recognition.

2.11.1 Held-to-maturity investments

Investment in debt securities with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity are classified as held-to-maturity investments, which are measured at amortised cost using the effective interest rate method, less impairment losses, if any.

Impairment losses on held-to-maturity investments are recognised in profit or loss when there is objective evidence that an impairment loss has been incurred and are measured as the difference between its carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

2.12 Post-employment benefits and short-term employee benefits

2.12.1 Short-term employee benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service on an undiscounted basis.

Accruals for employee entitlement to annual leave represents the present obligation, which the Bank has to pay as a result of employees' services, provided to the reporting date. The accruals have been calculated at undiscounted amounts based on current salary rates.

A liability is recognised for the amount expected to be paid under short term bonuses in the Bank as the Bank has a present legal constructive obligation to pay the amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3. Critical accounting judgements and key sources of estimation uncertainty

The Bank's management makes assumptions, estimates and judgements in the process of applying the Bank's accounting policies that affect the assets, liabilities, income and expenses in the consolidated annual financial statements prepared in accordance with IFRSs. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

The estimates and the 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 policy affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Useful lives of property, plant and equipment

The Bank determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The Directors will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down

Critical accounting judgements and key sources of estimation uncertainty continued...

technically obsolete or non strategic assets that have been abandoned or sold. The rates are set out in note 2.10.

3.2 Income taxation

Income taxation for the year includes current taxation and deferred taxation. Current taxation and deferred taxation are recognised in profit or loss, except to the extent that the taxation arises from a transaction or event which is recognised directly in equity. In the case if the taxation relates to items that are recognised directly to equity, current taxation and deferred taxation are also recognised directly to equity.

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the taxation rates and taxation laws that have been enacted or substantively enacted by the statement of financial position date. Current tax is the amount of income tax payable or recoverable in respect of the taxable profit or loss for a period.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively. Temporary differences are the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their taxation bases. Deferred tax assets also arise from unused taxation losses and unused taxation credits.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit (taxation loss).

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022
4. Interest income		
Interest on loans	**20,989,529**	17,017,258
Interest on overdraft	**4,747,412**	3,898,546
Interest on investments	**8,604,379**	8,561,196
	34,341,320	29,477,000
5. Interest expense		
Interest on borrowings	**252,206**	155,308
Interest on fixed deposits	**6,703,587**	6,223,580
Interest on savings	**1,983,476**	1,448,275
	8,939,269	7,827,163
6. Fee and commission income		
Commitment fees	**2,223,061**	1,571,880
Commitment on remittances	**194,993**	97,724
Other commissions	**1,207,381**	945,065
	3,625,435	2,614,669
7. Fee and commission expense		
Cheque clearing fees	**876**	13,180
Susu agents commission	**355,223**	400,478
	356,099	413,658
8. Other operating income		
SMS charges	**81,901**	77,035
Bad debt recovered	**343,068**	189,453
Sundry income	**1,480,970**	800,062
	1,905,939	1,066,550
9. Net Impairment loss on financial assets		
Provision on loans and advances	**1,366,019**	1,324,674
Bad debts written off	**-**	(61,737)
Credit risk reserve transfer	**(185,242)**	-
Impairment on investments	**1,193,396**	2,017,000
Net impairment loss on financial assets	**2,374,173**	3,279,937
10. Personnel expenses		
Salaries & Wages	**5,857,331**	4,956,233
Employer`s pension contribution	**1,010,770**	979,647
Medical expenses	**281,353**	152,391
Staff training	**409,006**	313,455
Bonus	**564,062**	501,283
Long service award	**80,500**	72,000
Other staff cost	**4,939,809**	4,212,180
	13,142,831	11,187,189

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022

11. Depreciation and amortisation
Depreciation on property, plant and equipment for the year amounted to GHS 1,201,753 (2022: GHS 1,172,967). Refer to note 20 for details.

