

2025
ANNUAL REPORT
& FINANCIAL STATEMENT

UPPER MANYA KLO
COMMUNITY BANK PLC

UPPER MANYA KLO COMMUNITY BANK PLC

ANNUAL REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2025

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UPPER MANYA KLO RURAL BANK PLC
BOARD OF DIRECTORS AND CORPORATE INFORMATION

Board of Directors

Dr. (Mrs.) Gladys Narki Kumi Som	- Chairperson
Dr. Harold Azar Okai-Tettey	- Vice Chairman
Mr. Ebenezer Na-Tei	- Non-Executive Member
Mr. Frederick Tei- Nobi	- Non-Executive Member

Secretary

Ms. Victoria Dartey - ESQ	- Board Secretary *(appointed, October 2025)*

Key Management

Gilbert Grant	- Chief Executive Officer
Abdul-Wahab Seidu	- Head of Banking Operations
Isaac Kweku Nartey	- Head of Finance
Emmanuel Aboagye	- Head of Internal Audit and Assurance
Albert Mensah	- Head of Credit
Daniel Akomeah Okyere	- Acting Head of Risk and Compliance and AML
Kodjo Tamatekou	- Head of Information Technology
Rita Rock Tetteh	- Acting Head of Human Resources

Registered Office

Bank Premises
P O Box 3
Asesewa, E/R

Auditors

MKA Partners
Chartered Accountants
No. 5 Roman Rd, Off Borstal Avenue
Roman Ridge, Accra

Branches

Asesewa, Koforidua, Somanya, Asokore, Suhum, Klo-Agogo and Asamankese

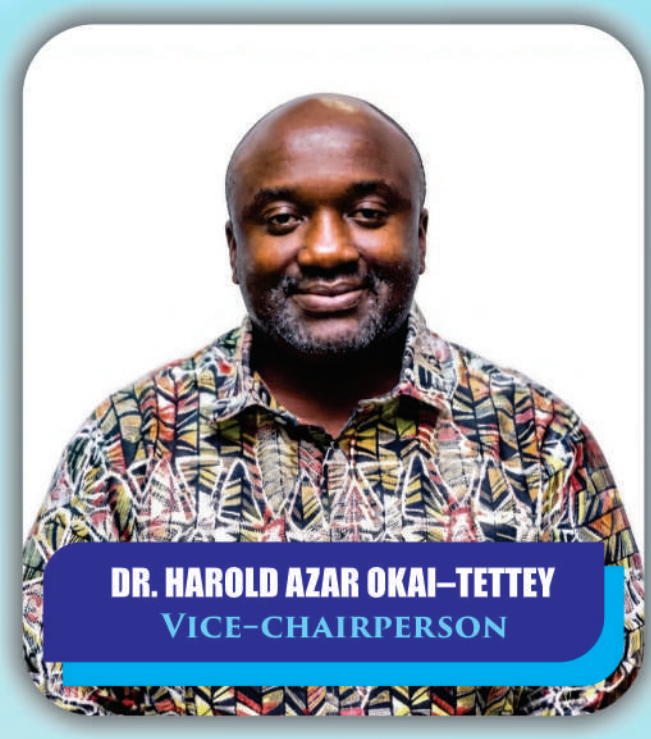
Bankers

ARB Apex Bank PLC, CBG Ghana PLC

BOARD MEMBERS



DR. (MRS.) GLADYS NARKI KUMI SOM
CHAIRPERSON



DR. HAROLD AZAR OKAI–TETTEY
VICE-CHAIRPERSON



MR. FREDERICK TEI- NOBI
MEMBER



MR. EBENEZER NA-TEI
MEMBER



MS VICTORIA DARTEY - ESQ.
BOARD SECRETARY

MANAGEMENT TEAM



GILBERT GRANT
CHIEF EXECUTIVE OFFICER



ABDUL WAHAB SEIDU
HEAD OF OPERATIONS



ISAAC KWEKU NARTEY
HEAD OF FINANCE



KODJO TAMATEKOU
HEAD OF I. T



ALBERT MENSAH
HEAD OF CREDIT



RITA ROCK TETTEH
AG. HEAD OF HUMAN RESOURCES



EMMANUEL ABOAGYE
HEAD OF AUDIT AND ASSURANCE

NOTICE CONVENING THE MEETING

Notice is hereby given that the 40th Annual General Meeting of shareholders of Upper Manya Klo Community Bank PLC (UMKCB) will be held on Saturday, 24th October 2026 at 10:00 am GMT at the Christ Apostolic Church (CAC), Asesewa to transact the following business:

1. To receive and adopt the following report:

   a. Chairperson's Report.

   b. Directors' Report

   c. Auditors Report and the Financial Statements for the year ended 31st December, 2025.

2. To authorize the Directors to fix the remuneration of Auditors

3. To fix the remuneration of Directors

4. To re-elect retiring Directors

5. To transact any other business which may be properly transacted at an Annual General Meeting and for which notice has been given.

BY ORDER OF THE BOARD

Dated, this 14th day of September 2026

Signed

Dartey Victoria Esq

Board Secretary

MINUTES OF 39TH ANNUAL GENERAL MEETING HELD ON 26TH JULY, 2025 AT THE CHRIST APOSTOLIC CHURCH INT. - ASESEWA

PRESENT

1. Dr. (Mrs.) Gladys Narki Kumi Som - Board Chairperson
2. Dr. Harold A Okai-Tettey - Vice Chairperson
3. Mr. Ebenezer Na-Tei - Member
4. Mr. Fredrick Tei-Nobi - Member
5. 134 Shareholders

IN ATTENDANCE

1. Mr. Mark Adjei Odoi	-	Head of Banking Operations, ARB Apex Bank
2. Mr. Adjei Ameyaw	-	CEO, Adonten Community Bank
3. Mr. Ebenezer Akumatey	-	Head of Operations, Manya Krobo Rural Bank
4. Mr. Edward Nartey Tetteh	-	Board Member, Manya Krobo Rural Bank
5. Mr. Maxwell Andoh	-	MKA Partners
6. Rev. Devine Nartey	-	Former Director, Upper Manya Klo Rural Bank
7. Mr. Kenneth Gordon Wortosi	-	CEO, Citizens Rural Bank
8. Rev. Abraham Fiifi Okyere	-	Pastor, Christ Apostolic Church Asesewa
9. Nene Ofei Tagbaaja	-	Asesewa Divisional Chief
10. Nana Kadi Yumu	-	Asesewa Divisional Queen Mother
11. Manye Padiki Atta	-	Odumase Salosi Queen Mother
12. Madam Fortune Naatu	-	District Electoral Commissioner
13. Sarekyi Osmanu Morro	-	Asesewa Zongo Chief

1.0 COMMENCEMENT OF MEETING

Opening Prayer

The meeting was opened at 10:30am with an opening prayer by Rev. Abraham Fiifi Okyere.

Notice of Meeting and Introductions

Dr. Harold Okai-Tettey read the notice conveying the meeting, followed by the introduction of the Board Chairperson, Directors and other invited guests. The introductions were done by Mr. Moses Tetteh Nuertey of Upper Manya Klo Rural Bank (UMKRB), who also performed the role of MC for the event.

Opening Remarks

The Chairperson, Dr. (Mrs.) Gladys Narki Kumi Som, delivered her acceptance speech and officially opened the meeting. She warmly welcomed all guests and shareholders present and emphasized the importance of holding Annual General Meetings to engage with shareholders and update them on the Bank's performance and direction. She appealed for continued cooperation and active participation to ensure the success of the meeting.

