

DUMPONG RURAL BANK PLC

**ANNUAL REPORT
AND
FINANCIAL STATEMENTS**

DECEMBER 31, 2025

REPORTS AND FINANCIAL STATEMENTS**INDEX**

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CORPORATE INFORMATION**BOARD OF DIRECTORS:**

Joseph Asumadu (Chairman)
Lawyer Gabriel Odame Adufu (Vice Chairman)
Vida Marfo
Enoch Richard Arkaifie
Stephen Boateng Mensah
Alex Asare

SECRETARY:

Richard Antwi
P. O. Box 23
Asakraka Kwahu
Eastern Region

SENIOR MANAGEMENT:

Richard Osei (Chief Executive Officer)
Frederick Darko (Manager, Operations)
Benson Sarpong (Manager, Internal Audit)
Thomas Osei (Manager, Risk/Compliance & AML)
Ernest Yeboah (Manager, Accounts)
Francis Richer Torgbo (Manager, Credits)
Jennifer Ofori-Boateng (Manager, Human Resource)
Theophilus Otoo (Manager, ICT)

REGISTERED OFFICE:

Bank Premises
Asakraka-Kwahu
Eastern Region
Ghana.

AUDITORS:

Nexia Debrah & Co.
(Chartered Accountants)
BCB Legacy House
#44 Nii Amugi Avenue
East Adabraka, Accra
P. O. Box CT 1552
Cantonments - Accra

BANKERS:

ARB Apex Bank Limited

DUMPONG RURAL BANK PLC

**REPORT OF THE DIRECTORS
TO THE MEMBERS OF
DUMPONG RURAL BANK PLC**

We, the Directors of Dumption Rural Bank PLC, have pleasure in submitting our Annual Report together with the Audited Financial Statements for the year ended 31st December 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

Under the appropriate legislation including the Companies Act 2019 (Act 992), the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930) and the respective regulations and directives made thereunder, we the directors of the Bank acknowledge our responsibility for preparing in respect of each financial year, Financial Statements which give a true and fair view of the state of affairs of the Bank, and of its Profit or Loss and other Comprehensive Income and Cash Flows for that period in accordance with the International Financial Reporting Standards (IFRS), and the relevant set of legislation.

In preparing these Financial Statements, we are required to keep proper books of accounts which disclose with reasonable accuracy at any time the Financial Position of the Bank, select suitable accounting policies and apply them consistently, make judgements and estimates that are reasonable and prudent.

As Directors, we are also responsible for such internal control as we determine is necessary for safeguarding the assets of the Bank and taking reasonable steps for the prevention and detection of fraud and other irregularity.

The Bank of Ghana has issued a directive on Corporate Governance which requires compliance by all regulated financial institutions (RFI). Our report on this can be found on pages 6 to 9 of this report.

NATURE OF BUSINESS AND REVISED GUIDELINES

The principal business of the company is to provide Banking and Related Services, including taking Deposits and Lending Money, under the general supervision of the Bank of Ghana. The Bank of Ghana has issued fresh guidelines (Notice no: BG/GOV/SEC/2026/03) dated 27th January 2026 in which better clarity has been provided to properly position financial intermediaries into categories of Microfinance Banks (MFBs), Community Banks (CBs), Credit Unions (CUs) and Last Mile Providers (LMPs).

The Dumption Rural Bank Plc falls into the category of Community Banks (CBs), and the Bank of Ghana directs that all such Rural Banks should be converted to become Community Banks with a minimum paid up capital of **GH¢5 million** for existing Rural Banks, and **GH¢10 million** for new Community Banks yet to be established. As an initiative, the directors of your bank have taken the first important step of renaming your bank “Dumption Community Bank Plc” with effect from 9th February 2026. In addition to this, shareholders are expected to achieve the **GH¢5 million** minimum paid up capital on or before 31st December 2026.

In view of this, your directors propose and recommend the transfer of **GH¢2,511,854** from retained earnings to stated capital accompanied by the issue of bonus shares as non-cash dividend. This is subject to the approval of the Bank of Ghana.

FINANCIAL RESULTS AND DIVIDEND

The Financial Statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) and incorporate disclosures in line with the accounting philosophy of the Bank. The financial performance and position of the Bank are depicted in the attached Financial Statements on pages 16 to 52 and summarized below with comparative figures.

REPORT OF THE DIRECTORS (CONT'D)

	2025	2024
	GH¢	GH¢
Profit before tax for the year	4,365,552	3,378,176
From which is deducted a tax charge of	(1,222,216)	(1,107,217)
	-----	-----
Resulting in a Profit after tax of	3,143,336	2,270,959
To which must be added the balance brought forward on the Retained Earnings Account at the beginning of the year	901,894	(765,570)
	-----	-----
Leaving a balance before statutory and other transfers of From/to which the following transfers were made:	4,045,230	1,505,389
• Transfer to Statutory Reserve in accordance with Section 34 of the Banks and Specialised Deposit – Taking Institutions Act 2016 (Act 930)	(785,834)	(567,740)
• Transfer to Dividend Payable	(357,726)	-
• Transfer from /(to) Credit Risk Reserve	245,482	(35,755)
	-----	-----
Leaving a balance on the Retained Earnings Account to be Carried Forward of	3,147,152	901,894
	=====	=====

Financial Position

Total Assets	84,438,431	63,885,298
Total Liabilities	(76,081,479)	(58,590,023)
	-----	-----
Total Equity	8,356,952	5,295,275
	=====	=====

As indicated above, the Directors propose the issue of 1 bonus share for every existing one held, as non-cash dividend, accompanied by the transfer of the net amount of **GH¢2,511,854** from retained earnings to stated capital (after consideration of 8% withholding tax amounting to **GH¢218,422**).

APPOINTMENTS, RESIGNATION, RETIREMENT AND RE-ELECTION OF BOARD MEMBERS

The Bank presently has six (6) directors. Each director has been approved by the Bank of Ghana for a cyclical term of three (3) years, subject to renewal with the prior approval of the Bank of Ghana.

As at 31st December 2025 all the directors were serving their second term in office.

CAPACITY BUILDING OF DIRECTORS TO DISCHARGE THEIR DUTIES

On appointment to the Board, Directors are provided with full, formal, and tailored programmes of induction, to enable them to gain in-depth knowledge about the Bank's business, the risks and challenges faced, and to appreciate the economic knowledge and the legal and regulatory environment within which the Bank operates.

Further, the bank and its directors are beneficiaries of regular training programmes provided by both the ARB Apex Bank PLC and the Bank of Ghana which are geared towards broader and deeper knowledge of the conditions and terrain of the banking sector in Ghana.

REPORT OF THE DIRECTORS (CONT'D)

CORPORATE SOCIAL RESPONSIBILITY

The bank paid out the total amount of **GH¢31,000** towards the following corporate social responsibility projects:

- 1. Desks and chairs supplied to Akoase S.D.A School at the cost of **GH¢25,000**.
- 2. Donation to Kwahu East, Kwahu West, Kwahu South and Birim North District Assemblies for the Farmers' Day Celebration- **GH¢4,000**
- 3. Assistance to Enterprise Business Centre, Nkawkaw to purchase furniture -**GH¢ 2,000**

CONFLICT OF INTEREST AND ETHICS

In accordance with its governance structure, the Bank has established appropriate procedures to address actual or potential conflicts on account of any director or senior management, and these are regularly reviewed for compliance. Any identified conflict which has been taken through the full process of the Bank is recorded in a special conflict of interest register for purposes of disclosure. During the year, no such conflicts arose, and no such authorization was sought.

AUDITORS AND FEES

Messrs. Nexia Debrah & Co have indicated their willingness to continue in office as the Auditors of the Bank in accordance with section 139(5) of the Companies Act, 2019 (Act 992). We therefore recommend their continued appointment.

The remuneration paid or payable to the Auditors at the reporting date was GH¢60,000 (2024:GH¢50,000).

GOING CONCERN CONSIDERATIONS

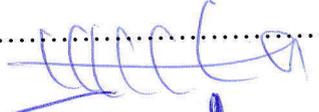
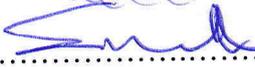
The attached Financial Statements have been presented on the basis of accounting policies and conventions applicable to a going concern entity. As directors, we have made the necessary assessments and evaluation of the future capital and other financial requirements of the bank, and nothing has come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

MANAGEMENT REPRESENTATION

We certify that the Statement of Comprehensive Income and the Statement of Financial Position referred to in the report of the Auditors together with the notes thereon identified on pages 16-52 of this report have been prepared from records, information and representations made by us, the Directors of Dumptiong Rural Bank Plc.

So far as we are aware, there is no relevant audit information (i.e. information needed by the Bank's auditors in connection with their work and report) of which the Bank's auditors are unaware and each director has taken reasonable steps that ought to be taken by a director in order to make him/her self-aware of any relevant audit information and to establish that the Bank's auditors are aware of that information.

We confirm that to the best of our knowledge and belief the Financial Statements contain all transactions and that they are complete and accurate in all material respects. We approve the Statement of Comprehensive Income for the year ended December 31, 2025, and the Statement of Financial Position at that date together with the notes thereon this **12th day of February 2026**.

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DIRECTORS

Kwahu Asakraka

February 12, 2026

STATEMENT ON CORPORATE GOVERNANCE

This Statement describes our approach to corporate governance and the governance practices in place at Dumption Rural Bank PLC. The bank is committed to strong corporate governance practices that is in accordance with the Banks & Specialized Deposit-Taking Institutions Act, 2016 (Act 930), the Companies Act, 2019 (Act 992), and Bank of Ghana Corporate Governance Directive for Rural and Community Banks 2021. The Bank's purpose, vision and values conform to good corporate governance principles and is committed to fulfilling the corporate governance obligations and responsibilities to guarantee the collective best interests of the Bank's shareholders and other stakeholders. The Bank's corporate governance framework outlines the roles and responsibilities of the Board.

The Board (the Governing Body)

The Board is the highest decision-making body of the Bank, which provides strategic direction and oversight of the Bank by promoting the interests of the Bank's shareholders and other stakeholders by generating sustainable value. The Board is governed by a Charter which is compliant with the Companies Act, 2019 (Act 992), the Banks & Specialized Deposit - Taking Institutions Act, 2016 (Act 930), and Bank of Ghana Corporate Governance Directive for Rural and Community Banks -2021. The Board also ensures that the Bank's governance procedures follow the guidelines and structure by the regulator's directives. The Board defines roles and duties, aligns strategies with goals, and successfully manages risk. It also upholds high standards of ethics and integrity.