12. Other operating expenses

Figures in GHS	2023	2022
Audit expenses	**21,100**	31,600
Advertising & publicity	**206,942**	84,621
Auditors' remuneration	**52,000**	40,000
Bad debts written off	**-**	61,737
Cleaning & Sanitation	**152,305**	113,792
Computer expenses	**752,513**	440,706
Consultancy fees	**68,824**	84,593
Recovery expenses	**80,540**	89,839
Mobilization expenses	**1,175,145**	925,871
Directors Remuneration	**148,950**	195,325
Donations & Charitable contributions	**130,110**	148,625
Electricity and water	**347,521**	205,206
Entertainment	**60,430**	55,850
Fines and penalties	**-**	59,187
Staff durbar	**208,326**	180,756
Generator Running cost	**184,402**	112,121
Insurance	**654,477**	526,260
Legal expense	**84,722**	98,787
Specie movement	**86,157**	92,995
Microfinance expenses	**569,934**	534,927
Motor vehicle running cost	**370,740**	366,512
Board meeting expenses	**260,767**	441,513
Business promotion	**322,641**	111,691
Rent, Rates & Levies	**717,721**	612,628
Annual General Meeting	**287,477**	188,140
Postage, Telephone & Telegraph	**63,514**	41,152
Printing and stationery	**506,027**	291,028
Repairs and maintenance	**697,370**	554,119
Sundry expenses	**1,461,980**	1,025,740
Police Guard	**623,763**	552,424
Software License & Support	**609,296**	775,568
Subscriptions & Periodicals	**175,158**	120,701
Travelling expenses	**523,930**	415,251
	11,604,782	9,579,265

13. Income tax expense

Figures in GHS	2023	2022
Current tax (note 30)	**1,282,959**	772,922
Deferred tax (note 31)	**20,980**	1,706
	1,303,939	774,628

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022

14. Earnings per share
Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the profit/(loss) attributable to ordinary shareholders of GHS 949,848 (2022: (GHS 1,076,588)) and a number of ordinary shares outstanding of 29,043,036 (2022: 29,043,036) calculated at follows:

Net profit/(loss) for the year attributable to equity holders of the Bank	**949,848**	(1,076,588)
Number of ordinary shares	**29,043,036**	29,043,036
Basic and diluted earnings per share	**0.03**	(0.04)

15. Cash and cash equivalents

Cash on hand	**6,804,218**	4,647,324
Mobile money	**275,935**	1,453,363
Clearing account	**674,851**	1,403,234
ARB Placement Account	**7,219,181**	5,768,643
	14,974,185	13,272,564
Apex Certificate of Deposit (ACOD 7)	**9,000,000**	8,400,000
GCB Bank clearing account	**15,023**	15,023
	23,989,208	21,687,587

16. Short- and medium-term investments

Treasury bills	**27,288,485**	13,088,745
Fixed deposits	**-**	3,363,904
	27,288,485	16,452,649

The fixed deposits are categorized as follows:

Running investments

Consolidated Bank Ghana Limited	**-**	3,363,904
ARB Apex Bank Limited	**27,288,485**	13,088,745
	27,288,485	16,452,649

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022
17. Loans and advances to customers		
Analysis by product type:		
Loans	**57,016,611**	48,994,016
Overdraft	**14,947,497**	14,312,324
Gross loans and advances	**71,964,108**	63,306,340
Allowance for impairment	**(5,434,850)**	(4,254,073)
At 31 December	**66,529,258**	59,052,267
Analysis by industry:		
Agric loan	**913,687**	47,203
Commercial loan	**6,105,446**	6,510,173
Corporate loan	**1,651,852**	1,651,853
Managed loan	**728,718**	1,597,738
Microfinance loan	**6,604,830**	9,128,620
Staff loan	**4,308,739**	3,913,185
Personal loan	**36,703,338**	26,145,244
Overdraft	**14,947,497**	14,312,324
Gross loan and advances	**71,964,108**	63,306,340
Impairment loss allowance		
12 months ECL	**(1,922,188)**	(393,370)
Lifetime ECL	**(3,512,662)**	(3,860,703)
Net loans and advances	**66,529,258**	59,052,267
Other Statistics		
(i) Loan Loss Provision Ratio	**8 %**	7 %
(ii) Gross Non-Performing Loans Ratio	**14%**	4 %
(iii) Twenty (20) Largest Exposures	**22 %**	26 %
Analysis by Type of customers		
Individuals and other private enterprise	**67,655,369**	59,393,155
Staff loan	**4,308,739**	3,913,185
Gross loans and advances	**71,964,108**	63,306,340
Allowance for impairment	**(5,434,850)**	(4,254,073)
At 31 December	**66,529,258**	59,052,267

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Loans and advances to customers continued...