2.0 MINUTES OF THE PREVIOUS AGM

Reading of Previous Minutes

The minutes of the 38th Annual General Meeting held on Saturday 6th July, 2024 at the Church of Pentecost Auditorium, Asesewa was read by Dr. Harold Okai-Tettey, the Board Vice Chairperson.

Corrections of the Minutes
Mr. Abraham Odonkor mentioned that during the last 38th AGM, the Board Chairperson informed shareholders about the change of the bank's name to Upper Manya Klo Rural Bank PLC. However, the minutes as read presented the name as "Manya Klo Rural Bank PLC", omitting the word 'Upper.' The Board Chairperson responded by stating that it was a typographical error and that the same would be corrected.

Acceptance of the minutes
In the absence of any further corrections, Mr. Anner-Ngua Nene Kene moved for the acceptance of the minutes and was seconded by Hon. Sackitey Asare.

Matters Arising
No matters arose from the minutes.

3.0 PRESENTATION OF REPORTS

3.1 BOARD CHAIRPERSON'S REPORT.

Dr. (Mrs). Gladys Narki Kumi Som read the Board Chairperson's Report recorded on page xi-xiii of the 2024 Annual Financial Statement Report.

The Chairperson presented an overview of the Bank's operational performance for the 2024 financial year.

The Chairperson informed the shareholders that Mr. Frederick Tei-Nobi, who was elected to serve as Director for the Bank during the 38th Annual General Meeting, has been duly cleared by the Bank of Ghana on 16th January 2025. He has since commenced his tenure. She further reported that Mrs. Alice Ajesiwor Hammond, who was also elected at the 38th AGM, was unable to fulfill the documentation required by the Bank of Ghana, and as a result, a new Director will need to be elected to fill the vacancy.

She also said that three directors namely Mr. Ebenezer Na-Tei, Dr. Harold Okai-Tettey, and Dr. (Mrs.) Gladys Narki Kumi Som were retiring by rotation and had offered themselves for re-election

On the issue of dividends, the Board Chairperson reported that the Board did not recommend the payment of dividends for the year under review, largely due to the bank's negative net worth position.

The Chairperson noted that despite the fact that the Bank has met the regulatory minimum stated capital, the Bank's negative net worth of GH¢ 28,913,560 remains a challenge. Stakeholders were urged to buy more shares to support capital growth and regulatory compliance.

She also touched on Staffing and Human Resource issues where she reported that a total of 25 staff were disengaged during the year. This was made up of two (2) key Management staff, one (1) Head of Department, one (1) Branch Manager, and twenty-one (21) operational staff. She added that seven (7) new staff were recruited; five (5) key Management Personnel and two (2) Operational staff.

In conclusion, the Chairperson expressed sincere gratitude to shareholders, customers, staff, and regulatory bodies for their unwavering support and commitment to the growth of the Bank. She encouraged all shareholders and customers to honor their loan obligations and appealed for increased investment through the purchase of additional shares to help further strengthen the Bank's capital base.

3.2 BOARD OF DIRECTORS' REPORT
Mr. Frederick Tei-Nobi presented the report for the year ended 31st December 2024 which appears on pages 1 and 2 of the 2024 AGM brochure.

The Board affirmed its responsibility in the preparation and fair presentation of the Bank's financial

statements in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992), and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930).

The Directors further confirmed that they had assessed the Bank's ability to continue as a going concern and had no reason to believe that the Bank would not remain so in the year ahead.

Corporate Governance

The Board reiterated its commitment to sound corporate governance and compliance with best practices, to ensure effective direction and performance of the Bank.

Directors' Representation

The Directors confirmed that:
No matters arose since the end of the reporting period (31st December 2024) that materially affected the financial statements.

No Director had any interest in contracts or proposed contracts with the Bank during the year, and no entries were made in the Interest Register as per Sections 194(6), 195(1)(a), and 196 of the Companies Act, 2019 (Act 992).

3.3 AUDITOR'S REPORT

Mr. Maxwell Andoh, a Senior Managing partner of MKA Partners presented the Independent Auditors' Report for the year ended 31st December, 2024. The report appears on page 3 to page 6 of the 2024 AGM brochure.

According to the report, the financial statements gave a true and fair view of the financial position of the Bank as well as its financial performance and cash flows in accordance with International Financial Reporting Standards. All were found to comply with the requirements of Act 992 and Act 930.

The report further outlined the key audit matters and how they were addressed by the audit. It also touched on the responsibilities for the financial statements and for the audit of the financial statements with respect to legal and regulatory requirements.

4.0 APPROVAL AND DISCUSSION OF THE REPORTS

4.1 DISCUSSION OF THE REPORTS - OPEN FORUM

The floor was opened to all for questions, comments, recommendations and suggestions relating to matters covered by the reports.

The Bank's Stated Capital

Hon. Sackitey Asare noted that the report indicated no increase in the Bank's stated capital, which he attributed to the Bank's recent poor performance. He requested the Board to explain the reasons behind this performance and outline measures to address it in order to encourage shareholders to invest and boost the Bank's capital.

Response

The Board Chairperson acknowledged past poor performance but explained that the implementation of prudent management and tighter controls had led to a profit in the year under review. She appealed to shareholders to increase their shareholding and added that a special resolution on issuing preference shares would be discussed to boost the Bank's stated capital.

Reduction in Loans and Advances

Dr. Christian Opata Narh observed a 45% reduction in loans granted, as indicated in the financial report, and

noted that this would likely reduce the Bank's income. He requested clarification on the reasons behind the decline in loan disbursements.

Response

The Board Chairperson explained that the reduction in reported loan figures was due to the write-off of fictitious loans, as directed by the Central Bank. She noted that the Bank has since focused on tightening internal controls and improving loan quality, resulting in better recovery rates. Although loan disbursements had declined, investments increased by 175.32%, therefore boosting the Bank's income over the period.

Fictitious assets and the culpability of auditors.

Dr. Christian Opata Narh again noted that the report mentioned fictitious assets that had to be written off, resulting in a reduction in shareholders' value. He attributed these to past creative accounting practices and held the previous auditors partly responsible for allowing this to happen. He asked the Directors what actions were being taken to hold those auditors accountable.

Response

The Board is currently consulting with the regulators on the actions that can be taken against previous auditors for the role they played.

Role of Auditors

Mr. Samuel Dadzie emphasized that, auditors must be meticulous in their work, ensuring that reports are clear and free from misstatements that would require correction during shareholders' meetings. He noted that, based on the presented report, it does not appear that the Bank will be able to declare a dividend anytime soon and urged shareholders to be prepared. He also commended the Board's leadership for guiding the Bank towards recovery. However, he challenged the Board to close the year 2025 with a profit after tax of no less than five million Ghana cedis (GHC5,000,000), expressing his strong belief that this target is achievable.

Response

The Board Chairperson responded by welcoming the challenge thrown by Mr. Dadzie to ensure the Bank ends this year with a profit after tax of not less than five million. She further stated that the bank is already on course to meet this target judging by its performance for the year to date.

Inconsistency in the Performance of the Bank.

Mr. Justice Gabriel Matey expressed concern over the Bank's inconsistent performance in recent years and highlighted a troubling issue raised by shareholders regarding the Bank's failure to recover loans, resulting in significant write-offs and reduced profits. He questioned the Board on what measures were being implemented to improve loan recovery and ensure consistent future performance.