Membership of the Board is made up of Six (6) persons. The Board at all times, is regulated by the Companies Act, 2019 (Act 992), the Banks & Specialized Deposit - Taking Institutions Act, 2016 (Act 930), Bank of Ghana Corporate Governance Directive for Rural and Community Banks 2021, and Fit and Proper Persons Directive 2019. The Directors of the Board have varied experience and backgrounds and are well equipped to discharge their responsibilities as required. The membership of the Board is detailed below;

Independence of Board of Directors

All directors are expected to bring independent and unfettered judgment to the Board's deliberations. The larger number of Non-Executive Directors on the Board, makes the Board more independent and allows it to provide higher level of Corporate Governance to shareholders. It also satisfies our criteria for independence, which aligns with the guidance and recommendation provided in the Corporate Governance Framework. The composition of the Board of Directors and its Committees is regularly reviewed to ensure that the balance and mix of skills, independence, knowledge and experience is maintained. The Board considers the Board Chairman to be independent. Non-executive directors are independent as it pertains to the management of the bank, and the continuing independence and objective judgment of the non-executive directors has been confirmed by the board of directors.

Separation of the Board Chairman and CEO's Roles

There are clear lines of accountability at the top hierarchy of the bank. The Board Chairman and the CEO shall be distinct and separate from each other. The CEO shall attend all board meetings as an ex-officio member to present management reports, take part in all discussions and shall have no voting rights. No two (2) related persons shall occupy the positions of Board Chairman and CEO of the bank. Directors are prohibited from performing management functions and interfering with management duties. This enhances independent oversight of Executive Management by the Board and helps to ensure that no one individual on the Board has autonomous power, influence or authority.

Directors Performance Evaluation

Every year the performance and effectiveness of the Board of Directors (“the Board”), its committees and individual Directors are evaluated. All the Board of Directors during the year under review did a self-assessment of their performance. The assessment is conducted by evaluating the Board structure and committees, Board Meetings and Procedures; Board Management Relations; Succession Planning and Training. The results of the assessment are kept in the file of members. There was no external assessment of the board’s performance. Overall, it was noted that the Board of Directors and its committees were operating in an effective manner and performing satisfactorily, with no major issues identified.

Board Committees

The Board has two (2) sub-committees which assist the Board in carrying out its responsibilities. Membership of the committee is carefully determined considering the skills and experience of members and also to share responsibility. The committees are Audit, Risk and Compliance Committee and Credit Committee and the chair person is appointed by members. Each committee met three times in the year and their report presented to the board for discussion, and consider its recommendations otherwise take any needful decision on it. Recommendations from committee reports shall not bind the board committee, however it will be discussed to either adopt the recommendations therein based on unanimous or majority decision. In deciding the committee memberships, the Board endeavors to make the best use of the range of skills and experience across board and shares responsibilities. Membership of the Committees is reviewed as and when the need arises. To ensure effective oversight leadership, the Board receives the minutes/reports of all Committee meetings at Board meetings for ratification and approval.

Professional Development and Training

On appointment to the Board, Directors are provided with full, formal and tailored programmes of induction to enable them gain in-depth knowledge about the Bank’s business, the risks and challenges faced, the economic knowledge and the legal and regulatory environment in which the Bank operates. Programmes of strategic and other reviews, together with the other training programmes were provided for Directors during the year and this helped to ensure that Directors continually update their skills, knowledge and familiarize themselves with the Bank’s business. This further provided them insights about the Banking sector and other developments which enabled them to effectively fulfil their role on the Board and its committees.

Conflict of Interest

The Bank has established appropriate conflict authorization procedures under which actual or potential conflicts are regularly reviewed and authorizations sought as appropriate. Directors are required to disclose any business interests or relationships that may affect their independence. The Bank maintains rigorous authorization procedures for potential conflicts. During the current reporting period, no such conflicts arose, and no specific authorizations were required.

Succession plan

The board shall select, subject to approval by Bank of Ghana (where applicable), and identify existing, high-potential and qualified personnel who may be suitable for the position as a director. The board shall assess the skills they require to lead and provide opportunities for training. The board will conduct interview and select suitable applicant(s) for consideration by shareholders and subsequent approval by Bank of Ghana before the end of each term to fill any vacant position to ensure the minimum membership of five (5) is maintained at all times. In the absence of the board chairman, the vice chairman will act.

Internal Control Framework

The board is responsible for maintaining and reviewing the effectiveness of risk management systems, and for determining the aggregate level and types of risks the bank is willing to take in achieving its strategic objectives. In view of this the board has put in place an effective internal control framework to ensure that the key internal control policies and procedures for managing each key/material risk and the changes made to the policies and procedures during the year remain relevant.

Internal Audit

The Board has put in place an internal audit function to provide an independent assessment of the adequacy of, and compliance with established policies and procedures, the lines of reporting of the internal audit department, the roles and responsibilities of the internal audit department as well as the scope and nature of audit work.

Code of Ethics for the Board and the Bank's Employees

It is the duty of a director to preserve the dignity and honor of the bank, to maintain his/her own integrity and not to bring the business of the bank into disrepute. As Directors and employees of the Bank, we are also committed to creating greater accountability, transparency and trust with our customers and the broader community. With that in mind, the principles within our Code also reflect the community's expectations of us.

Board Meetings

The Board holds scheduled meetings in closed sessions and CEO make presentations to the Board on material issues for the board's consideration. Directors are also provided with access to management and company information, as well as resources required to carry out their responsibilities. The Board has a minimum of six (6) meetings for members during the year under review and a minimum of three (3) meetings for its sub committees. Below is a table showing the attendance of members during the year. Meetings of the Board were held every two (2) months and among other things shall discuss committee's report to take decision on them based on their recommendations. All meetings shall be chaired by the board chairman or his/her vice in his/her absence. Additional meetings are also convened as and when necessary. All Directors are provided with comprehensive Board meeting documentation with adequate notice prior to each scheduled meeting.

TABLE OF ATTENDANCE OF BOARD AND COMMITTEE MEETINGS IN THE YEAR 2025.

S/N	NAME OF DIRECTOR	BOARD MEETING	CREDIT MEETING	AUDIT, RISK & COMPLIANCE MEETING
1.	Mr. Joseph Asumadu	6/6	N/A	N/A
2.	Lawyer Gabriel Odame Adufu	6/6	N/A	3/3
3.	Mr. Alex Asare	4/6	N/A	N/A
4.	Mrs. Vida Marfo	5/6	3/3	N/A
5.	Mr. Enoch Richard Arkaifie	6/6	3/3	N/A
6.	Mr. Stephen Boateng Mensah	6/6	N/A	3/3

SHAREHOLDING

S/N	NAME	SHARES	%
1.	Mr. Joseph Asumadu	65,000	0.26%
2.	Lawyer Gabriel Odame Adufu	76,000	0.30%
3.	Mr. Alex Asare	96,800	0.39%
4.	Mrs. Vida Marfo	100,000	0.40%
5.	Mr. Enoch Richard Arkaifie	50,000	0.20%
6.	Mr. Stephen Boateng Mensah	160,000	0.64%

BOARD OF DIRECTORS INFORMATION

NAME	AGE (Years)	QUALIFICATION/PROFESSION	DATE APPOINTED
Joseph Asumadu	66	BBA, MBA, MGL, MSC-MONITORING/EVALUATION	1/3/2024
Gabriel Odame Adufu	78	B.A. (HONS) B.L. (LAWYER)	1/3/2024
Alex Asare	49	B. Com, MBA, CA(GH) LLB	11/3/2025
Vida Marfo	57	B.COM, MBA, PMP, ACIB(GH)	13/11/2025
Enoch Richard Arkaifie	66	B.A(HONS) ECONS, EMBA-FINANCE	20/11/2025
Stephen Boateng	57	ACCA, MPHIL-FINANCE, CA(GH), CITG	20/12/2025



**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC**

Opinion

We have audited the Financial Statements of **Dumpong Rural Bank PLC** which comprise the Statement of Financial Position as at 31st December 2025, and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, together with the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes as set out on pages 16 to 52.

In our opinion, these Financial Statements give a true and fair view of the financial position of Dumpong Rural Bank Plc at 31st December 2025, and of its financial performance and cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit – Taking Institutions Act, 2016 (Act 930).

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

Basis for Opinion

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the section of our report dealing with the Auditors' Responsibilities for the Audit of Financial Statements. In form and substance, we are independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon. Consequently, we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

1.0 Money Market Investments, Loans and Advances

Refer to: (Note 11 for Money Market Investments) - GH¢ 49,476,672

(Note 13 for Loans & Advances) - GH¢ 24,937,556

(a) Existence and Valuation of Money Market Investments

The money market investments of the Bank have seen significant growth with significant values in respect of Treasury Bills, and Government Bonds. Valuation of these investments is related in a large measure to the proper accrual of related revenues at the reporting date.

How the matter was addressed in our audit

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

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC (CONTINUED)**

(b) Existence and Valuation of Loans and Advances

Loans and Advances are non-derivative financial assets that have fixed or determinable Cash Flow patterns and are not quoted on any active market.

Loans and Advances are initially measured and recognized at fair value equivalent to the cash consideration or outflow required to originate or generate the loan (transaction costs excerpted) and measured subsequently at amortized cost using the effective interest method. Where any impairment arises, the estimated impairment loss is fully provided for and recognized in the profit or loss as charge for credit losses.

How the matter was addressed in our audit

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

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

(c) Impairment allowances

Impairment allowances represent management's best estimate of expected credit loss (ECL) within each portfolio at the reporting date. The identification and the determination of allowances is inherently judgemental. During the year accumulated balance on the impairment allowances increased from **GH¢564,910** as at 31st December 2024 to **GH¢1,047,474** as at 31st December 2025. The key area where we identified significant levels of management judgement and therefore increased levels of audit focus is the Bank's implementation of IFRS 9:

- Significant Increase in Credit Risk ('SICR') –the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determine whether a 12 month or lifetime provision is recorded.
- Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the economic scenarios used and the probability weightings applied.
- ECL estimations – Inherently judgemental modelling is used to estimate ECLs which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD').

The PD models used are the key drivers of the Bank's ECL results and are therefore the most significant judgemental aspect of the Bank's ECL modelling approach.

- Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on loans and advances to customers to be a key audit matter.

How the matter was addressed in our audit

Based on our risk assessment and industry knowledge, we have examined the impairment allowance on loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC (CONTINUED)**

Our procedures included:

- Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers.
- Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's monitoring of loan performance.
- Using financial risk models to independently assess and substantively validate the impairment models by re-performing calculations and agreeing data inputs to source documentation.
- Assessing whether key data inputs used in the ECL calculation are complete and accurate through testing relevant data fields and their aggregate amounts against data in the source system.
- Assessing the ongoing effectiveness of the SICR criteria through loan file reviews and independently determining the staging of the Bank's loans and advances portfolio.
- Testing key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied.

2.0 Revenue recognition (GH¢16,776,618)

Refer to Note 4 of the Financial Statements.

Revenue is recognized and recorded in the Financial Statements on the accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured. The majority of the Bank's revenues were derived from rate sensitive assets, and the reliability and accuracy of such revenues relate in a large measure to the quality of the underlying financial asset.

How the matter was addressed in our audit

We evaluated loan agreements and investment certificates issued at either side of the reporting date and assessed whether the related revenues were recognized in the correct reporting period. We recomputed interest income earned on investment during the year to ascertain reasonableness and accuracy.