Figures in GHS	2023	2022
Analysis of gross credit portfolio		
A. Stage 1: Performing		
Agric loan	**264,195**	128
Commercial loan	**5,839,219**	1,345,882
Managed loan	**386,315**	1,341,858
Microfinance loan	**4,483,970**	2,121,728
Staff loan	**4,197,649**	14,108
Personal loan	**25,177,284**	18,087,336
Overdraft	**12,966,053**	4,958,133
	53,314,686	27,869,172
B. Stage 2: Under performing		
Agric loan	**642,039**	47,076
Commercial loan	**45,031**	5,164,291
Corporate loan	**-**	1,651,852
Managed loan	**65,917**	255,881
Microfinance loan	**1,810,064**	7,006,892
Staff loan	**-**	3,899,077
Personal loan	**11,178,798**	8,057,908
Overdraft	**-**	2,340,975
	13,741,848	28,423,951
C. Stage 3: Non performing		
Agric loan	**7,454**	-
Commercial loan	**1,873,048**	-
Managed loan	**276,487**	-
Microfinance loan	**310,795**	-
Staff loan	**111,090**	-
Personal loan	**347,256**	-
Overdraft	**1,981,444**	7,013,216
	4,907,574	7,013,216
Total (A+B+C)	**71,964,108**	63,306,339
Expected credit loss allowance		
At 1 January	**4,254,073**	2,991,200
Charged in profit or loss	**1,366,019**	1,214,247
Per audited statement	**5,620,092**	4,205,447
Credit risk reserve	**(185,242)**	-
Additional due to IFRS 9 implementation	**-**	48,626
At 31 December	**5,434,850**	4,254,073

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Loans and advances to customers continued...

The table below summarizes the analysis of impairment provision on loans and advanced for which an ECL allowance is recognised.

31 December 2023	Stage 1	Stage 2	Stage 3	Total
Agric loan	1,835	99,687	1,140	**102,662**
Commercial loan	469,234	16,236	675,335	**1,160,805**
Managed loan	31,525	18,974	79,588	**130,087**
Microfinance loan	229,389	480,118	82,438	**791,945**
Staff loan	3,606	-	496	**4,101**
Personal loan	882,117	1,710,980	58,469	**2,651,566**
Overdraft	304,482	-	289,202	**593,683**
Total impairment allowance	**1,922,188**	**2,325,996**	**1,186,667**	**5,434,850**

31 December 2022	Stage 1	Stage 2	Stage 3	Total
Commercial loan	9,832	63,223	-	**73,055**
Microfinance loan	20,921	76,882		**97,803**
Staff loan	5	6,999	-	**7,005**
Personal loan	239,207	193,032	-	**432,240**
Overdraft	123,405	1,005,430	2,515,137	**3,643,972**
Total impairment allowance	**393,370**	**1,345,567**	**2,515,137**	**4,254,073**

Expected Credit Losses (ECL) per BoG Guidelines	%		
Category	Provision		
Current	1	**562,141**	508,932
OLEM	5	**171,177**	383,624
Substandard	25	**982,264**	8,909
Doubtful	50	**1,527,993**	1,267,372
Loss	100	**2,376,517**	2,036,609
		5,620,092	4,205,447

Loan provisioning/impairments are carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income. Where provisions per IFRS is more than provisions made using Bank of Ghana guidelines, no regulatory credit reserve is required.