Response

The Chairperson responded by affirming the Directors' commitment to proper governance aimed at ensuring consistent Bank performance. She noted that the current Corporate Governance Act limits Directors to three terms, eliminating the long-term tenure previously enjoyed, which may have contributed to reduced accountability, weakened oversight, and past inconsistencies.

Addressing the loan recovery issue, the Chairperson explained that past loans were granted without adequate due diligence, making legal action against defaulters difficult. She assured shareholders that the Bank has since strengthened and standardized its loan application and approval processes, leading to significant improvement in loan recovery over the past one and a half years. She urged shareholders to remain confident in the new structures, which are expected to drive more consistent and improved performance.

Acknowledging the good performance of the current Board of Directors.
Mr. Sas George, a key shareholder pointed out to shareholders that the previous year's loss position of over sixteen million Ghana cedis as stated in the financial report has been turned around by the current Directors to a profit of over Five Hundred Thousand Ghana Cedis in the space of one year. This he said was a remarkable achievement by the current Board for which they need to be applauded. He further advised shareholders to be bold in calling out the wrongs of Directors like he did in the past which led to a change in the Bank's governing body and has eventually translated to the levels of good performance been reported.

A Former Directors' indebtedness
Mr. Solomon Azu Tetteh asked about the status of a former Director's loan to the tune of over Eight Hundred Thousand Ghana Cedis which has remained unpaid for the past six years contributing to the Bank's loan loss position, He mentioned that the shareholders be told the purpose for which that loan was contracted and what steps were being taken to ensure that the loan is fully recovered.

Response
The Board Chairperson mentioned that, the loan in question was granted for the construction of an educational facility, which remains uncompleted and non-operational.

She further stated that the former Director had indicated that the loan was to be repaid from proceeds generated by the school's operations. However, since the facility is yet to be completed, he has been unable to service the loan. The former Director subsequently requested an additional facility to enable the completion of the project and eventual repayment of the initial loan. This request was declined, as the Bank could not continue injecting funds into a non-performing project.

On recovery efforts, the Chairperson mentioned that the Bank contacted its legal team to lead the recovery process, but the lawyers demanded an upfront fee which the bank declined to pay. She assured shareholders that the Bank is currently exploring alternative recovery options in consultation with the Bank of Ghana to ensure the full recovery of the loan.

Situational Report on Previous Fraudulent cases
Mr. Anner-Ngua Nene Kene mentioned that some staff of the Bank were cited for fraud in some previous reports that came to the notice of shareholders. He wanted to know what had become of those cases and added that if Directors are unable to hold those involved accountable, shareholders will be compelled to hold the Directors accountable.

Response
The Chairperson responded by indicating that all of such cases have been taken up by Directors with some funds successfully recovered and some cases still being pursued with law enforcement agencies. She further added that the Directors remain committed to pursuing these cases to their logical conclusion in the interest of the Bank.

4.2 ACCEPTANCE AND APPROVAL OF THE REPORTS
Mr. Dray Christian Batsa moved for the adoption of the auditor's report, and the financial statements presented. This was seconded by Madam Rosina Yofini Nobi.

5.0 FIXING OF DIRECTORS' REMUNERATION
Mr. Ebenezer Na-Tei stated that the Board has resolved to maintain the existing remuneration figures as at the end of 2024.

Mr. Sas George moved for the acceptance of this position and was supported by Hon Sackitey Asare

6.0 AUTHORISATION OF DIRECTORS TO FIX THE REMUNERATION OF AUDITORS

The Board Chairperson presented a motion for Directors to fix the remuneration of the auditors. This was moved by Mr. Justice Otu and seconded by Mr. Daniel Tetteh

7.0 ELECTIONS OF DIRECTORS

The Board Chairperson presented a motion for the re-election of three (3) retiring Directors namely Dr (Mrs.) Gladys Narki Kumi Som, Dr Harold Okai -Tettey, and Mr. Ebenezer Na-Tei.

Justice Gabriel Matey moved the motion that the three retiring Directors who were seeking for reelection be confirmed by the shareholders. This was seconded by Mr. Sackitey Asare. The shareholders through popular acclamation facilitated by the District Electoral Commissioner confirmed the re-election of these Directors.

8.0 SPECIAL RESOLUTION

The Board of Directors presented two special resolutions for approval.

The first was to raise Three Million Ghana Cedis (GHS 3,000,000) through the issuance of five-year non-redeemable preference shares with an interest rate of 8% per annum.

This motion was moved by Enoch Kumesuor which was seconded by Mr Aperko Paul Tetteh. It was unanimously approved by the shareholders.

The second was to convert unpaid dividends into ordinary shares of the Bank. This was aimed at reducing liabilities and strengthening the Bank's equity.

It was resolved that affected shareholders should be given a grace period of one month from the date of the resolution, after which all unclaimed dividends should be converted to ordinary shares. This was unanimously approved by the shareholders on a motion moved by David Sackitey Asare which was seconded by Mr Narh Daniel Teye.

9.0 OPTIONAL SPEECHES

9.1 ARB APEX BANK

The report was presented by Mr. Mark Adjei Odoi (Head of Banking Operations). He commended the Directors, Management, and Shareholders for their continued efforts in restoring the fortunes of the Bank. He noted that prudent cost management, which led to a reduction in operational expenses, significantly contributed to the Bank's remarkable performance during the year under review.

He further highlighted the increase in the Bank's deposits from GHS 86 million to GHS 112 million as a clear indication of growing customer confidence in the Bank and its current leadership.

He emphasized that although the journey ahead may be challenging, the foundation for recovery laid in recent times appears solid enough to propel the Bank to greater heights.

He encouraged shareholders to maintain their support for the current Directors and Management in order to help achieve the Bank's broader objectives.

In conclusion, he congratulated the Board Chairperson and the team for a well-organized and well-executed AGM, noting that it was free from the usual challenges that often characterize such engagements.

9.2 NENE OFEI TAGBAAJA, ASESEWA DIVISIONAL CHIEF

He began by observing all protocols and conveying greetings from Nene Sackitey II, Konor of the Manya Krobo Traditional Area. He noted that while the Bank's existence initially served as an opportunity for

customers, the situation now seems to have reversed.

He urged the Board to make customers their central focus and emphasized the importance of leveraging this opportunity to rebuild trust and engagement.

He expressed strong confidence in the current Board, stating that with the right support, they have the potential to lead the Bank to greater heights. He appealed to shareholders to offer their full support to enable the Board to operate effectively.

He also encouraged the Board to implement their policies freely, assuring them of his unwavering support for the Bank's growth.

He declared his support for the issuance of preference shares and pledged to assist in promoting share purchases. He expressed optimism about seeing a larger number of shareholders at the next AGM and urged the Board to explore other communication channels to reach a wider audience.

He concluded with words of gratitude and appreciation.

10.0 OTHER BUSINESS

Concern from Mr. Samuel Okai

Mr. Samuel Okai stated that he has received complaints from staff regarding low salaries. He expressed concern that this could lead to low staff motivation and potentially create an environment conducive to fraud. He therefore urged the Bank's Management and Board of Directors to address the issue promptly to ensure staff remain motivated and committed to delivering their best. He added that shareholders should receive some rewards and tokens despite the Bank's current situation

Response

The Board Chairperson in her response to this indicated that there has been a recent upward adjustment in staff salaries and also an upward adjustment in the rate used to compute staff fuel allowance despite the financial woes of the Bank.