We also developed an expectation of the current year's revenue balance based on trend analysis, particularly trends in the historical interest rates and monthly movements in rate sensitive assets. We then compared the expectation to actual results and ascertained reasons for any significant departures or differences. We also considered the adequacy of the Bank's disclosures in respect of revenue.

Other Information

Other information in this context comprises the information included in the Annual Report and the Directors' Report as required by the Companies Act, 2019 (Act 992). The other information does not include the financial statements and our auditors' report thereon.

The Directors are responsible for the other information. Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC (CONTINUED)**

Responsibilities of the Directors for the Financial Statements

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

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

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

Responsibilities of the Auditors for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions which are beyond the scope of this report may cause the bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC (CONTINUED)**

- Determine, from the matters communicated with the Directors, those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the benefits of public interest of such communication.

Emphasis of Matter

Without forming the basis of any qualification in our audit report, we highlight the obvious fact that the provisions made by the Bank for corporate taxes are subject to the agreement of the Ghana Revenue Authority.

Report on Other Legal and Regulatory Requirements

(a) Under Schedule Seven (7) of the Companies Act 2019 (Act 992) we are required, when carrying out our audit, to consider and report on certain specific matters. We accordingly report that:

1. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
2. In our opinion proper books of accounts have been kept by the Bank, as far as appears from our examination of those books.
3. The Bank's Statement of Financial Position and Statement of Profit or Loss and Other Comprehensive Income are in agreement with the books of accounts.
4. As earlier said in the opinion paragraph, to the best of our knowledge and belief, the Financial Statements present in all material respect the required information in the manner prescribed by the Companies Act 2019 (Act 992); and
5. In form and substance, we are independent of the Company in accordance with section 143 of the Act and also in accordance with the Code of Ethics for Professional Accountants.

(b) Section 85(2) of the Banks and Specialized Deposit – Taking Institutions Act, 2016 (Act 930) also requires that we state certain matters in our report. We accordingly state that:

- i) We were able to obtain all the information and explanation required for the performance of our duties as auditors;
- ii) Save as expressly stated elsewhere in our report, the Bank's transactions were within its powers;
- iii) Nothing has come to our attention to suggest that the Bank breached any provisions of the Anti-money Laundering Act, 2008 (Act 749), and the Anti-Terrorism Act, 2008 (Act 762); and
- iv) Except for matters related to the maintenance of adequate liquidity and primary reserves, the bank has complied in all material respects with the provisions of the Banks and Specialized Deposit – Taking Institutions Act 2016 (Act 930).

(c) The Bank of Ghana issued a set of corporate governance directives which became effective on 31st March 2022. Among other things, this required the board to give a declaration in the annual report and audited financial statements as to the compliance or otherwise of the bank to this directive. The required declaration is embodied in the directors' statement on corporate governance which can be found on pages 6 to 9 of this report. Our review was facilitated by a set of questionnaires bearing on each specific area of the corporate governance directives.

This is the fourth year in which such a report or disclosure has been made by the directors, and our review indicates that all the material areas expected have been covered.

**REPORT OF THE INDEPENDENT AUDITORS
TO THE MEMBERS OF DUMPONG RURAL BANK PLC (CONTINUED)**

The Engagement Partner on the audit resulting in this Independent Auditors' Report is **Yaw Bamfo-Debrah (ICAG/P/1759)**

NEXIA DEBRAH & Co

Nexia Debrah & Co. (ICAG/F/2025/069)

Chartered Accountants

BCB Legacy House,

#44 Nii Amugi Avenue

East Adabraka, Accra

16th February 2026

DUMPONG RURAL BANK PLC

STATEMENT OF FINANCIAL POSITION
AT 31ST DECEMBER 2025

	NOTES	2025 GH¢	2024 GH¢
ASSETS			
Cash and Bank Balances	10	3,652,729	5,390,684
Money Market Investments	11	49,476,672	18,811,013
Apex Bank Deposit Reserve	12	3,464,679	2,744,010
Loans and Advances to Customers	13	24,937,556	15,072,616
Equity Investments	14	247,923	210,423
Deferred Tax Assets	18(ii)	320,077	58,942
Other Assets	16	1,261,187	593,337
Intangible Assets	23	48,131	60,967
Right-Of-Use-Assets	15	304,698	149,806
Property and Equipment	21	724,779	791,197
TOTAL ASSETS		84,438,431	63,885,298
LIABILITIES & SHAREHOLDERS' FUNDS			
Liabilities			
Customer Deposits	17	73,622,757	57,058,270
Managed Funds	20	200,449	200,449
Taxation	18(iii)	398,206	816,156
Term Borrowings	22	1,282,013	74,703
Creditors and Accruals	19	578,054	440,445
Total Liabilities		76,081,479	58,590,023
Shareholders' Funds			
Stated Capital	26	2,250,606	1,974,539
Revaluation Reserves	25	17,608	17,608
Statutory Reserve Fund	24	2,792,623	2,006,789
Retained Earnings	27	3,147,152	901,894
Credit Risk Reserve	13(f)	148,963	394,445
Total Shareholders' Funds		8,356,952	5,295,275
TOTAL LIABILITIES & SHAREHOLDERS' FUNDS		84,438,431	63,885,298
Net Asset per Share (GH¢ per Share)		0.33	0.24

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DIRECTORS**Kwahu Asakraka****February 12, 2026**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2025**

	Notes	2025 GH¢	2024 GH¢
Interest Income	4	16,776,618	11,722,171
Interest Expenses	5	(1,554,061)	(1,244,050)
Net Interest Income		15,222,557	10,478,121
Commissions and Fees	6	1,813,027	1,427,223
Other Operating Income	7	241,235	426,850
Total Operating Income		17,276,819	12,332,194
Charge for Credit Losses	13d	(694,039)	35,655
Other Operating Costs	8	(12,217,228)	(8,989,672)
Profit before Taxation		4,365,552	3,378,176
Taxation	18(i)	(1,222,216)	(1,107,217)
Comprehensive Income for the year		3,143,336	2,270,960
Other Comprehensive Income		-	-
Total Comprehensive Profit for the year		3,143,336	2,270,960
Transferred as follows;			
Retained Earnings		3,143,336	2,270,960
Reserves		-	-
		3,143,336	2,270,960
<u>Earnings per Share (EPS)</u>			
Basic and Diluted Earnings per Share (GH¢ per share)		0.18	0.13

Also referred to in the context of the Companies Act of Ghana 2019 (Act 992) as the Profit and Loss Account.

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2025**

	2025	2024
	GH¢	GH¢
Operating Activities		
Profit before Tax	4,365,552	3,378,176
Add/(Less)		
Depreciation	397,072	371,402
Amortization	12,835	12,835
Provision for Credit Losses	694,039	(35,655)
	-----	-----
Cash Inflow before Changes in Operating Assets and Liabilities	5,469,498	3,726,758
Changes In:		
Loans and Advances	(10,558,979)	(3,034,716)
Other Assets	(667,850)	867,116
Creditors and Accruals	137,609	(648,912)
Customer Deposits	16,564,487	19,525,034
	-----	-----
	5,475,267	16,708,522
	-----	-----
Cash flow from Operating Activities	10,944,765	20,435,280
Taxes Paid	(1,901,301)	(242,115)
	-----	-----
	9,043,464	20,193,165
Investing Activities		
Purchase of Property and Equipment	(330,654)	(382,970)
Change in Non-Cash Equivalent Investments	(6,216,350)	(4,132,416)
Change in Right-Of-Use-Assets	(154,892)	((22,189)
Addition To Equity Investment	(37,500)	(37,500)
	-----	-----
	(6,739,396)	(4,575,075)
Financing:		
Proceeds from Issue of Additional Shares	276,067	629,259
Addition to Borrowed Funds	1,483,000	-
Repayment of Borrowed Funds	(236,811)	(1,533,674)
Payments of Interest on Borrowed Funds	(38,879)	(98,826)
Dividends Paid to Shareholders (2024)	(357,726)	-
	-----	-----
	1,125,651	(1,003,241)
	-----	-----
Net Increase / (Decrease) in Cash and Cash Equivalents	3,429,719	14,614,849
Cash and Cash Equivalents at January 1	32,127,911	17,513,062
	-----	-----
Cash and Cash Equivalents at December 31	35,557,630	32,127,911
	=====	=====
Analysis of Cash and Cash Equivalents as shown in the Balance Sheet		
Cash and Bank Balances	3,652,729	5,390,684
91-Day Treasury Bills	6,440,222	18,493,217
ACOD & REPO	22,000,000	5,500,000
ARB Apex Deposit Reserve	3,464,679	2,744,010
	-----	-----
	35,557,630	32,127,911
	=====	=====

DUMPONG RURAL BANK PLC

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2025**

	Stated Capital GH¢	Statutory Reserve Fund GH¢	Revaluation Reserve GH¢	Credit Risk Reserve GH¢	Retained Earnings GH¢	Total GH¢
<u>2025</u>						
Balance at 1 st January	1,974,539	2,006,789	17,608	394,445	901,894	5,295,275
Issue of Shares for Cash	276,067	-	-	-	-	276,067
Net Profit for the Year	-	-	-	-	3,143,336	3,143,336
Transfer to Statutory Reserves	-	785,834	-	-	(785,834)	-
Transfer from Credit Risk Reserve	-	-	-	(245,482)	245,482	-
Transfer to Dividend Payable (2024)	-	-	-	-	(357,726)	(357,726)
Balance at 31st December	<u><u>2,250,606</u></u>	<u><u>2,792,623</u></u>	<u><u>17,608</u></u>	<u><u>148,963</u></u>	<u><u>3,147,152</u></u>	<u><u>8,356,952</u></u>
<u>2024</u>						
Balance at 1 st January	1,345,280	1,439,049	17,608	358,690	(765,570)	2,395,057
Issue of Shares for Cash	629,259	-	-	-	-	629,259
Net Profit for the Year	-	-	-	-	2,270,960	2,270,960
Transfer to Statutory Reserves	-	567,740	-	-	(567,740)	-
Transfer to Credit Risk Reserve	-	-	-	35,755	(35,755)	-
Balance at 31st December	<u><u>1,974,539</u></u>	<u><u>2,006,789</u></u>	<u><u>17,608</u></u>	<u><u>394,445</u></u>	<u><u>901,895</u></u>	<u><u>5,295,276</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2025**

1. THE REPORTING ENTITY

1.1 The Company

The Dumpong Rural Bank PLC is a limited liability company registered under Ghanaian Legislation and authorized by its Regulations and a banking license issued by the Bank of Ghana to engage in the provision of banking and related services including the taking of deposits and lending of money.

The bank is domiciled in Ghana with its head office and network of Agencies located within the eastern region - Ghana. The registered office is at Kwahu Asakraka in the Eastern Region of Ghana.

The audited Financial Statements were authorized for issue by the Board of Directors on **12th day of February 2026**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Statements of the bank for the year ended 31st December 2025 incorporate the principal accounting policies set out below, including changes introduced by the International Financial Reporting Standards (IFRS).

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

2.1 Basis of Presentation

The bank prepares its Financial Statements under the historical cost basis as modified by the revaluation of certain assets and liabilities through the assessment of impairment and fair value measurement.