There was a credit risk reserve of GHS185,242 made in year as IFRS calculated was less than provision required under Bank of Ghana guidelines. This reserve represents a balance of amounts transferred from/to retained earnings to meet excess of impairment allowances based on Bank of Ghana's provisioning guidelines and IFRS.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022
18. Investment securities		
Government of Ghana Bonds	**28,451,269**	29,515,132
Impairment - Investment securities (note 18.1)	**(349,366)**	(1,564,000)
	28,101,903	27,951,132
ARB Apex Bank Ltd Shares	**209,488**	151,948
	28,311,391	28,103,080

The Bank signed onto the Domestic Debt Exchange Programme (DDEP) effective 21 February, 2023. The Bank offered five (5) securities in the sum of GHS 25,978,623 for exchange of a total of twelve (12) new bonds amounting to GHS 27,094,865.

At the end of the year, the Bank's new investments in Government of Ghana (GoG) Bonds was GHS 28,101,903 (2022: GHS 27,951,132). Below are the details of the new securities.

Government Bonds		
4yr FXR Bond @8.35% (Maturity date: 16/2/2027)	**2,781,970**	-
5yr FXR Bond @8.50% (Maturity date: 15/2/2028)	**2,781,970**	-
6yr FXR Bond @8.65% (Maturity date: 13/2/2029)	**2,724,731**	-
7yr FXR Bond @8.80% (Maturity date: 12/2/2030)	**2,724,731**	-
8yr FXR Bond @8.95% (Maturity date: 11/2/2031)	**2,511,021**	-
9yr FXR Bond @9.10% (Maturity date: 10/2/2032)	**2,511,021**	-
10yr FXR Bond @9.25% (Maturity date: 8/2/2033)	**2,511,021**	-
11yr FXR Bond @9.40% (Maturity date: 7/2/2034)	**1,709,680**	-
12yr FXR Bond @9.55% (Maturity date: 6/2/2035)	**1,709,680**	-
13yr FXR Bond @9.70% (Maturity date: 5/2/2036)	**1,709,680**	-
14yr FXR Bond @9.85% (Maturity date: 3/2/2037)	**1,709,680**	-
15yr FXR Bond @10.00% (Maturity date: 2/2/2038)	**1,709,680**	-
	27,094,865	-
Local bonds		
CMB-DDE @ 13% (Maturity date: 2/9/2024)	**67,820**	-
CMB-DDE @ 13% (Maturity date: 1/9/2025)	**271,281**	-
CMB-DDE @ 13% (Maturity date: 31/8/2026)	**339,101**	-
CMB-DDE @ 13% (Maturity date: 30/8/2027)	**339,101**	-
CMB-DDE @ 13% (Maturity date: 28/8/2028)	**339,101**	-
	1,356,404	-
Total Government of Ghana Bonds	**28,451,269**	-
Impairment - Investment securities (note 18.1)	**(349,366)**	-
	28,101,903	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Investment securities continued...

Figures in GHS			2023	2022
Movement	**Shares**	**Value**		
ARB Apex shares	44,590	0.045	**2,000**	2,000
Additions	46,707	1.232	**57,540**	-
Surplus arising on revaluation	-	-	**42,590**	42,590
Bonus shares given	12,044	1.230	**14,814**	14,814
Right issue	80,000	1.157	**92,544**	92,544
	183,341	3.664	**209,488**	151,948

There was a resolution passed at the Extra-Ordinary General Meeting which mandated the ARB Apex Bank to raise an amount of GHS25 million over a period of five (5) years from the RCBs.

Mumuadu Rural Bank has for the first year commencing January 2023, been allocated a minimum of 56,136 shares valued at GHS 69,047.62 spread in twelve (12) equal monthly payments of GHS 5,754.

18.1 Provision for impairment on investment

Impairment on investment securities (Note 18)	**349,366**	1,564,000
Impairment on investment receivable (Note 19)	**2,861,030**	453,000
Total impairment at 31 December 2023	**3,210,396**	2,017,000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022
19. Other assets		
Investment receivable	**8,268,875**	8,304,019
Impairment on investment receivable	**(2,861,030)**	(453,000)
	5,407,845	7,851,019
Stationery stock	**197,671**	35,268
Office account	**1,457,181**	2,642,702
Prepayments	**819,393**	711,083
Interest in arrears	**1,555,180**	685,989
Interest and commission accrued	**1,005,635**	694,866
	10,442,905	12,620,927

Included in other assets are matured investments amounting to GHS 8,268,875 that have been validated but the Bank did not receive any payment from the financial institutions in the year under review. These amounts were reclassified from investment to other assets. However, the Bank was able to recover GHS40,000 from NDK Financial Services Limited during the year under review.