She further stated that, all shareholders present will be given some packages at the end of the meeting and assured that the Bank will continue on its part of recovery so as to increase profitability and be able to declare dividends which represents the ultimate reward that shareholders are legally entitled to.

Concern from Madam Rosina Dewikuor

Madam Rosina Dewikuor mentioned that some shareholders who have misplaced their share certificates and would like to follow up on their shares and get possible replacements of their certificate. She therefore asked how this can be done.

Response

The Chairperson responded by asking all such shareholders to go to the nearest branch of the Bank to get their issues resolved.

Concern from Mr. Ahuno Kwesi

Mr. Ahuno Kwesi bemoaned the poor level of customer service at the Bank by some staff. He indicated that this has affected the Bank in several ways and added that the leadership of the Bank should address this matter with all the seriousness it deserves because this has the potential of derailing all the efforts being made to restore the fortunes of the Bank.

He continued by saying there have been some rumors regarding the sale of the facility that used to house an oil factory acquired by the Bank. He therefore asked the Directors to confirm if there is any substance in this rumor

Response

The Board Chairperson responded by saying that customer service is key to the Bank's continued growth and therefore added that Chief Executive Officer will be tasked to deal with the issue as raised, she added that customers are encouraged to report such incident of poor customer service delivery whenever they have such an experience so as to nip the issue in the bud.

Regarding the issue of the facility that used to house the oil factory, the Board Chairperson confirmed the sale of the property and tasked interested buyers to express their interest in writing to the Bank.

11.0 END OF MEETING

11.1 CHAIRPERSON'S CLOSING REMARKS

She thanked all present and assured them of better times ahead since she was convinced that they were all prepared to work together with the B.O.D. and Management team to change the narrative.

She further thanked all shareholders for making time to attend the meeting and for their patience in addressing all the items on the agenda. She expressed her sincere gratitude and emphasized the importance of their continued support moving forward

11.2 VOTE OF THANKS AND CLOSING PRAYER

The MC gave the vote of thanks followed by a closing prayer from Rev. Abraham Fiifi Okyere (Asesewa Christ Apostolic Church International) to end the meeting at 2:33pm.

RECORDED BY.....

ALICE KWAKYE

FOR BOARD SECRETARY

COMFIRMED BY.....

DR. (MRS) GLDYS NARKI KUMI SOM

BOARD CHAIRPERSON

CHAIRPERSON'S REPORT

Neneme, Distinguished Guests, Fellow Shareholders, Ladies and Gentlemen,

It is with great pleasure and gratitude to Almighty God that I welcome you all to the 40th Annual General Meeting of Upper Manya Klo Community Bank Plc.

On behalf of the Board of Directors, Management and Staff, I wish to express our sincere appreciation to all shareholders, customers, business partners, regulatory authorities and other stakeholders for your continued support, confidence and commitment to the Bank. We thank you **for your continued confidence and unwavering support for our Bank**

As a community-focused financial institution, we remain committed to our mandate of providing accessible and sustainable financial services to individuals, businesses, farmers, traders, and other economic actors within our catchment areas.

I am pleased to present to you an update on our Bank's performance for the year 2025.

The Bank's Performance

Income Statement Highlights

The Bank's performance for 2025 is as follows: total revenue increased by 11.62%, thus GH¢ 2,289,390.00 year-on-year, from GH¢ 19,704,694 in 2024 to GH¢ 21,994,084.
Investment Income contributed 48.68% of total revenue, followed by Interest Income of 37.86%, and
Fees & Commissions contributing 9.38%, while Other Income accounted for 4.08%.
Operating expenses decreased marginally by 0.86%, resulting in a Profit before tax of GH¢ 2,808,577.00

Highlights on Statement of Financial Position (Balance Sheet Highlights)

Ladies and gentlemen, the Bank's total assets grew by 36.01%, closing the year with GH¢ 117,600,657 from GH¢86,466,789 in 2024.

Loans and advances increased by 31.26% from GH¢12,465,049 in 2024 to GH¢ 16,361,098 in 2025. Investment decreased marginally by 0.98% from GH¢51,404,085 in 2024 to GH¢50,899,729 in 2025.

The Bank's negative equity reduced significantly from GH¢ 28,913,560 in 2024 to negative GH¢ 18,068,870 in 2025 representing 37.51%(2024-1.83%) growth.

There was a significant growth in the Bank's Stated Capital in 2025 to GH¢1,643485 from GH¢1,363,622 in 2024 representing 20.52%

Key Performance Indicators

Indicator	2025 GH¢)	2024 (GH¢)	Percentage Change(%)
Deposits	132,858,996	112,250,750	18.36
Investments	50,899,729	51,404,085	-0.98
Loans & Advances	16,361,098	12,465,049	31.26
Share Capital	1,643,485	1,363,622	20.52
Total Assets	117,600,657	86,466,789	36.01
Profit/Loss (After Tax)	1,905,382	536,471	255.17

DIVIDEND

Fellow shareholders, the Board has carefully considered the financial position of the Bank and, in particular, the position of the Bank's reserves.

In view of the Bank's negative reserves, the Board is not recommending the payment of any dividend to shareholders for the year under review.

DISENGAGED STAFF, STAFF CHANGES AND RECRUITMENT

Fellow shareholders, during the year under review, the Bank experienced a number of changes in its staffing structure as part of the ongoing efforts to align our human resource capacity with the operational and strategic needs of the institution.

A total of twenty-five (25) staff ceased to be in the employment of the Bank during the period. This comprised one (1) Key Management Staff, one (1) Branch Manager and twenty-two (22) operational staff. Sadly, one of our staff members also passed away during the period, and we take this opportunity to acknowledge the loss and extend our sincere condolences to the bereaved family, colleagues and loved ones.

At the same time, the Bank continued to strengthen its human resource capacity through targeted recruitment. During the period, seventeen (17) staff were recruited to replace the exited staff, comprising One (1) Key Management Staff and Sixteen (16) other operational staff.

We appreciate the commitment and dedication of our Management and Staff and encourage all employees to remain focused, resilient and committed to the transformation and long-term success of Upper Manya Klo Community Bank Plc.

BOARD OF DIRECTORS

Fellow Shareholders,

The Board continues to provide strategic direction, oversight and guidance to Management in accordance with the applicable regulatory and governance requirements.

In April this year, an additional Director was co-opted onto the Board to help fulfil the minimum requirement of five (5) Directors set by the Bank of Ghana. He is currently undergoing the necessary Bank of Ghana approval process.

I wish to assure shareholders that the Board remains committed to ensuring that its composition, qualifications and operations continue to meet the requirements of the Bank of Ghana and other applicable laws and regulations.

Unlike the previous year, there are no Directors retiring by rotation at this year's Annual General Meeting. Consequently, there will be no election of Directors at this AGM.

The Board will continue to ensure that appropriate succession, competence and governance arrangements are maintained in the best interest of the Bank and its stakeholders.

GOVERNANCE AND BOARD ACTIVITY

Distinguished Shareholders,

Good corporate governance remains one of the fundamental pillars upon which the sustainability and credibility of the Bank are built.

Throughout the year, the Board remained actively engaged in the affairs of the Bank and continued to discharge its fiduciary, oversight and strategic responsibilities diligently.