The Financial Statements are also prepared and presented on the basis of accounting policies and conventions applicable to a going concern entity. The directors have carried out the necessary assessment and evaluation of the future capital and other financial requirements of the bank, and nothing has emerged through that evaluative exercise that can lead to the conclusion that the bank is not a going concern.

2.2 Income Recognition

Income is recognized and recorded in the Financial Statements on an accrual basis, and to the extent that it is probable that economic benefits will flow to the Bank and the related revenue can be reliably measured.

Interest Income

The effective interest method is used as basis to recognize interest income in the profit or loss account for all interest – bearing financial instruments including loans and advances. The effective interest method is a method of calculating the amortised cost of a financial asset and allocating the interest income.

The applicable effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts available over the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the related financial asset.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The effective interest rate is calculated within the context of all estimated cash flows, and due consideration to all contractual terms of the financial instrument including any early payment options but not future credit losses.

The calculation also includes all related transactional costs such as processing and commitment fees received by the bank.

The recognition of interest income ceases when the payment of interest or principal is in doubt. Interest is included in income thereafter only when it is received. Loans are re-evaluated on the accrual basis only when doubts about their collectability are removed and when the outstanding arrears of interest and principal are received.

Commissions and Fees

Commissions and loan fees are credited to income when earned with reasonable certainty and in the case of loan fees, are deferred and spread over the tenor of the loans. The unearned loan fees are disclosed separately as a set off against the loan balances.

Other Operating Income

This relates to income accruing from the consequential dimension of the bank's operations including the sale of value books, susu/micro-finance operations and where applicable profits or gains from the sale of property and equipment.

2.3 Interest Expense

Interest expense is recognized in the profit or loss for all interest-bearing Financial Instruments measured at amortised cost, including savings and fixed deposits, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of financial liability and of allocating the interest expenses.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period to the net carrying amount of the financial liability.

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future Cash Flows after considering all the contractual terms of the instrument.

2.4 Financial Assets and Liabilities

2.4.1 Date of Recognition

Financial assets and liabilities, with the exception of loans and advances to customers and deposit from customers, banks and other financial institutions are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace. Loans and advances to customers are recognised when funds are transferred to the customers' accounts. The Bank recognises deposits from customers, banks and other financial institutions when funds are transferred to the Bank.

2.4.2 Initial Measurement of Financial Instruments

A financial asset or liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4.3 Classification and Measurement Categories of Financial Assets and Liabilities

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

- Amortized Cost.
- Fair Value through Other Comprehensive Income (FVOCI).
- Fair Value through Profit or Loss (FVTPL).

The Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies, as explained in note 2.4.8. Financial liabilities are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied, as explained in note 2.4.8.

2.4.4 Loans and Advances to Customers, Financial Investments at Amortized Cost

The Bank only measures loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:

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

(a) Business Model Assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective. The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual Cash Flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

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

(b) The SPPI Test

As a second step of its classification process the Bank assesses the contractual terms of financial instruments 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).

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than the minimum exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

2.4.5 Financial Assets or Financial Liabilities held for Trading.

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

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

2.4.6 Equity Instruments at FVOCI

Upon initial recognition, the Bank elects to classify irrevocably its equity investments as equity instruments at FVOCI and are not held for trading. Equity investments are marked to market. The market in this context refers to the periodic advice issued by the ARB Apex Bank regarding the price of its equity shares held by the bank. Gains and losses on these equity instruments are never recycled to profit. Dividends are recognized in profit or loss as other operating income when the right of the payment has been established. Equity instruments at FVOCI are not subject to an impairment assessment.

2.4.7 Debt Issued and other Borrowed Funds.

After initial measurement, debt issued, and other borrowed funds are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds, and costs that are an integral part of the EIR. A compound financial instrument which contains both a liability and an equity component is separated at the issue date.

2.4.8 Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

Financial assets and financial liabilities in this category are those that are held for trading and have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVTPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis or;
- The liabilities and assets have their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy or;
- The liabilities and assets contain one or more embedded derivatives, unless they do not significantly modify the Cash Flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial assets and financial liabilities at FVTPL are recorded in the Statement of Financial Position at fair value. Changes in fair value are recorded in profit or loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the fair value reserve through OCI and do not get recycled to the Profit or Loss. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using EIR.

2.5 Derecognition of Financial Assets and Liabilities

2.5.1 Derecognition due to Substantial Modification of Terms and Conditions

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

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

- Change in counterpart.
- If the modification is such that the instrument would no longer meet the SPPI criterion.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

2.5.2 Derecognition other than for Substantial Modification

(a) Financial Assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. If the terms of a financial asset are modified, then the Bank evaluates whether the Cash Flows of the modified asset are substantially different. If the cash flows are substantially different, then the contractual rights to cash flows from the original financial asset are deemed to have expired. In this case, the original financial asset is derecognized, and a new financial asset is recognized at fair value plus any eligible transaction costs. Any fees received as part of the modification are accounted for as follows: fees that are considered in determining the fair value of the new asset and fees that represent reimbursement of eligible transaction costs are included in the initial measurement of the asset; and other fees are included in profit or loss as part of the gain or loss on derecognition.

If Cash Flows are modified when the borrower is in financial difficulties, then the objective of the modification is usually to maximize recovery of the original contractual terms rather than to originate a new asset with substantially different terms. If the Bank plans to modify a financial asset in a way that would result in forgiveness of cash flows, then it first considers whether a portion of the asset should be written off before the modification takes place (see write-off policy - 2.9). This approach impacts the result of the quantitative evaluation and means that the derecognition criteria are not usually met in such cases.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(b) Financial Liabilities**

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

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

(c) Offsetting

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

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

2.6 Impairment of Financial Assets**2.6.1 Overview of the ECL Principles**

The Bank records the allowance for expected credit losses for all loans and other debt financial assets not held at FVPL in this Section all referred to as 'financial instruments. Equity instruments are not subject to impairment under IFRS 9.

The ECL allowance is based on the credit losses expected to arise over the life of the asset, the lifetime expected credit loss (LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss (12m ECL) as outlined in note 2.6.2.

The 12m ECL is the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

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

- Stage 1: When loans are first recognized, the Bank recognizes an allowance based on 12m ECLs. Loans that have not undergone a significant increase in credit risk since initial recognition and are not credit-impaired are also included in stage 1. Stage 1 loans also include facilities where the credit risk has improved, and the loan has been reclassified from Stage 2.
- Stage 2: When a loan has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3 after a curing period of 6 months.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- Stage 3: Loans considered credit impaired. The bank records an allowance for the LTECLs.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset or the irrecoverable portion is written off.

2.6.2 The calculation of ECLs

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

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

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

When estimating the ECLs, the Bank considers three scenarios, a base case (central), optimistic case (upside) and a pessimistic case (downside). Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also 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.

With the exception of other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The measurement of impairment losses across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Bank's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- The Bank's internal credit grading model, which assigns PDs to the individual grades.
- The Bank's criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on an LTECL basis and the qualitative assessment.
- The segmentation of financial assets when their ECL is assessed on a collective basis.
- Development of ECL models, including the various formulas and the choice of inputs
- Determination of associations between macroeconomic scenarios and economic inputs, such as unemployment levels and collateral values, and the effect on PDs, EADs and LGDs
- Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The mechanics of the ECL method are summarized below:

- Stage 1: The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the Financial Statement 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a loan has shown a significant increase in credit risk since its origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For loans considered credit-impaired the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100%.

2.6.3 Forward Looking Information

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

- GDP growth
- Unemployment rates
- Central Bank policy rates
- Consumer price indices
- Inflation rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the Financial Statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

2.6.4 Restructured Financial Assets.

If the terms of a financial asset are renegotiated or modified or an existing financial asset is replaced with a new one due to financial difficulties of the borrower, then an assessment is made of whether the financial asset should be derecognized and ECL are measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the expected cash flows arising from the modified financial asset are included in calculating the cash shortfalls from the existing asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset is treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount is included in calculating the cash shortfalls from the existing financial asset that are discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

2.7 Collateral Valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. Collateral comes in various forms, such as cash, securities, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. Collateral valuations are performed at inception of the credit facility and revaluation of the collateral is performed every three years. To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued by licensed professional property valuers.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.8 Collateral Repossessed.**

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at their fair value. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy.

2.9 Write-Off Policy

Loans and debt securities are written off (either partially or in full) when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. This is generally the case when the Bank determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. This assessment is carried out at the individual asset level.

Recoveries of amounts previously written off are recognized when cash is received and are included in 'net impairment loss on financial assets' in profit or loss.

Financial assets that are written off could still be subject to enforcement activities in order to comply with the Bank's procedures for recovery of amounts due.

All credit facility write-offs shall require endorsement by the Board of Directors and the Central Bank.

2.10 Determination of Fair Value

The International Financial Reporting Standard (IFRS) 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, excluding transaction cost other than that relating to transportation. In practical terms issues usually considered in such a determination would include highest and best use, physical possibility, legal permissiveness and financial feasibility.

Quoted market prices, inter – bank interest rates as well as regulatory discount rates are examples of the practical measurement standards applicable to the Dumphong Rural Bank PLC.

2.11 Cash and Cash Equivalents

Cash and Cash Equivalents identified in the Statement of Cash Flows comprise physical cash balances on hand and with other banks as well as highly liquid investments with up to three (3) months maturity from the date of acquisition.

2.12 Property and Equipment

Items of property and equipment are stated at cost, less depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the item. All other repairs and maintenance cost are charged to Profit and Loss during the financial period in which they occur.

Depreciation is recognized in the Profit or Loss on a straight-line basis to write off the cost less residual amount over their estimated useful lives as follows:

Freehold Land	0.0%
Leasehold Premises	10%
Office Equipment	25%
Furniture & Fittings& Equipment	20%
Motor Vehicle	33 1/3%
Building Renovations	20%
Computers	25%
Generators	20%
Police Booth	20%

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.13 Intangible Assets****2.13.1 Computer Software**

Software acquired by the Bank is measured at cost, less accumulated amortization and accumulated impairment losses. Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is ten years.

2.14 Income TaxCurrent Tax

In accordance with the tax concessions available to all Rural Banks in Ghana, the current income tax expense for the year is calculated at the rate of 25% of chargeable income. There are tax sensitive income and expenditure items which precipitate a numerical difference between the reported profits or losses and chargeable income for a particular period. Where these differences exist and are material, a reconciliation is prepared to enable an easy identification of the effective tax rate for that period.

Temporary differences may also arise from the tax basis of assets and liabilities and their carrying amount in the Financial Statements. The concept of Deferred Income Tax may thus arise.

Deferred Tax

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

when the related deferred income tax asset may be realised or when the deferred income tax liability may be settled.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, and such future profits can be reliably measured.