The investment receivable per institution is analyzed as follows:		
NDK Financial Institution Opening balance	**4,588,735**	4,588,735
Additional interest on investment	**4,857**	-
Amount recovered	**(40,000)**	-
	4,553,592	4,588,735
Blackshield Capital Management (Liquidator)	**921,767**	921,767
CDH Savings and Loans Company Limited	**825,697**	825,697
AM Fund	**1,967,819**	1,967,819
	8,268,875	12,892,753
Impairment on investment receivable	**(2,861,030)**	(453,000)
	5,407,845	12,439,753

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022

20. Property, plant and equipment

	Cost	Accumulated depreciation	2023 Carrying value	Cost	Accumulated depreciation	2022 Carrying value
Owned assets						
Bank Premises	**4,274,661**	**(263,759)**	**4,010,902**	4,046,097	(182,169)	3,863,928
Office equipment	**2,157,291**	**(1,745,479)**	**411,812**	1,906,363	(1,388,821)	517,542
Motor vehicles	**1,505,674**	**(1,355,439)**	**150,235**	1,505,674	(1,214,569)	291,105
Furniture and fixtures	**1,149,089**	**(621,614)**	**527,475**	1,008,999	(432,912)	576,087
Land	**669,131**	**-**	**669,131**	620,571	-	620,571
Computers	**2,056,424**	**(1,337,137)**	**719,287**	1,747,656	(973,961)	773,695
T24 Banking Software	**385,054**	**(134,769)**	**250,285**	385,054	(96,264)	288,790
Motor Bikes	**560,602**	**(388,507)**	**172,095**	395,816	(356,254)	39,562
Work In Progress	**311,152**	**-**	**311,152**	281,558	-	281,558
	13,069,078	**(5,846,704)**	**7,222,374**	11,897,788	(4,644,950)	7,252,838

The carrying amounts of property, plant and equipment can be reconciled as follows:

	Carrying value at beginning of year	Additions	Transfers	Depreciation	2023 Carrying value at end of year
Owned assets					
Bank Premises	3,863,928	228,565		(81,591)	4,010,902
Office equipment	517,542	250,928		(356,658)	411,812
Motor vehicles	291,105	-		(140,870)	150,235
Furniture and fixtures	576,087	140,089		(188,701)	527,475
Land	620,571	48,560	-	-	669,131
Computers	773,695	308,768		(363,176)	719,287
T24 Banking Software	288,790			(38,505)	250,285
Motor Bikes	39,562	164,783	-	(32,252)	172,095
Work In Progress	281,558	29,594	-	-	311,152
	7,252,838	1,171,287	-	(1,201,753)	7,222,374

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

	Carrying value at beginning of year	Additions	Disposals	Depreciation	2022 Carrying value at end of year
Owned assets					
Bank Premises	3,217,490	720,879		(74,441)	3,863,928
Office equipment	681,489	165,654		(329,601)	517,542
Motor vehicles	465,728	-		(174,623)	291,105
Furniture and fixtures	460,123	260,997		(145,033)	576,087
Land	250,650	369,921		-	620,571
Computers	1,043,836	107,780		(377,921)	773,695
T24 Banking Software	327,296	-		(38,506)	288,790
Motor Bikes	72,467	-		(32,907)	39,562
Work In Progress	841,359	435,248	(995,049)	-	281,558
	7,360,438	2,060,479	(995,049)	(1,173,032)	7,252,838

Figures in GHS	2023	2022
21. Stated capital		
(a) Authorized		
Ordinary shares	49,875,000	49,875,000
Preference shares	125,000	125,000
	50,000,000	50,000,000

(b) Issued	No. of shares 2023	No. of shares 2022	Stated Capital	Stated Capital
Balance at 1 January	**29,043,036**	29,043,036	**4,041,912**	4,041,912
Preference shares	**125,000**	125,000	**13**	13
	29,168,036	29,168,036	**4,041,925**	4,041,925

(c) There were no unpaid liabilities on any share and there were no calls or instalments unpaid.