The Board held regular meetings and considered a wide range of matters relating to the Bank's financial performance, credit administration, risk management, internal controls, regulatory compliance, human resource matters, capital mobilization and business development.

The various Board Committees also continued to play important roles in strengthening oversight and supporting informed decision-making.

Particular attention was given to ensuring that Management's activities remained aligned with the Bank's strategic objectives, approved policies, regulatory requirements and the directives of the Bank of Ghana.

The Board also continued to strengthen the Bank's risk management and internal control framework while encouraging Management to pursue initiatives that will improve efficiency, profitability and customer service.

I wish to commend my fellow Board members for their commitment, wisdom and collective effort throughout the year. I also appreciate Management and Staff for their cooperation and dedication in implementing the decisions and policies of the Board.

Our governance objective remains clear: to provide responsible leadership, strengthen accountability and ensure that the Bank operates in a manner that protects the interests of shareholders, customers, depositors, staff and the wider community.

THE BANK'S FUTURE OUTLOOK

Fellow Shareholders,

As we look into the future, the Board remains optimistic about the prospects of Upper Manya Klo Community Bank PLC.

The banking environment is changing rapidly. Traditional sources of income, particularly income from investments, have come under pressure as market conditions have resulted in declining investment yields. This development makes it increasingly important for the Bank to focus on its core business of financial intermediation, credit creation, deposit mobilization and providing quality financial services to our customers.

Our strategy, therefore, is to increase the share capital to meet and even exceed the BoG requirement, expand our loan portfolio prudently while maintaining strong credit risk management and effective recovery systems as well as intensify deposit mobilization.

1. The Bank's Capital

Fellow Shareholders,

One of the major challenges facing our Bank is meeting the new minimum capital requirement of GH¢5 million set by the Bank of Ghana under the microfinance sector reforms.

I am pleased to report that the Bank's share capital increased from **GH¢1,363,622** in 2024 to **GH¢1,643,485** as at 31st December 2025. Through the continued efforts of the Board and

Management, together with the support of our shareholders and other investors, we have made further progress.

As at September 2026, the Bank has mobilized a total of **GH¢3,553,407** towards the required GH¢5 million. This means that we have an outstanding amount of **GH¢1,446,593** to raise to meet the Bank of Ghana's minimum capital requirement by 31st December 2026.

Fellow Shareholders, although we have made significant progress, we still have work to do. I therefore make a special appeal to all existing shareholders to increase their shareholdings, where possible, and encourage their family members, friends, businesses, institutions and other members of our communities to invest in the Bank.

Every contribution counts. Your support is vital to securing the future of our Bank and ensuring that we continue to provide financial services to our communities, farmers, traders and businesses.

We need your collective support to succeed. Let us work together to raise the outstanding GH¢1,446,593 and meet the Bank of Ghana's minimum capital requirement within the stipulated period.

2. Loan Expansion and Business Growth

The Bank will place greater emphasis on expanding its lending activities to viable businesses, traders, farmers, salaried workers, SMEs, churches, schools, institutions and other creditworthy customers.

We intend to deepen our presence in the microfinance space while also pursuing quality medium and large-ticket lending opportunities.

The objective is not simply to increase the volume of loans granted, but to ensure that loans are directed towards productive economic activities that generate income, create employment and strengthen the communities we serve.

We shall continue to improve our credit appraisal, monitoring and recovery systems to ensure that loan growth translates into sustainable income for the Bank.

3. Loan Repayment and Debt Recovery

Ladies and Gentlemen, loan repayment is critical to the survival and growth of any financial institution.

I therefore make a strong appeal to all customers who have benefited from loans from the Bank and have outstanding obligations to honour their commitments and repay their loans promptly.

The funds we lend to customers belong largely to our depositors and shareholders. When loans are not repaid, the Bank's ability to lend to other customers is compromised.

The Board has therefore taken a firm position on loan recovery. The Bank has engaged a professional debt recovery firm to assist in recovering outstanding loans.

Going forward, loan defaulters should not expect to continue enjoying the use of the Bank's funds without meeting their repayment obligations. The Bank will pursue all appropriate recovery measures available to it in accordance with applicable laws and regulations.

We are, however, committed to working with genuine customers who experience temporary difficulties and are willing to engage the Bank towards reasonable and structured repayment arrangements.

Our message is simple: borrow responsibly, use the facility for its intended purpose and repay as agreed.

4. Technology And Digital Transformation

Fellow Shareholders,

Technology is no longer an option in modern banking; it is the way forward.

Customers today expect banking services to be faster, more convenient, secure and accessible regardless of their location.

The Bank, therefore, intends to increase investment in technology and digital banking solutions to improve service delivery, operational efficiency and customer experience.

We will in collaboration with Apex Bank continue to strengthen our digital channels, mobile banking, agency banking and other technology-driven services while exploring appropriate partnerships that will enable us to extend financial services to more people within our catchment areas.

We recognize that technology also presents risks, particularly in the areas of cybersecurity, fraud and data protection. Consequently, our investment in technology will go hand in hand with stronger controls, staff training, cybersecurity measures and customer education.

Our goal is to build a Bank that combines the strength and personal touch of community banking with the speed and convenience of modern technology.

5. SME, Microfinance and Agribusiness Development

The Bank will continue to focus on the economic activities that drive our local communities.

We shall strengthen our support for small and medium-sized enterprises, micro-businesses, traders, farmers and agribusinesses, with particular attention to women and the youth.

Through appropriate loan products, savings mobilization and financial education, we seek to contribute to increased productivity, job creation, household incomes and economic empowerment.

Our approach will be to understand the businesses and economic activities within our communities and develop products that respond to their actual needs.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Ladies and Gentlemen,

Environmental, Social and Governance considerations are increasingly becoming an important part of responsible and sustainable banking.

The Bank will continue to promote practices that contribute to a healthier and more sustainable environment.

We will encourage greater adoption of paperless processes and digital banking solutions to reduce unnecessary paper usage and improve operational efficiency.

We will also support initiatives that promote financial literacy, health education, responsible agricultural practices and the proper use of environmentally friendly agricultural inputs.

In addition, the Bank will continue to strengthen its governance, risk management, accountability and ethical standards.

We believe that sustainable growth is not measured only by financial returns. It is also measured by the positive impact an institution makes on its customers, employees, shareholders and the communities within which it operates.

ACKNOWLEDGEMENT AND CONCLUSION

Neneme, Distinguished Guests, Fellow Shareholders, Ladies and Gentlemen,

As I bring this address to a close, I wish to express my profound appreciation to everyone who has contributed to the progress of Upper Manya Klo Community Bank Plc.

To our shareholders, I thank you for your continued confidence in the Bank. I particularly appeal to you to increase your shareholdings and encourage others to invest in our Bank as we work together to achieve the required capitalization.

To our customers, thank you for continuing to patronize our products and services. Your trust remains the foundation upon which this Bank has been built. We ask you to continue to bank with us, save with us, invest with us and recommend our services to others.

To our depositors, we appreciate the confidence you continue to place in us by entrusting your funds to the Bank.

To our borrowers, I once again appeal to you to honour your repayment obligations. Your repayment enables us to lend to other members of our community and ensures the sustainability of the Bank.

To the Management and Staff, I commend you for your dedication, resilience and commitment to the Bank. The Board recognizes the efforts you make every day, sometimes under difficult circumstances, to serve our customers and implement our strategies.