2.15 Provisions

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

the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

2.16 Stated Capital and Reserves**(a) Stated Capital**

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

(b) Statutory Reserves

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(c) Revaluation Reserves**

The Revaluation Reserve (previously Capital Surplus) is a creation of law under Sections 70 and 71 of the Companies Act 2019 (Act 992) and records gains or losses arising from the revaluation of assets of the company including its property, plant and equipment. In accordance with IAS 16 of the International Financial Reporting Standards (IFRS), the bank has adopted a policy to evaluate its assets at regular intervals and any unrealized appreciation in value credited to the Revaluation Reserve.

(d) Retained Earnings

The Retained Earnings account is a creation of law under section 71 of the Companies Act 2019 (Act 992) and records the cumulative annual profits (after appropriations) available for distribution to shareholders.

(e) Building Fund Reserve

This is an amount transferred from profit after tax and set aside to fund the building projects of the bank.

(f) Credit Risk Reserve

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

2.17 Post Balance Sheet Events

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

2.18 Employment Benefit

The cost of all employee benefits is recognized during the period in which the employee renders the related service. The provisions for employee entitlements to wages, salaries, annual and sick leave represent the amount which the company has a present obligation to pay as a result of the employees' services provided to the reporting date.

(a) National Pension Scheme

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

(b) Provident Fund

The Bank has a provident fund scheme for all employees who have completed their probation period with the Bank. Employees of the Bank contribute 5% of their basic salary to the fund whilst the Bank contributes 7.5%. Obligations under the scheme are limited to the relevant contributions made and any related investment income generated.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**2.19 Right of -Use -Assets**

IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The company consequently recognizes a right-of-use asset representing its right to use the underlying leased asset and where applicable a lease liability representing its obligation to make lease payments.

The company measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities and recognizes depreciation of the right-of-use asset and interest on the lease liability where applicable.

Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments) and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. The initial lease asset equals the lease liability in most cases.

The Bank presents Right-of-Use Assets as a line item on its own in the statement of financial position.

2.20 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset until such time as the asset is ready for its intended use. The amount of borrowing costs eligible for Capitalisation is determined as follows:

- Actual borrowing costs on funds specifically borrowed for the purpose of obtaining a qualifying asset less any temporary investment of those borrowings.
- Weighted average of the borrowing costs applicable to the Bank on funds generally borrowed for the purpose of obtaining a qualifying asset. The borrowing costs capitalized do not exceed the total borrowing costs incurred.

The Capitalisation of borrowing costs commences when:

- expenditures for the asset have occurred,
- borrowing costs have been incurred, and
- activities that are necessary to prepare the asset for its intended use or sale are in progress.

Capitalisation is suspended during extended periods in which active development is interrupted. Capitalisation ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

2.21 Deposits and Borrowings

Deposits and borrowings are the Bank's source of debt funding. This is mainly made up of customer deposit accounts and medium-term borrowings. They are categorized as other financial liabilities measured in the statement of financial position at amortized cost.

2.22 Earnings Per Share

The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Bank's Basic and diluted EPS are essentially the same.

3.0 IFRS 17 Insurance Contracts (and its related amendments)

IFRS 17 supersedes IFRS 4 Insurance Contracts and aims to increase comparability and transparency about profitability. The new standard introduces a new comprehensive model ("general model") for the recognition and measurement of liabilities arising from insurance contracts. In addition, it includes a simplified approach and modifications to the general measurement model that can be applied in certain circumstances and to specific contracts, such as:

- Reinsurance contracts held;
- Direct participating contracts; and
- Investment contracts with discretionary participation features. Under the new standard, investment components are excluded from insurance revenue and service expenses. Entities can also choose to present the effect of changes in discount rates and other financial risks in profit or loss or OCI. The new standard includes various new disclosures and requires additional granularity in disclosures to assist users to assess the effects of insurance contracts on the entity's Financial Statements.

The Bank is in the process of determining the impact of IFRS 17 and will provide more detailed disclosure on the impact in future financial statements. The standard is effective for annual periods beginning on or after 1 January 2023. Early adoption is permitted only if the entity applied IFRS 9.

This standard is not applicable to the Bank.

	2025 GH¢	2024 GH¢
4. INTEREST INCOME		
Interest on Loans and Advances	11,146,217	6,699,042
Interest on Government Securities & Other Investments	4,680,774	3,525,825
Interest on Placement (ACOD & REPO)	949,627	3,525,825
	<u>16,776,618</u>	<u>11,722,171</u>
5. INTEREST EXPENSE		
Borrowings	38,879	98,826
Savings & Fixed Deposit Accounts	1,515,182	1,145,224
	<u>1,554,061</u>	<u>1,244,050</u>
6. COMMISSIONS AND FEES		
Commissions and Fees	414,362	298,968
Commitment/Processing Fees (Note 31)	1,398,665	558,405
	<u>1,813,027</u>	<u>1,427,223</u>

(NOTES CONTINUED)

	2025	2024
	GH¢	GH¢
7. OTHER OPERATING INCOME		
ATM Fees	1,989	2,717
SMS Charges	8,864	8,649
Cheque Clearing Fees	11,078	9,361
Interest on Clearing Account	14,181	12,641
Recovery of Impaired Investment*	-	129,501
Sundry Income	174,533	129,462
Bad Debts Recovered	30,590	134,519
	<u>241,235</u>	<u>426,850</u>

The bank had made fixed deposit investments in a Private Equity firm which had deteriorated in quality. The bank consequently took steps at law to vindicate the right to recover the amount. Pending the verdict of the court, the bank made a full provision and wrote off the entire investment amount in the 2021 financial year.

By the order of the High Court, a landed property of the defunct Private Equity firm was successfully auctioned, and the proceeds deposited with the Registrar of the High Court on 18/12/2023. The bank expected to receive the amount of **GH¢833,499** from the court and this was to represent the recovery of the amount previously written off in 2021. A further amount of GH¢129,501 was expected to be received and was treated as deferred income, pending further details and directives from the Court. The expected amount was received on 27th February 2024 and was recognised as other income in the bank books.

8. OTHER OPERATING COSTS

Donation	18,220	49,724
Audit Fees	60,000	50,000
Directors' Fees	72,400	-
Depreciation (<i>See note 21</i>)	397,072	371,402
Bandwidth Expense	384,860	414,219
General and Administrative Expenses	4,911,294	3,656,118
Staff Related Costs (<i>See note 9</i>)	6,373,382	4,448,209
	<u>12,217,228</u>	<u>8,989,672</u>

9. STAFF RELATED COSTS

Staff Medical Cost	34,761	24,384
Staff End of Year Gathering	-	26,184
Staff Clothing Allowance	175,089	126,476
Staff Provident Fund	307,182	194,656
Staff Social Security Costs	363,033	232,255
Staff Training & Development	572,816	323,743
Staff Bonus	794,908	476,720
Staff Remuneration	4,125,593	3,043,793
	<u>6,373,382</u>	<u>4,448,209</u>

The rise in staff costs was largely due to an increase in the staff strength to 109 at the reporting date (2024: 96).

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	2025 GH¢	2024 GH¢
10. CASH AND BANK BALANCES		
(i) Cash & Bank Balances		
Electronic cash	98,664	-
Apex Bank Clearing Account	1,628,742	3,124,393
Cash Holdings	1,925,322	2,266,292
	<u>3,652,729</u>	<u>5,390,684</u>
11. MONEY MARKET INVESTMENTS		
(i) Investment with ARB Apex BANK		
• Apex Certificate of Deposits (ACOD)	7,000,000	5,500,000
• Apex Repurchase Agreements (REPO)	15,000,000	-
	<u>22,000,000</u>	<u>5,500,000</u>
(ii) Treasury Bills Redeemable within 91 days.		
At Redemption Value	6,500,000	19,500,000
Unearned discount at reporting dates	(59,778)	(1,006,783)
At Amortized Cost	<u>6,440,222</u>	<u>18,493,217</u>
(iii) Treasury Bills Redeemable within 182 days.		
At Redemption Value	11,150,000	5,150,000
Unearned discount at reporting dates	(262,862)	(293,018)
At Amortized Cost	<u>10,887,138</u>	<u>4,856,982</u>
(iv) Amalgamated Fund PLC	<u>971,429</u>	<u>971,429</u>
(v) GOVERNMENT BONDS		
2-Year Government Bonds		
At Cost per DDEP Schedule	8,226,394	8,226,394
Add: Accumulated Capitalised Interest	660,321	490,377
	<u>8,886,715</u>	<u>8,716,771</u>
Add: Accrued Interest to Reporting Date	291,168	274,918
At Amortized Cost	<u>9,177,883</u>	<u>8,991,689</u>
TOTAL (i-v)	<u><u>49,476,672</u></u>	<u><u>38,813,317</u></u>

(NOTES CONTINUED)

The Government of Ghana successfully concluded a Domestic Debt Exchange Programme, under which existing government bonds were exchanged for new bonds. The new bonds took effect from 21st February 2023, and the fair value of the new bonds at that date, using the treasury bill rate of 18% as a discount factor gave a total value of GH¢ 5,324,792. The concept and notion of fair value at 31st December 2025 yielded GH¢7,083,091 (**2024 GH¢6,661,128**) based on the T/Bills rate of 18%. However, the bank intends to hold on to the bonds until maturity and therefore consider that a valuation of the new bonds at amortized cost is appropriate.

	2025	2024
	GH¢	GH¢
12. APEX BANK DEPOSIT RESERVE		
Balance at 1 st January	2,744,010	1,850,524
Net Investments during the year	720,669	893,486
	-----	-----
Balance at 31st December	3,464,679	2,744,010
	-----	-----
13. LOANS AND ADVANCES		
(a) Analyzed by Type of Facility		
Managed Fund Loans	982,801	-
Overdraft	1,243,503	381,232
Loans	23,998,034	15,380,193
	-----	-----
	26,224,338	15,761,425
Less:		
Unearned Income on Commitment Fees (See Note 31)	(239,309)	(123,900)
Provision for Credit Losses	(1,047,473)	(564,910)
	-----	-----
	24,937,556	15,072,615
	=====	=====
<u>Relevant Statistics</u>		
(i) Credit loss provision ratio for the year	2.78%	(0.23)%
(ii) Cumulative year end credit loss provision ratio	3.99%	3.58%
(iii) Percentage of Staff Loans	5.23%	6.37%
(iv) Non-Performing Loans & Advances Ratio	4.56%	2.05%
(v) Total Non-Performing Loans & Advances	GH¢641,567	GH¢322,455

The above constitute loans and advances to customers and staff. The maximum amount due from officers of the bank during the year amounted to GH¢1,371,085(2024: GH¢1,003,252). The above impairment statistics is based on the Bank of Ghana (BoG) guidelines for computation of credit losses. Refer to 13 (e).