(d) There are no treasury shares.

22. Credit risk reserve

This reserve represents the balance of amounts transferred from retained earnings to meet excess of impairment allowances based on Bank of Ghana's provisioning guidelines and IFRS.

Credit risk reserve reconciliation	2023	2022
IFRS Impairment	**5,434,850**	-
Bank of Ghana provision	**5,620,092**	-
	(185,242)	-

23. Statutory Reserves	2023	2022
Balance at 1 January	**4,798,990**	4,798,990
Transfer for the year (12.5% of profit)	**118,731**	-
Balance before adjustment	**4,917,721**	4,798,990
Balance at 31 December	**4,917,721**	4,798,990

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022

24. Deposit for shares

This represents 902,527 (2022: 206,840) ordinary shares purchased by prospective shareholders amounting to GHS 270,758 (2022: GHS 83,168). These would be added to stated capital once the registration process is completed at the Office of the Registrar of Companies (ORC).

25. Retained Earnings		
Balance at 1 January	**2,658,944**	5,152,117
Profit/(loss) for the year	**949,848**	(1,076,588)
Dividend paid	**-**	(1,416,586)
Transfer to credit risk reserve	**(185,242)**	-
Transfer to statutory reserve (12.5% of Profit)	**(118,731)**	-
	3,304,819	2,658,944
26. Deposits and current accounts		
Demand Deposits	**25,796,446**	23,808,132
Savings Deposits	**54,692,487**	44,723,242
Time/Fixed Deposits	**38,720,935**	39,525,037
Susu Deposits	**24,545,999**	14,286,110
	143,755,867	122,342,521
Analysis by type of depositors		
Individuals and other private enterprise	**140,678,771**	118,959,149
Public Enterprise	**3,077,096**	3,184,202
	143,755,867	122,143,351
Ten (10) Largest depositors to total deposit ratio	**11 %**	11 %
27. Borrowings		
ARB Apex Loan	**780,766**	1,750,000
KFW ATM Loan (Apex Bank)	**-**	125,793
	780,766	1,875,793
28. Managed funds		
Rural Enterprise Programme	**212,165**	1,343,604
UNDP Grant	**-**	497,747
CAPPLUS Funds	**246,567**	694,030
Mastercard Nkosuo Fund	**481,962**	481,962
OMTRIX	**33,984**	-
	974,678	3,017,344

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

Figures in GHS	2023	2022

Mastercard Nkosuo Fund is a Covid-19 relief fund for Micro, Small and Medium Sized Enterprises (MSMEs): This was disbursed to 156 clients in 2022 at the Osino, Nsawam, Kyebi and Nkawkaw branches. It was expected that the fund will be paid back to Mastercard after monies are recovered from the clients. Mastercard has not yet requested for the money. Therefore, the balance at the end of the year under review still remains GHS481,962.

29. Dividend

	2023	2022
Balance at 1 January	**810,135**	1,692,506
Payment during the year	**(341,619)**	(882,372)
Balance at 31 December	**468,516**	810,135

30. Current tax

	Balance at January	Tax adjustment	Paid during the year	Profit or Loss account	Balance at December
	GHS	GHS	GHS	GHS	GHS
2021	(350,583)	-	-	-	**(350,583)**
2022	(3,921)	-	-	-	**(3,921)**
2023	-	416	(625,034)	1,170,270	**545,652**
	(354,504)	416	(625,034)	1,170,270	**191,148**
Growth and sustainability levy					
2023	-	-	-	112,989	**112,989**
Total	**(354,504)**	**416**	**(625,034)**	**1,283,259**	**304,137**

31. Deferred taxation

	2023	2022
At 1 January	**149,538**	147,832
Charge for the year	**20,980**	1,706
At 31 December	**170,518**	149,538

32. Interest payable and other liabilities

	2023	2022
Office account	**636,821**	1,524,026
Accrued interest	**1,536,702**	1,998,339
Loan Risk Fund	**67,466**	588,172
Other payables	**1,695,381**	1,045,523
	3,936,370	5,156,060

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

The Loan Risk Fund is an account which accumulates the 0.4% insurance premium charged on loans granted to customers.