To the Bank of Ghana, ARB Apex Bank and other regulatory and supervisory authorities, we are grateful for your guidance, oversight and support. We remain committed to complying with regulatory requirements and implementing measures that will strengthen the Bank.

I also extend our appreciation to our business partners, service providers, traditional authorities, community leaders, churches, institutions, the media and the people of Upper Manya for their continued support.

Finally, to my fellow Board members, I thank you for your sacrifices. commitment, cooperation. The responsibility entrusted to us requires courage, discipline and collective effort, and I am grateful for the support you continue to provide in steering the affairs of the Bank.

Fellow Shareholders, the journey ahead will require sacrifice, commitment and unity of purpose. The Bank has challenges, but it also has significant opportunities. Our strength lies in our people, our shareholders, our customers, our communities and our determination to build a stronger institution.

Let us therefore continue to believe in Upper Manya Klo Community Bank Plc.

Let us invest in it.

Let us patronize it.

Let us protect it.

And, most importantly, let us build it together.

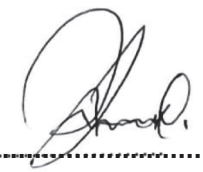
On behalf of the Board of Directors, I assure you that we remain committed to providing the leadership, oversight, and strategic direction necessary to position the Bank for a stronger and more sustainable future.

May Almighty God continue to bless Upper Manya Klo Community Bank Plc.

May He bless our shareholders, customers, management, and Staff.

May He bless the communities we serve, Upper Manya Klo, and the Republic of Ghana.

Thank you, and God bless us all.



.....

DR. (MRS.) GLADYS NARKI KUMI SOM

BOARD CHAIRPERSON

REPORT OF THE DIRECTORS TO THE MEMBERS OF UPPER MANYA KLO RURAL BANK PLC FOR THE YEAR ENDED 31ST DECEMBER, 2025

The Directors present their report together with the audited financial statements of the Bank for the year ended 31st December, 2025.

Directors' Responsibility Statement

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

Nature of Business

The principal activities of the bank during the year remained in accordance with its regulations, and there was no change in the principal activities.

Financial Results

The results of the operations for the year ended 31st December, 2025 are set out in the attached financial statements, highlights of which are as follows:

	2025 GH¢	2024 GH¢
The Bank recorded a net profit/(Loss) before taxation of	2,808,577	193,820
From which is deducted income tax expense of	(903,195)	342,651
Giving a Net Profit/(Loss) after tax of	1,905,382	536,471
There was a transfer to statutory reserve fund of	(238,173)	(89,397)
Leaving a profit for the year after tax and transfer to statutory reserve of	1,667,209	447,074
When added to the opening balance on the Retained Earnings account as of 1 January	(32,797,654)	(33,246,755)
Prior year changes in accounting estimates and policies	15,000	2,027
From which is deducted final dividend paid of	-	-
Leaving a closing balance on the Retained Earnings account of	(31,115,445)	(32,797,654)

Stated Capital

There were changes in the stated capital of the Bank as at the end of the year 31st December 2025. The Bank's stated capital relating to ordinary shares issued was GH¢1,643,485 in 2025 (GH¢1,363,622 in 2024).

Dividend

The Directors of the Bank do not recommend the payment of Dividends for the 2025 financial year. This is due to the negative shareholders fund position of the bank, and the urgent need to raise additional share capital to meet the new capital requirement of GH¢5 million by the end of 2026.

Corporate Social Responsibility (CSR)

During the financial year under review, the Company undertook several Corporate Social Responsibility (CSR) activities and projects. These include the renovation of the library complex of Asesewa Senior High School, Contributions towards the Ngmayem festival, and support for some activities by the Divisional Chief of Asesewa.

Corporate Governance

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

Directors Representation

The Directors confirm that no matters have arisen since 31st December, 2025 which materially affect the financial statements as presented.

Particulars of Entries in the Interest Register

No Director had any interests in contracts and proposed contracts with the Bank during the year under review, hence there were no entries recorded in the interest register as required by sections 194(6), 195(1)(a) and 196 of the Companies Act 2019 (Act 992).

Going Concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations of the Bank. The realisation of assets and settlement of liabilities, contingent obligations and commitment will occur in the ordinary course of business. No issues have come to the attention of the Directors to indicate that the Bank will not remain a going concern for at least the next twelve (12) months from the date of this statement.

Auditors

The Auditors, MKA Partners will continue in office in accordance with section 139(5) of the Companies Act, 2019 (Act 992).

Approval of the Financial Statements

The Financial Statements were approved by the Board of Directors on .....15th May..... 2026 and were signed on their behalf by the following

.....

BOARD CHAIRPERSON

(Dr. (Mrs.) Gladys Narki Kumi Som)

.....

DIRECTOR

(Mr. Frederick Tei- Nobi)

CORPORATE GOVERNANCE REPORT

Corporate Governance Directive for Rural and Community Banks, 2021

Corporate Governance is important to Upper Manya Klo Rural Bank PLC as it seeks to implement the ideals of fairness, transparency, accountability and responsibility in its dealings with all stakeholders. The Bank also recognizes the critical nature of its relationships with its Regulators in executing its vision and safeguarding the deposits of the general public and other lenders. To this end, the Bank ensures that the interests of stakeholders are taken into account in a balanced and transparent manner. The Bank believes that only good corporate governance can deliver sustainable good business performance. The Bank of Ghana Corporate Governance Directive sets out the structures and processes that are followed by the Bank to build credibility, ensure transparency and accountability.

Upper Manya Klo Rural Bank PLC operates in accordance with the Corporate Governance Directives issued by the Bank of Ghana. The principles and practices therein are based on the Basel Committee Standards on corporate governance, which constitute the best of international practices in this area.

The Board of Directors

The Board of Directors is responsible for setting out the Bank's strategic direction, leading, controlling and monitoring activities of management so as to protect and enhance shareholders value. As of 31st December, 2025, the Board of Directors of the Bank consisted of four (4) members made up of an independent Non-Executive Chairperson and three (3) Non-Executive Directors. These Board members have wide experience and in-depth knowledge in Management, Banking and Finance, and IT, which enable them make informed decisions and valuable contributions to the Bank's business.

Term Limit

A Non-Executive Director shall be elected for a period of three (3) years at a time and shall be eligible for re-election provided that no individual shall serve as a director for a cumulative period of more than nine (9) years. The term of the Chairman shall not exceed six (6) years.

Board Meetings

The Board met four (4) times during the year. The Board has delegated various aspects of its work to the Board Sub-Committees namely: Audit, Risk and Compliance Committee, IT, HR and Admin. Committee, and Finance and Credit Committee.

Directors	Role	Year Appointed	Qualification	Meeting Attendance out of Four (4)
Dr. (Mrs.) Gladys Narki Kumi Som	Chairperson	2022	Phd (Business and Management) Logistics and Supply Chain Mgt.	4
Dr. Harold Azar Okai-Tettey	Non-Executive Director	2022	Phd (Computer Science) Advanced Mgt. Prog. (CEIBS) Africa	4
Ebenezer Na-Tei FCA, MCITG	Non-Executive Director	2022	MBA Accounting & Taxation MA Tax Law, Policy & Practice	4
Mr. Frederick Tei- Nobi ACCA	Non-Executive Director	2025	MBA Finance	4

Biographical Information of Directors

Up to 40 Years	Age 41-60	Above 60 Years
None	4	None

External Auditors

External Auditors are appointed through a bidding process and on a rotational basis for a period outlined by the Banks and Specialised Deposit-Taking Institutions Act 2016, (Act 930). The External Auditors present and discuss their audit findings with the Board of Directors.