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	2025 GH¢	2024 GH¢
(b) Analyzed by Type of Customer		
Public Enterprises	268,020	1,869,193
Managed Fund Loan	982,801	-
Staff	1,371,085	1,003,252
Private Enterprises	1,593,245	532,805
Groups	5,525,966	-
Individuals	16,483,221	12,356,175
	-----	-----
	26,224,338	15,761,425
Less:		
Unearned Income on Commitment Fees (See Note 31)	(239,309)	(123,900)
Provision for Credit Losses	(1,047,473)	(564,910)
	-----	-----
	24,937,556	15,072,615
	=====	=====
(c) Analyzed by Business Segment		
Transport	36,132	20,550
Cottage Industry	69,469	-
Managed Fund Loans	982,801	-
Agriculture	4,373,386	1,660,387
Miscellaneous	10,181,408	3,247,232
Commerce	10,581,142	10,833,256
	-----	-----
	26,224,338	15,761,425
Less:		
Unearned Income on Commitment Fees (See Note 31)	(239,309)	(123,900)
Provision for Credit Losses	(1,047,473)	(564,910)
	-----	-----
	24,937,556	15,072,615
	=====	=====
(d) Movement in the Expected Credit Losses (ECL) per IFRS 9 Model		
Balance on the Provision at 1 st January	564,910	600,564
Movement in Provision for the year	694,039	(35,656)
	-----	-----
	1,258,949	564,910
Less: Specific Bad Debt	(211,476)	-
	-----	-----
Balance on the Provision at 31 st December	1,047,473	564,910
	=====	=====

The above provision for credit losses (Expected Credit Losses) is done using IFRS 9 Expected Credit Loss (ECL) model. Impairment of loans is recognized – on an individual or collective basis – in three stages under IFRS 9 as follows:

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	Stage 1 GH¢	Stage 2 GH¢	Stage 3 GH¢	Total GH¢
Total Gross Loans	25,321,551	368,207	534,580	26,224,338
Expected Credit Losses (ECL)	(785,583)	(36,327)	(225,563)	(1,047,473)
	<u>24,535,968</u>	<u>331,880</u>	<u>309,017</u>	<u>25,176,865</u>

(e) Expected Credit Losses (ECL) per BoG Guidelines

<u>Percent</u> <u>Category</u>	<u>Provision</u>	2025 GH¢	2024 GH¢
Current	1%	236,779	150,238
Other Loans Especially Mentioned (OLEM)	10%	138,831	11,902
Substandard	25%	79,045	38,711
Doubtful	50%	100,215	77,360
Loss	100%	641,567	322,455
		<u>1,196,437</u>	<u>600,666</u>

Rural and Community Banks (RCBs) are also required by the Bank of Ghana (BoG) to compute expected credit losses using the BoG guidelines. Where possible, this involves the individual assessment of loans and advances outstanding, having regard to factors that may impair or impede the ability of loan holder to retire the loans on time. The general outcome of the assessment and review processes leading to the impairment provision at the reporting date is as stated above.

(f) Movement in the Credit Risk Reserve

Balance at 1 st January	394,445	358,690
Transfer to/from Retained Earnings	(245,482)	35,755
Balance at 31st December	<u>148,963</u>	<u>394,445</u>

Credit Risk Reserve is an appropriation from Retained Earnings as the difference between the IFRS 9 ECL Model and BoG Guidelines for Expected Credit Losses. The balance at the current reporting date is compared to the balance at the previous reporting date and the difference adjusted through the Retained Earnings Account.

14. EQUITY INVESTMENTS

	SHARES	UNIT VALUE	2025 GH¢	2024 GH¢
At Cost	44,490	0.00	1,900	1,900
Revaluation Surplus	-	-	42,690	42,690
	<u>44,490</u>	<u>1.00</u>	<u>44,590</u>	<u>44,590</u>
Bonus Share	12,044	1.23	14,814	14,814
Rights Issue*	153,267	1.23	188,519	151,019
	<u>179,314</u>	<u>1.16</u>	<u>247,923</u>	<u>210,423</u>

(NOTES CONTINUED)

*At an Executive General Meeting by members of the ARB Apex Bank on 10th December 2022, all Rural and Community Banks (RCBs) were allocated ARB Apex Bank shares payable by equal monthly instalments for a period of five (5) years, effective January 2023. Arising from this, the Bank's monthly and yearly instalment obligations are **GH¢3,125** and **GH¢37,500** respectively until December 2028.

15. RIGHT-OF-USE-ASSETS

Cost:	2025	2024
	GH¢	GH¢
Balance B/Fwd	363,548	277,656
Addition for the year	219,000	85,892
	-----	-----
Balance C/Fwd	582,548	363,548
	-----	-----
Accumulated Amortization		
Balance B/Fwd	213,742	150,039
Charge for the year	64,108	63,703
	-----	-----
Balance C/Fwd	277,850	213,742
	-----	-----
Net Book Value	304,698	149,806
	=====	=====

Effective 1st January 2019, IFRS 16 has replaced the previous leases Standard, IAS 17 Leases, and related Interpretations. IFRS 16 has one model for lessees, which has the effect of placing almost all leases on the face of the Statement of Financial position. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The bank consequently recognizes a right-of-use-asset representing its right to use the underlying leased asset and where applicable a lease liability representing its obligation to make lease payments.

16. OTHER ASSETS

Office Account	7,478	-
Insurance Prepaid	207,098	136,352
Stationery Stock	118,416	111,274
Interest and Commission Accrued	762,997	266,341
Interest in Arrears	165,198	79,370
	-----	-----
	1,261,187	593,337
	=====	=====

17. CUSTOMER DEPOSITS**(a) Analyzed by Type of Account**

Time Deposits	11,105,954	9,804,238
Susu Saving Account	19,466,332	14,256,337
Current Account	20,172,803	14,777,059
Savings Account	22,531,264	17,943,050
	-----	-----
	73,276,353	56,780,684
Add: Accrued Interest Payable	346,404	277,586
	-----	-----
	73,622,757	57,058,270
	=====	=====

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	2025 GH¢	2024 GH¢
(a) Analyzed by Type of Customer		
Private Enterprises	1,229,870	634,049
Public Institutions	466,403	741,036
Individuals & Groups	71,580,080	55,405,599
	-----	-----
	73,276,353	56,780,684
Add: Accrued Interest Payable	346,404	277,586
	-----	-----
	73,622,757	57,058,270
	=====	=====

18. TAXATION

	2025 GH¢	2024 GH¢	2023 GH¢
(i) Tax Expense			
Tax Expense - Current year (see note 18v)	1,263,534	922,392	317,990
Tax Expense – Prior year (see note 18v)	-	-	190,218
Deferred Tax (see note 18 ii)	(259,597)	15,916	48,775
	-----	-----	-----
	1,003,938	938,308	556,983
Growth & Sustainability Levy	218,278	168,909	116,062
	-----	-----	-----
Total to Profit or Loss	1,222,215	1,107,217	673,045
	=====	=====	=====
(ii) Deferred Tax Account			
Balance at January 1	(58,942)	(74,858)	(123,633)
Released during the year	(259,597)	15,916	48,775
	-----	-----	-----
Balance at December 31	(318,539)	(58,942)	(74,858)
	=====	=====	=====

Deferred income tax is determined on temporary differences under the liability method using a principal tax rate of 25%. The movement on the deferred tax account is as indicated above. The position of deferred tax is attributable to the following items.

Explained by:

Property & Equipment	(56,671)	82,286	64,611
Loans & Advances	(261,868)	(141,228)	(150,142)
Unquoted Equity	-	-	10,673
	-----	-----	-----
	(318,539)	(58,942)	(74,858)
	=====	=====	=====

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	Balance At 1/1/25	Payment/ Credit during the Year	Tax Audit Adjust.	Charged To P & L	Balance at 31/12/25
	GH¢	GH¢	GH¢	GH¢	GH¢
(iii) Corporate Tax 2025					
2021	9,692	-	-	-	9,692
2022	165,904	-	-	-	165,904
2023	(115,068)	-	-	-	(115,068)
2024	772,392	-	-	-	772,392
2025	-	(1,597,392)	-	1,265,073	(331,319)
	-----	-----	-----	-----	-----
Total	832,920	(1,597,392)	-	1,265,073	500,601
	-----	-----	-----	-----	-----
Other Taxes					
a) GRA Desk Review					
Withholding Tax 2022	(139,622)	-	-	-	(139,622)
Corporate Tax 2024	(62,115)	-	-	-	(62,115)
b) Growth & Sustainability Levy					
	184,971	(303,909)	-	218,278	99,340
	-----	-----	-----	-----	-----
	16,766	(303,909)	-	218,278	(102,394)
	-----	-----	-----	-----	-----
TOTAL	816,156	(1,901,301)	-	1,901,301	396,668
	=====	=====	=====	=====	=====

- a) Corporate Income Tax is charged at 25% (**2024: 25%**) of Taxable Profits and Growth & Sustainability Levy is Charged at 5% of profit before tax. All tax liabilities are subject to the agreement of the Domestic Tax Revenue Division of the Ghana Revenue Authority. The Bank has reached agreement with the Tax Authorities up to the 2020 Year of Assessment through a final tax audit report dated 14th July 2023
- b) Following receipts of letters from the GRA in respect of Desk Review dated 21st June 2022 and 24th June 2024 respectively, the bank has honoured a withholding tax liability of **GHc139,622** for the 2022 financial year, and a corporate tax liability of **GHc62,115** for the 2024 financial year, pending final tax audits.

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

	Balance At 1/1/24	Payment/ Credit during The Year	Tax Audit Adjust.	Charged To P & L	Balance at 31/12/24
(iii) Corporate Tax 2024					
2021	9,692	-	-	-	9,692
2022	165,904	-	-	-	165,904
2023	(115,068)	-	-	-	(115,068)
2024	-	(150,000)	-	922,392	772,392
Total	60,528	(150,000)	-	922,392	832,920
Other Taxes					
a) GRA Desk Review					
Withholding Tax 2022	(139,622)	-	-	-	(139,622)
Corporate Tax 2024	-	(62,115)	-	-	(62,115)
b) Growth & Sustainability Levy					
	46,062	(30,000)	-	168,909	184,971
TOTAL	(33,029)	(242,115)	-	1,091,301	816,156

	2025 GH¢	2024 GH¢	2023 GH¢
(v) Reconciliation of Effective Tax Rate			
Profit before Tax	4,365,662	3,378,176	2,321,233
Income tax thereon@ 25%	1,091,388	844,544	580,308
Tax on Non-deductible Expenses	306,197	140,762	140,762
Tax on Deductible Expenses	(52,869)	-	(366,570)
Tax on Allowance Utilised	(79,644)	(46,137)	(36,570)
Current Tax Charge in Current P/L	1,265,073	922,392	317,930
Effective Tax Rate	28.98%	27.30%	13.70%

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

DEPRECIATION

At 1/1/25	-	1,004,025	329,996	331,713	241,032	77,391	170,054	2,154,211
Charge for the year	-	236,376	4,189	32,663	108,497	209	15,138	397,072
At 31/12/25	-	<u>1,240,401</u>	<u>334,185</u>	<u>364,376</u>	<u>349,529</u>	<u>77,600</u>	<u>185,192</u>	<u>2,551,283</u>

NET BOOK VALUE

At 31/12/25	<u>11,400</u>	<u>407,474</u>	<u>9,252</u>	<u>59,893</u>	<u>234,344</u>	-	<u>2,417</u>	<u>724,779</u>
At 31/12/24	<u>11,400</u>	<u>499,780</u>	<u>13,442</u>	<u>92,556</u>	<u>156,254</u>	209	<u>17,555</u>	<u>791,197</u>

Included in Land and Building was a revaluation of the bank's freehold land and building located at Kwahu Tafo from GH¢11,009 to GH¢80,500 by E. D. Quarshie Consult, a professional Valuer, on the basis of a forced sale value under existing use for the purposes of accounting. The said valuation was done in February 2008 and the results incorporated in the Financial Statements of the bank in the following year.