There was an agreement with the financial stability department of Bank of Ghana to discontinue that process and engage an insurance company. The Bank has complied with the directive and the board of directors has given approval that Ghana Union Assurance should handle it for the Bank. The insurance covers up to the end of benefit period or full amortization of the loan. The balance of GHS 67,466 at the end of the year is yet to be transferred to the insurance company.

33. Contingent liabilities

No known contingent liabilities existed as at 31 December 2023 that would have a material effect on the results of the financial statements as set out on pages 18 to 51 or the continued existence of the Bank as a going concern.

34. Event after the reporting period

No events occurred during the year ended 31 December 2023 and the date the Directors approved the financial statements that would have a material impact on the results as disclosed in the financial statements as set out on pages 18 to 51 or the continued existence of the Bank as a going concern.

35. Related party transactions

In the ordinary course of business, the Bank gives loans to Board of Directors and Staff. The total amount of outstanding balances of related parties during the year are as follows:

Figures in GHS	2023	2022
	GHS	GHS
Key management staff	**1,747,905**	1,561,905
Other Staff	**2,560,834**	2,351,281
	4,308,739	3,913,185

The total remuneration of Directors and other members of key management staff including allowances during the year are as follows:

Directors	**148,950**	195,325
Key management staff	**1,589,179**	1,455,510
	1,738,129	1,650,835

36. Capital commitments

The Bank has commitments towards the construction of fence, filling and compacting of land at Kyebi. At 31 December 2023, total work done to date and held as capital work in progress amounted to GHS 311,152 (2022: GHS 281,558).

37. Going Concern

The Directors believe that the Bank will be a going concern in the year ahead. For this reason, we continue to adopt the going concern basis in preparing the annual financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

38. Corporate Social Responsibilities

Amounts spent in fulfilling corporate social responsibilities for the year under review amounted to GHS104,460 (2022: GHS 88,599).

The activities included donations towards the Independence Day celebrations at Osino, Educational Sponsorships, Osino Zonal Sports Association and Funeral Rites of some individuals in the Osino community.

39. Regulatory Disclosures

i) *Non-performing loans*
Percentage of gross non-performing loans (sub-standard to loss) to total credit/advances portfolio (gross) was 14% (2022: 4%)

ii) *Amount of loans written off*
No loan write off was done during the year (2022: GHS 61,737).

iii) *Breaches in statutory liquidity*
The Bank complied with all requirements with respect to statutory liquidity.

iv) *Liquidity Ratio*
The Bank's liquidity ratio at the end of 2023 was 35.67% (2022: 36.41%)

v) *Capital Adequacy Ratio*
The Bank's capital adequacy ratio at the end of 2023 was 12% (2022: 13%).

40. Minimum paid up capital

According to Section 28 of the Banks and Specialised Deposit-Taking Institutions Act 2016 (Act 930), the Bank has met the minimum paid up capital of Rural Banks of GHS 1,000,000.

Computation of paid-up capital according to Section 28 (3) includes the following:

Figures in GHS	2023	2022
Ordinary share capital	**4,041,925**	4,041,925
Statutory reserve	**4,917,721**	4,798,990
Retained earnings	**3,304,819**	2,658,944
Deposit for shares	**424,561**	153,803
	12,689,026	11,653,662

Section 33 of Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) states that any Bank which fails to meet the minimum capital requirement is liable to pay to the Bank of Ghana a penalty of one-half per mille of the difference between the capital that the entity should have maintained and the level of capital actually maintained by the entity for each day that the default continues. The Bank has no liability under the circumstance as it has exceeded the minimum requirement.