Internal Auditors

Internal Audit provides independent, objective audit assurance designed to add value and improve the Rural Bank's operations while ensuring the effectiveness of risk management, control and governance processes.

Board Evaluation

The Board has adopted standard evaluation tools that help assess the performance of the Board, its committees and individual members on an annual basis. The Board and all Directors are also periodically evaluated by an independent external firm in order to assess the effectiveness of the Board as well as the contribution of the individual Directors.

Business Continuity Plan

Upper Manya Klo Rural Bank PLC has a business continuity and disaster recovery plan that will enable it respond to unplanned significant interruptions in essential business functions that can lead to the temporary suspension of operations. It provides guidelines to fully recover operations and ensure coordinated processes of restoring systems, data and infrastructure to enable essential client needs to be met until normal operations are resumed. The plan is tested at least three times every year to assess the readiness of the Bank to respond to unplanned interruptions of operations.

System of Internal Control

Upper Manya Klo Rural Bank PLC has a well-established internal control system for identifying, managing and monitoring risks. These are designed to provide reasonable assurance that risks faced by the Bank are reasonably controlled. The Internal Audit and Compliance functions of the Bank play a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems in the business. The systems of internal control are implemented and monitored by appropriately trained personnel, with clearly defined duties and reporting lines.

Code of Business Ethics

Management has communicated principles in the Bank's Code of Conduct to its employees to provide guidance in the discharge of their duties. This code sets the standards of professionalism and integrity required for the Bank's operations. It covers compliance with applicable laws, conflicts of interest, environmental issues, reliability of financial reporting, bribery and strict adherence to laid down principles, so as to eliminate the potential for illegal practices.

Anti-Money Laundering

The Bank also has an established anti-money laundering system in place in compliance with requirements of Ghana's Anti-Money Laundering Act, 2020, (Act 1044). These include due diligence for opening new accounts,

customer identification, monitoring of high-risk accounts, record keeping and training and sensitization of staff on money laundering, which assist in reducing regulatory and reputational risks to its business. Staff members receive training on anti-money laundering policies and practices.

Annual Certificate on Corporate Governance

The Board of Directors hereby certifies as follows:

- The Board has independently assessed and documented that the corporate governance processes of Upper Manya Klo Rural Bank PLC are effective and have successfully achieved the objectives.
- Members of the Board of Directors of the Upper Manya Klo Rural Bank PLC are aware of their responsibilities to the Bank as persons charged with governance.

INDEPENDENT AUDITORS REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF UPPER MANYA KLO RURAL BANK PLC FOR THE YEAR ENDED 31ST DECEMBER, 2025

Our Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Upper Manya Klo Rural Bank PLC as at 31st December, 2025 and of its financial performance, changes in equity and its cash flows for the year ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

What We Have Audited

We have audited the financial statements of Upper Manya Klo Rural Bank PLC for the year ended 31st December, 2025. The financial statements comprise:

- Statement of profit or loss and other comprehensive income for the year ended;
- Statement of financial position as at 31st December, 2025;
- Statement of changes in equity for the year ended;
- Statement of cash flows for the year ended; and
- Notes to the financial statements, which include a summary of significant accounting policies.

Basis of Opinion

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

Emphasis of Matter

No matters came to our attention in this regard.

Independence

We are independent of Upper Manya Klo Rural Bank PLC in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the Code) issued by the International Ethics Standards Board of Accountants (IESBA) and we have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

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

Impairment of Loans and Advances

Due to the significance of the Bank's advances to customers and the related estimated uncertainty of the provision for impairment, this is considered a key audit risk. The appropriateness of loan loss provisions is a key area of judgment for management. The identification of impairment and the determination of the

recoverable amount are inherently uncertain processes involving various assumptions and factors including the financial condition of the customer, expected future cash flow and the estimated time to realization of collaterals.

How Our Audit Addressed the Key Audit Matter

We assessed the systems and related controls instituted by management to ensure the accurate determination of provisions. We reviewed the process of ageing and categorization of the various loans and the application of related provision rates. We tested a sample of these provisions based on our overall risk assessment of this account.

IFRS Financial Instrument

The Bank adopted IFRS 9 - Financial Instruments during the period, which requires the measurement of expected credit loss allowance for financial assets measured at amortised cost and fair value through other comprehensive income. The Bank reviews its loans and advances for impairment at the end of each reporting period. There are significant judgements made in the following areas in applying IFRS 9 - Financial Instruments.

These include: Determining the stage of the financial assets and establishing groups similar financial assets; determining criteria for significant increase in credit risk; determining the Probability of Default (PD) and Loss Given Default (LGD) and Expected Credit Loss (ECL) for each type of loan. Due to the significant judgements that are applied by management in determining whether an impairment loss has occurred we considered this to be key audit risk. The Bank is also required to compute loan provision in accordance with the Bank of Ghana (BOG) prudential guidelines. There is the risk of inappropriate classification of loans and advances in accordance with BOG's guidelines that results in inaccurate loan impairment computations.

The Bank is also required to make transfers from Retained Earnings to regulatory credit risk reserve based on the excesses of IFRS impairment and BOG provision. The disclosures relating to impairment of loans and advances to customers are considered important to users of the financial statements given the level of judgement and estimation involved.

How Our Audit Addressed the Key Audit Matter

We reviewed management capability to effectively apply the IFRS 9 and make the necessary disclosures in the Financial Statements as at 31st December, 2025. We also assessed the Bank's advances provision using Bank of Ghana guidelines, and used externally available data on exposures and our knowledge of IFRS 9 experience in the Banking Industry. We evaluated the design and tested the implementation and operating effectiveness of the key controls over the computation of impairment loss. In evaluating the design of controls, we considered the appropriateness of the control considering the nature and significance of the risk, competence and authority of person(s) performing the control, frequency and consistency with which the control is performed.

In performing operating effectiveness of controls, we selected a sample of transactions based on the control frequency to determine whether the control operated during the year. We performed an evaluation of management's key assumptions of the expected credit loss model (ECL), including the probability of default

(PD) and the loss given default (LGD). We challenged management's staging of its financial assets in the E module and tested facilities to ensure they have been included in the correct stage.

We tested the underlying data behind the determination of the probability of default by agreeing same to underlying supporting documentation. We found that the assumptions used by management were comparable with historical performance and have been assessed as reasonable. We further tested the disclosures to ensure that the required disclosures under IFRS 9 together with the first-time adoption disclosures have been appropriately disclosed.

We further assessed as appropriate the classifications of the Bank's loans and advances in accordance with Bank of Ghana, prudential guidelines and the transfer of any excess provision over the IFRS computed provisions to the regulatory Credit Risk Reserve.

Long Term Investments

The Bank has investments with the Government of Ghana through Apex Bank PLC as at 31st December, 2025 and we consider short and medium investment as key audit matters.

How Our Audit Addressed the Key Audit Matter

We reviewed the Bank's investment management criteria, the risk appetite for selecting long term investment and the approval of fund managers for the Bank. We also evaluated all long term investments, assessed the maturity periods and the redeemed amount of the investments to verify the accuracy of the amount received. We also sent a confirmation letter on the Bank's investment as at 31st December, 2025 to ensure the amount included in the financial statements is not misstated.