By a resolution of the bank at regular general meeting, the said building was disposed off in 2012 under a repurchase agreement by which the bank reserved the option at any time to buy back the building upon terms and conditions. The related revaluation surplus previously credited to share capital thus became realized for all practical purposes, and a tax consequence in the form of "reverse" depreciation allowance amounting to GH¢29,452 duly recognized in the Tax Year of Assessment 2012. The option to buy back was exercised by the Bank on 14th September 2013 at a price of GH¢160,000.

PROPERTY & EQUIPMENT (2024)

	Freehold Land & Building GH¢	Furniture, Fittings & Equipt. GH¢	Leasehold Building Renova. GH¢	Motor Vehicle GH¢	Computers GH¢	Gen Set. GH¢	Leasehold Land GH¢	Total GH¢
--	---------------------------------------	--	---	-------------------------	------------------	--------------------	--------------------------	--------------

COST/VALUATION

	Freehold Lands GH¢	Furniture, Fittings & Equipt. GH¢	Leasehold Building Renova. GH¢	Motor Vehicle GH¢	Computers GH¢	Gen Set. GH¢	Leasehold Land & Buildings GH¢	Total GH¢
--	--------------------------	--	---	-------------------------	------------------	--------------------	---	--------------

COST/VALUATION

At 1/1/24	167,000	1,291,025	343,438	326,269	265,891	77,600	32,009	2,562,438
Additions	-	212,780	-	98,000	72,190	-	-	382,970
Reclassifications	(155,600)	-	-	-	-	-	155,600	-
At 31/12/24	<u>11,400</u>	<u>1,503,805</u>	<u>343,438</u>	<u>424,269</u>	<u>397,287</u>	<u>77,600</u>	<u>187,609</u>	<u>2,945,408</u>

(NOTES CONTINUED)

DEPRECIATION

At 1/1/24	137,748	757,892	297,384	324,052	167,438	76,271	22,025	1,782,809
Charge for the year	2,625	246,133	32,907	7,661	73,594	1,120	7,361	371,402
Reclassification	(140,373)	-	(295)	-	-	-	140,668	-
At 31/12/24	<u>-</u>	<u>1,004,025</u>	<u>329,996</u>	<u>331,713</u>	<u>241,032</u>	<u>77,391</u>	<u>170,054</u>	<u>2,154,211</u>

NET BOOK VALUE

At 31/12/24	<u>11,400</u>	<u>499,780</u>	<u>13,442</u>	<u>92,556</u>	<u>156,254</u>	<u>209</u>	<u>17,555</u>	<u>791,197</u>
At 31/12/23	<u>29,252</u>	<u>533,133</u>	<u>46,055</u>	<u>2,217</u>	<u>157,659</u>	<u>1,329</u>	<u>9,984</u>	<u>779,629</u>

22. TERM BORROWINGS

	Bal @ Jan 1	Drawdowns	Repayments	Interests	Bal Dec 31
a) ARB APEX BANK					
Loan for NIA Verification Machine	74,703		(6,757)	(8,183)	59,763
	<u>74,703</u>	<u>-</u>	<u>(6,757)</u>	<u>(8,183)</u>	<u>59,763</u>
b) PSDPEP LOAN PRODUCT					
Loans for 34 Clients	-	1,483,000	(260,750)	-	1,222,250
	<u>74,703</u>	<u>1,483,000</u>	<u>(260,750)</u>	<u>(8,183)</u>	<u>1,282,013</u>
Repayment within one year					626,066
Repayment after one year					655,947
					<u>1,282,013</u>

i) Loan for NIA Verification Machine

A principal amount of a loan facility of GH¢104,584.38 was obtained on 29th December, 2022 from Apex Bank at an interest rate of 12% per annum to purchase an NIA Verification Machine. The facility is payable by equal instalment for both principal and interest over a tenure of seven years, ending 31st December 2029.

ii) PSDPEP LOAN

The bank acquired an SIF/AFDP loan facility of GH¢1,483,000 for its selected customers. The money was received in June 2025. The tenor is 27 months beginning September 2025, to expire in December 2027. The loan was intended to assist beneficiaries of the Post covid 19 Skill Development and Productivity Enhancement Project (PSDPEP). Interest rate applicable was 4% and was not capitalized.

(NOTES CONTINUED)

	2025 GH¢	2024 GH¢
23. INTANGIBLE ASSETS		
At Cost		
At January 1 st	128,351	128,351
Additions during the year	-	-
	-----	-----
At 31st December	128,351	128,351
+	-----	-----
Accumulated Amortisation		
At January 1 st	67,384	54,549
Software Amortization for the year	12,835	12,835
	-----	-----
At 31st December	80,219	67,384
	-----	-----
Net Book Value	48,132	60,967
	=====	=====

The term of use of the Temenos T.24 inclusive of the Banking Suit (IBS) was renegotiated at the expiry of the existing license in favour of an outright acquisition for the 10-year license at the shared cost of **GH¢128,351** effective October 2019. In accordance with the directive from ARB Apex Bank and standard accounting practice, the cost of the license is being amortized over the ten (10) year period ended October 2029.

24. STATUTORY RESERVE FUND

	2025 GH¢	2024 GH¢
At January 1 st	2,006,789	1,439,049
Transfer from Retained Earnings (Note 27)	785,834	567,740
	-----	-----
At December 31st	2,792,623	2,006,789
	=====	=====

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

During the year, the bank transferred **GH¢785,834** representing **25%** (2024: **GH¢567,740** representing **25%**) of after-tax profits to the Statutory Reserve Fund.

25. REVALUATION RESERVE

	2025 GH¢	2024 GH¢
Balance at 1 st January	17,608	17,608
Recycled to Profit and Loss	-	-
	-----	-----
Balance at 31st December	17,608	17,608
	=====	=====

(NOTES CONTINUED)

26. STATED CAPITAL

	2025		2024	
	<u>No. of Shares</u>	<u>Amount</u>	<u>No. of Shares</u>	<u>Amount</u>
Authorized:				
	000'	GH¢	000'	GH¢
Preference Shares @31 st December	500	-	500	-
Ordinary Shares @ 31 st December	1,000,000	-	1,000,000	-
	=====	=====	=====	=====
Issued:				
Cash Consideration				
At January 1	22,299	1,757,796	16,006	1,128,537
Additions	2,760	276,067	6,293	629,259
	-----	-----	-----	-----
	25,059	2,033,863	22,299	1,757,796
	=====	=====	=====	=====
Other than Cash				
Capitalization Issues	59	2,953	59	2,953
Transferred from Capital Surplus	-	113,790	-	113,790
Transferred from Retained Earnings	-	100,000	-	100,000
	-----	-----	-----	-----
At December 31	25,118	2,250,606	22,358	1,974,539
	=====	=====	=====	=====

There is no unpaid liability on any shares. There are no calls or instalments unpaid, and there are no treasury shares held. At a duly called Annual General Meeting of the Bank, it was resolved to increase the authorized ordinary shares of the bank from 9,500,000 to 1,000,000,000.

The directors updated the share register and recalibrated the per share price to GH¢0.10 with effect from 2014. All shares since then have been issued at GH¢0.10.

During the year 2014, the directors issued 1,000,000 shares in respect of the transfer of GH¢100,000 from the Income Surplus Account in 2013 to Stated Capital. This is distributable to the shareholders in the register at the end of December 2013.

Capital Adequacy

	2025		2024	
	<u>Required By BOG</u>	<u>Actually Achieved</u>	<u>Required By BOG</u>	<u>Actually Achieved</u>
Capital Adequacy Ratio	8.00%	19.65%	8.00%	19.04%

27. RETAINED EARNINGS

	2025	2024
	GH¢	GH¢
Balance at January 1 st	901,894	(765,570)
Profit/(Loss) after Taxation Trf. from Profit or Loss	3,143,337	2,270,960
	-----	-----
Balance before Statutory and Other Transfers	4,045,231	1,505,390
Transfer to Statutory Reserve (Note 24)	(785,834)	(567,740)
Transfer from (to) Credit Risk Reserve (Note 13 f)	245,482	(35,755)
Transfer to Dividend Payable (2024)	(357,726)	-
	-----	-----
Balance at December 31st	3,147,153	901,894
	=====	=====

DUMPONG RURAL BANK PLC

(NOTES CONTINUED)

28. EARNINGS PER SHARE

Basic Earnings per Share (EPS) is calculated by dividing the profit after tax for the year attributable to equity holders of the Bank by the weighted average number of ordinary shares outstanding during the year.

Profit attributable to Ordinary Shareholders	3,143,337	2,270,960
	=====	=====
Weighted Average number of ordinary shares	17,284,050	17,232,918
	=====	=====
Basic Earnings per Share (in Ghana Cedis)	0.18	0.13
	=====	=====

(Note: The bank had no category of dilutive potential ordinary shares at both reporting dates. The diluted earnings per share is therefore the same as the basic earnings per share.)

29. ANALYSIS OF FINANCIAL ASSETS AND LIABILITIES

	Designated At Fair Value Through P & L GH¢	Held to Maturity Inv'mt GH¢	Available for Sale Fin. Asset GH¢	Loans and Receivable GH¢	Total Amount GH¢
Financial Assets					
Loans and Advances	-	-	-	24,937,556	24,937,556
Money Market Investments	-	49,476,672	-	-	49,476,672
Cash and Cash Balances	3,652,729	-	-	-	3,652,729
Deposit Reserve	3,464,679	-	-	-	3,464,679
Equity Investments	-	-	247,923	-	247,923
	-----	-----	-----	-----	-----
Total Financial Assets	7,117,408	49,476,672	247,923	24,937,556	81,779,559
	=====	=====	=====	=====	=====
Total Non-Financial Assets					2,658,872

Total Assets					84,438,431
					=====
Financial Liabilities					
Term Borrowings					1,282,013
Managed Funds					200,449
Creditors and Accruals					578,054
Taxation					398,206
Customer Deposits					73,622,757

Total Financial Liabilities					76,081,479
Total Non-Financial Liabilities					-
Shareholders Fund					8,356,952

Total Liabilities and Shareholders' Fund					84,438,431
					=====

30. CAPITAL RISK MANAGEMENT

The bank's objective when managing capital (which includes borrowings, working capital and cash and cash equivalents) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the bank's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximize stakeholder returns sustainably. The bank manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The capital structure and gearing ratio of the bank at the reporting date was as follows

		2025	2024
		GH¢	GH¢
Customer Deposits and Other Payables	17&19	74,200,811	57,058,271
Borrowings	20&22	1,482,462	74,703
		-----	-----
Total Borrowings		75,683,273	57,332,974
Cash and Cash Equivalent		(35,557,630)	(32,127,911)
		-----	-----
Net Borrowings		40,125,643	25,205,063
		-----	-----
Shareholders' Funds		8,356,953	5,295,275
Gearing Ratio		4.80%	4.76%

30i. FINANCIAL RISK MANAGEMENT

Overview

The bank is exposed to the following risks from its use of financial instruments:

- Credit Risk;
- Liquidity Risk; and
- Market risk (currency risk, interest rate risk and price risk).

The Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. The board has established the risk department, which is responsible for developing and monitoring the bank's risk management policies. The committee reports quarterly to the board of directors on its activities.

The bank's risk management policies are established to identify and analyze the risks faced by the bank, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in the control environment and the bank's activities.

The bank audit committee oversees how management monitors compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the bank. The audit committee assists in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee and risk committee.

(NOTES CONTINUED)**Credit Risk**

Credit risk is the risk of financial loss to the bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The bank is exposed to credit risk on loans receivable, debt instruments at fair value through other comprehensive income, and other receivables, cash and cash equivalents, loan commitments and financial guarantees.

Credit risk for exposures other than those arising on cash and cash equivalents, are managed by making use of credit approvals, limits, and monitoring. The bank deals with reputable counter parties with consistent payment histories. Sufficient collateral or guarantees are also obtained when necessary. Each counter party is analyzed individually for creditworthiness before terms and conditions are offered.

The analysis involves making use of information submitted by the counter parties as well as external bureau data (where available). Counter party credit limits are in place and are reviewed and approved by credit management committees. The exposure to credit risk and the creditworthiness of counter parties is continuously monitored. Credit risk exposure arising on cash and cash equivalents is managed by the bank through dealing with well-established financial institutions with high credit ratings.

Management applies the principle that if a financial asset's credit risk is low at year end, then, by implication, the credit risk has not increased significantly since initial recognition. In all such cases, the loss allowance is based on 12 month expected credit losses. Credit risk is assessed as low if there is a low risk of default (where default is defined as occurring when amounts are 90 days past due). When determining the risk of default, management consider information such as payment history to date, industry in which the customer is employed, period for which the customer has been employed, external credit references etc. In any event, if amounts are 30 days past due, then the credit risk is assumed to have increased significantly since initial recognition. Credit risk is not assessed to be low simply because of the value of collateral associated with a financial instrument. If the instrument would not have a low credit risk in the absence of collateral, then the credit risk is not considered low when taking the collateral into account.

Where necessary, the assessment for a significant increase in credit risk is made on both individual and collective basis. Management typically adopt this approach when information relevant to the determination of credit risk is not available on an individual instrument level. Often, the only information available on individual instruments which could indicate an increase in credit risk, is "past due" information. It is typical that more forward-looking information is generally more readily available on a collective basis. Therefore, making the determination on a collective basis helps to ensure that credit loss allowances are determined on the basis of lifetime expected credit losses before they reach the point of being past due. Forward looking, macro-economic information is applied on a collective basis when it is readily available without undue cost or effort. When loss allowances are determined on a collective basis, management determines the loss allowances by grouping financial instruments on the basis of shared credit risk characteristics.

The maximum exposure to credit risk is presented in the table below:

Categories of Financial Assets	Note	Gross Carrying Amount GH¢	Credit Loss Allowance GH¢	Amortised Cost/ Fair Value GH¢
Loans and Advances	13	26,224,338	(1,047,473)	25,176,865
Other Assets	16	1,261,187	-	1,261,187
Cash and Cash Equivalent	10-12	35,557,630	-	35,557,630
Other investments		971,429	-	971,429
Government Bonds		9,177,884	-	9,177,884
Others-ACOD		22,000,000	-	22,000,000
		95,192,468	(1,047,473)	94,144,995

(NOTES CONTINUED)**Liquidity risk**

The bank is exposed to liquidity risk, which is the risk that the bank will encounter difficulties in meeting its obligations as they become due.

The bank manages its liquidity risk by effectively managing its working capital, capital expenditure and cash flows. The financing requirements are met through a mixture of cash generated from operations as well as borrowings from ARB Apex Bank.

The following are undiscounted cash flows that demonstrate the liquidity profile of the company.

Categories of Financial Liabilities	Note	Within 1 year GH¢	After 1 year GH¢	Fair Value GH¢
Customer Deposits and Other Payables	17&19	74,200,811	-	74,200,811
Managed Fund	20	200,449	-	200,449
Borrowings from ARB Apex/PSDPEP	22	626,066	655,947	1,282,013
		<u>75,027,326</u>	<u>655,947</u>	<u>75,683,273</u>

Interest Rate Risk

Fluctuations in interest rates impact on the value of investments and financing activities, giving rise to interest rate risk. The debt of the bank is comprised of different instruments, which bear interest at fixed rates. Interest rates on all borrowings compare favourably with those rates available in the market. The bank policy with regards to financial assets, is to invest cash at floating rates of interest and to maintain cash reserves in short-term investments in order to maintain liquidity, while also achieving a satisfactory return for shareholders.

	2025 GH¢	2024 GH¢
31. DEFERRED INCOME		
At January 1 st	123,900	361,050
Processing/Commitment Fees Accrued during the year	1,514,075	891,105
	<u>1,637,975</u>	<u>1,252,155</u>
Transfer to Income (Note 6)	(1,398,665)	(1,128,255)
At December 31st	<u>239,310</u>	<u>123,900</u>

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

32. RELATED PARTY TRANSACTIONS

We reference the list of directors on page 2 of the reports and audited Financial Statements and identify them as related parties. The remuneration paid or payable to directors is disclosed per Note 8 to the Financial Statements

(NOTES CONTINUED)**33. CAPITAL COMMITMENTS**

There was no capital commitments not provided for in the Financial Statement at the reporting dates.

34. EXCHANGE CONTROL

All remittances from Ghana are subject to the agreement of the Exchange Control Authorities.

35. CONTINGENT LIABILITY

There were no contingent liabilities at the reporting date not provided for in the Financial Statement.

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

Earnings and dividend per share are based on 25,118,538 (2024: 22,357,865) Ordinary Shares outstanding.

(ii) Directors Holdings

The Directors named below held the following number of shares in the Bank as at 31st December 2025:

	No. of Shares	% of Issued Capital
Stephen Boateng Mensah	160,000	0.64
Vida Marfo	100,000	0.40
Alex Asare	96,800	0.39
Lawyer Gabriel Adufu	76,000	0.30
Joseph Asumadu	65,000	0.26
Enock Richard Arkaijie	50,000	0.20
	-----	-----
	547,800	2.19
	=====	=====

(iii) Number of Shareholders

The Bank had 3,934 ordinary shareholders as at 31st December 2025 distributed as follows: -

Holding	No. of Members	Total Holding
1 – 1,000	3,292	618,763
1,001 – 5,000	298	641,309
5,001 – 10,000	140	967,862
Exceeding 10,000	204	22,890,604
	-----	-----
	3,934	25,118,538
	=====	=====

(NOTES CONTINUED)**(iv) List of Twenty Largest Shareholders as at 31st December 2025.**

		No. of Shares	% of Issued Capital
1.	Stephen Adei	6,546,000	26.06
2.	David Danquah Asamoah	3,030,432	12.05
3.	Richard Dugan	2,303,559	0.17
4.	RBF Limited	1,492,152	5.94
5.	Richard Osei	543,658	2.16
6.	Crentsil Godfrey Lord Kwasi	500,000	1.99
7.	Rev. Martin K. Gyamfi	423,853	1.69
8.	Seth Adjei Baah	303,156	1.21
9.	Frederick Darko	212,114	0.84
10.	Baah Michael	211,000	0.84
11.	Ofori Annor	210,467	0.84
12.	Emmanuel K. Bonna	181,224	0.72
13.	Lawrence A. Takyi	176,376	0.70
14.	Mensah Stephen Boateng	160,000	0.64
15.	Samuel Sefah Mireku	158,898	0.63
16.	Dora Dwamena Aboagye	153,877	0.61
17.	Yeboah Ernest	151,355	0.60
18.	Samuel Nyarko	146,279	0.58
19.	Sarpong Benson	141,731	0.56
20.	Leticia Bediako	136,244	0.54
		----- 17,182,375 =====	----- 59.37 =====

DUMPONG RURAL BANK PLC

TAX COMPUTATION
YEAR OF ASSESSMENT 2025
BASIS PERIOD (1/1/25-31/12/25)

	2025 GH¢	2024 GH¢
1) <u>Corporate Tax</u>		
Profit before Tax	4,365,552	3,378,176
	-----	-----
Add/(Less):		
Depreciation	397,072	371,402
Provision for Credit Losses	694,039	(35,655)
Donations	18,220	49,725
Repairs and Maintenance (above 5%)	115,457	110,467
Specific Bad Debt Written-Off	(211,475)	-
	-----	-----
	1,013,313	495,939
	-----	-----
Assessable Income	5,378,865	3,874,115
Less: Capital Allowances	(318,574)	(184,547)
	-----	-----
Chargeable Profit/ (Loss)	5,060,291	3,689,569
Tax Thereon@25% (2024:25%)	1,265,072	922,392
Tax Charged for the Year		
Corporate	1,265,072	922,392
Others (GSL)	218,278	168,909
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	1,483,350	1,091,301
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DUMPONG RURAL BANK PLC

**CAPITAL ALLOWANCE COMPUTATION
YEAR OF ASSESSMENT 2025
BASIS PERIOD (1/1/25-31/12/25)**

	Depreciation Allow. Rate	WDV 1/1/25 GH¢	Additions GH¢	5% Excess GH¢	Total GH¢	Depreciation Allowance GH¢	WDV 31/12/25 GH¢
POOL OF ASSET							
Pool 1 Computers	40%	68,992	186,586	-	255,578	(102,231)	153,347
Pool 2 Motor Veh.	30%	141,162	-	55,632	196,314	(58,894)	137,420
Pool 3 Fixture/Equip't	20%	450,411	144,070	21,045	615,525	(123,105)	492,420
Pool 5(i) Building	10%	169,510	-	38,780	208,769	(34,343)	174,425
Pool 5(ii) Building	10%	-	-	-	-	-	-
TOTAL		830,075	330,656	115,457	1,276,187	(318,574)	957,613

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

	Depreciation Allow. Rate	WDV 1/1/24 GH¢	Additions GH¢	5% Excess GH¢	Total GH¢	Depreciation Allowance GH¢	WDV 31/12/24 GH¢
POOL OF ASSET							
Pool 1 Computers	40%	41,449	72,189	1,349	114,988	(45,995)	68,993
Pool 2 Motor Veh.	30%	41,833	98,000	61,141	200,975	(60,292)	140,682
Pool 3 Fixture/Equip't	20%	336,082	212,780	14,152	563,014	(112,603)	450,410
Pool 5(i) Building	10%	101,821	-	33,824	135,645	(34,344)	169,988
Pool 5(ii) Building	10%	-	-	-	-	-	-
TOTAL		521,185	382,969	110,466	1,014,621	(184,547)	830,075