SHARE STRUCTURE

List of top 20 shareholders	%	Number of shares
Rbf Ltd.	15.71	4,742,103
Doris Arkorful	5.28	1,594,020
K. Peasah Boadu	5.05	1,525,552
Prince Kofi Amoabeng	4.62	1,393,911
Mumuadu Com. Services	2.33	703,936
Okyere Agyekum Kofi	1.16	349,779
Dr. Seth Adu	1.14	343,829
Noah Ansa-Dakwa	1.05	315,753
Kwabena Baah Duodu	1.03	311,998
Osei Leticia	0.81	244,029
Ntow Kofi Ebenezer	0.71	215,036
Otu Boateng Samuel K.	0.65	195,260
Prof. Robert Addo Fening	0.63	190,894
I. A. Duodu	0.56	169,732
Acquah Asyncritus	0.55	166,660
Kotoko M. Francis	0.54	162,858
Samuel Ofosu Ampofo	0.45	136,725
Agabeh Benedict Akumyire	0.45	136,273
Acheampong Ernest	0.44	133,333
Obese Emmanuel Osei	0.44	131,726
Others	56.40	17,030,748
Grand Total	**100**	**30,194,155**

Analysis of shareholding as at 31 December 2023

Category	No. of shareholders	Number of Shares	% Holding
1 - 1,000	742	412,371	1 %
1,001 - 5,000	1,316	2,950,030	10 %
5,001 - 10,000	345	2,441,193	8 %
10,000 and over	409	24,390,561	81 %
	2,812	**30,194,155**	**100 %**

Directors' shareholding	Certificate No.	% Holding	No of shares
Asante Ayeh Benjamin	SH31302661	0.12	36,663
Oppong-Danquah Amos	SH31302645	0.12	35,333
Narkotey Stephen	SH31302666	0.07	20,000
Agyei Josephine	SH31302663	0.13	40,066
Agyarko Kofi Adu	SH31302660	0.12	36,666
Debrah Godwin	SH31302783	0.03	9,500
		0.59	**178,228**

34TH AGM GALLERY





34TH ANNUAL
GENERAL MEETING
DATE:
Saturday, 2nd September 2023
VENUE:
Presbyterian Church

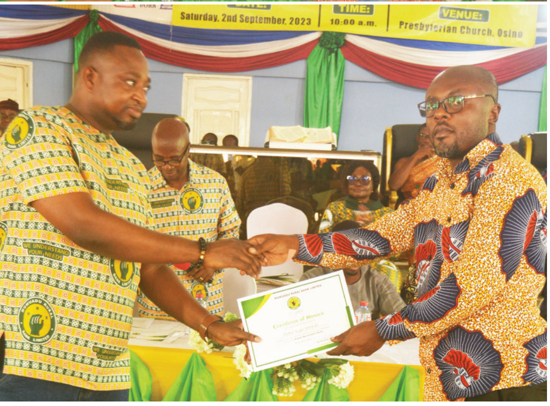




MUMUADU RURAL BANK LIMITED
34TH ANNUAL
GENERAL MEETING
DATE:
Saturday, 2nd September, 2023
TIME:
10:00 a.m.
VENUE:
Presbyterian Church, Osino


34TH ANNUAL
GENERAL MEETING
Saturday, 2nd September 2023
TIME:
VENUE:
Presbyterian Church, Osino


DATE:
Saturday, 2nd September, 2023
10:00 a.m.


Saturday, 2nd September, 2023
TIME:
10:00 a.m.
VENUE:
Presbyterian Church, Osino


DATE:
Saturday, 2nd September 2023
TIME:
10:00 a.m.
VENUE:
Presbyterian Church, Osino


Saturday, 2nd September, 2023
10:00 a.m.
Presbyterian Church, Osino

MUMUADU RURAL BANK LIMITED
PROXY AUTHORISATION

I/We... of ....

Being a member/members, hereby appoint ....

of .... or failing him/her ....

of ....

As my/our proxy to vote on my/our behalf at the Annual General Meeting of Mumuadu Rural Bank Limited to be held on .... at .... and any adjournment thereof.

Signed: ....

This .... day of ....