Other Information

The Directors are responsible for the other information. The other information comprises the Directors' Report, Chairman's Report, Corporate Governance Report, and Shareholders' Information but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed on the other information, we conclude that there is a material misstatement, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) and for such internal controls as Directors determine are necessary to enable the preparation of financial statements that are free from material misstatements, due to fraud or error. In preparing the financial statements, the Board of 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 Board of Directors either intends to liquidate the Bank or to cease operations, or has

no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Bank's financial reporting processes.

Auditors Responsibility for the Audit of the Financial Statements

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

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

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

Report on Other Legal and Regulatory Requirements

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

a) 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;

b) In our opinion, proper books of account have been kept by the Bank in so far as appears from our examination of those books;

c) The Bank's financial position and profit or loss and other comprehensive income are in agreement with the books of account;

The Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) Section 85 (2) requires that we state certain matters in our report. We hereby state that:
a) In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and the results of its operations for the period under review;
b) We obtained all the information and explanations required for the efficient performance of our duties as auditors;
c) In our opinion, the Bank's transactions were within its powers;
d) In our opinion, the Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments; and
e) The Bank has generally complied with the provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The engagement partner on the audit resulting in this independent auditor's report is M. Andoh (ICAG/P/1386).

Dated 18TH MAY 2026

.....
MKA Partners (ICAG/F/2026/318)
Chartered Accountants
No. 5 Roman Rd, Roman Ridge
Accra, - Ghana

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Note	2025	2024
		GH¢	GH¢
Interest income	4	19,034,432	18,040,924
Interest expense	4	(4,877,020)	(5,136,177)
Net interest income		**14,157,412**	**12,904,747**
Fees and commission income	5	2,062,737	1,519,439
Fees and commission expense	5	(728,609)	(677,620)
Net fees and commission income		**1,334,128**	**841,819**
Other income	6	896,915	144,331
Net other income		**896,915**	**144,331**
Total operating income		**16,388,455**	**13,890,897**
Net impairment loss on financial assets	16	(796,768)	(2,018,472)
Personnel expenses	7	(5,107,973)	(5,261,533)
Depreciation and amortisation	8	(567,558)	(547,405)
Other expenses	9	(7,107,579)	(5,869,667)
Total operating expenses		**(13,579,878)**	**(13,697,077)**
Profit/(loss) before tax		**2,808,577**	**193,820**
Growth and sustainability levy	10b	(140,429)	-
Income tax expense	10a	(752,592)	(88,729)
Deferred tax	10c	(10,174)	431,380
Profit/(loss) for the year		**1,905,382**	**536,471**
Other comprehensive income		8,761,001	-
Other comprehensive income		8,761,001	-
Total comprehensive income for the year		**10,666,383**	**536,471**
Basic earnings per share (cedis)	11	**0.03**	**0.01**
Diluted earnings per share (cedis)	11	**0.48**	**3.51**

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2025

		2025	2024
Assets	**Note**	**GH¢**	**GH¢**
Cash and cash equivalents	13	32,411,568	12,745,023
Non-pledged trading assets	14	2,294,107	2,294,107
Pledged trading assets	15	50,899,729	51,404,085
Loans and advances to customers	16	16,361,098	12,465,049
Other assets	17	2,207,554	2,756,343
Investment in securities	18	357,166	299,434
Property, plant and equipment	19	13,069,435	4,502,748
Total Assets		**117,600,657**	**86,466,789**
Liabilities			
Deposits from customers	20	132,858,996	112,250,750
Borrowings	21	69,723	
Growth and Sustainability Levy	10b	83,014	387,808
Current tax liabilities	10a	465,519	73,729
Deferred tax liabilities	10c	50,448	40,274
Other liabilities	22	2,141,827	2,627,788
Total Liabilities		**135,669,527**	**115,380,349**
Equity and Reserves			
Stated capital	23	1,643,485	1,363,622
Retained earnings		(31,115,445)	(32,797,654)
Statutory reserve	25	2,464,257	2,226,084
Credit risk reserve	26	-	113,383
Deposit for shares	27	-	3,173
Available-for sale reserve	28	138,909	138,909
Community support fund	29	38,923	38,923
Revaluation reserve		8,761,001	-
Total Equity and Reserves		**(18,068,870)**	**(28,913,560)**
Total Liabilities and Equity		**117,600,657**	**86,466,789**

The financial statements were approved by the Directors on 15th May *2026 and were signed on their behalf by:*



BOARD CHAIRPERSON
(Dr. (Mrs.) Gladys Narki Kumi Som)



DIRECTOR
(Mr. Frederick Tei- Nobi)

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

	Stated Capital GH¢	Retained Earnings GH¢	Statutory Reserve Fund GH¢	Credit Risk Reserve GH¢	Deposit for Shares GH¢	Available for Sale Reserve GH¢	Community Support Fund GH¢	Revaluation Reserve Fund GH¢	Total Equity GH¢
2025									
Balance as at 1 January, 2025	1,363,622	(32,797,654)	2,226,084	113,383	3,173	138,909	38,923	-	(28,913,560)
Prior year changes in accounting estimates and policies	-	15,000	-	-	-	-	-	-	15,000
Net profit/(loss) for the year	-	1,905,382	-	-	-	-	-	-	1,905,382
Total comprehensive income	**1,363,622**	**(30,877,272)**	**2,226,084**	**113,383**	**3,173**	**138,909**	**38,923**	**-**	**(26,993,178)**
Transactions with Equity Holders									
Issue of shares - normal	22,100		-	-	-	-	-	-	22,100
Transfer of unclaimed Dividend	254,590		-	-	-	-	-	-	254,590
Transfer of deposit for shares	3,173	-	-	-	(3,173)	-	-	-	-
Dividend paid	-		-	-	-	-	-	-	-
Total transactions	**279,863**	**-**	**-**	**-**	**(3,173)**	**-**	**-**	**-**	**276,690**
Regulatory transfers	-	-	-	(113,383)	-	-	-	-	(113,383)
Transfer to reserve fund	-	(238,173)	238,173	-	-	-	-	-	-
Other transfers	-	-	-	-	-	-	-	8,761,001	8,761,001
Total regulatory transfers	**-**	**(238,173)**	**238,173**	**(113,383)**	**-**	**-**	**-**	**8,761,001**	**8,647,618**
Balance as at 31 December, 2025	**1,643,485**	**(31,115,445)**	**2,464,257**	**-**	**-**	**138,909**	**38,923**	**8,761,001**	**(18,068,870)**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER, 2024

	Stated Capital GH¢	Retained Earnings GH¢	Statutory Reserve Fund GH¢	Credit Risk Reserve GH¢	Deposit for Shares GH¢	Available for Sale Reserve GH¢	Community Support Fund GH¢	Total GH¢
2024								
Balance as at 1 January, 2024	1,363,622	(33,246,755)	2,159,025	91,045	3,173	138,909	38,923	(29,452,058)
Changes in accounting estimates and policies	-	2,027	-	-	-	-	-	2,027
Net profit/(loss) for the year	-	536,471	-	-	-	-	-	536,471
Total comprehensive income	**1,363,622**	**(32,708,257)**	**2,159,025**	**91,045**	**3,173**	**138,909**	**38,923**	**(28,913,560)**
Transactions with Equity Holders								
Issue of shares - normal	-	-	-	-	-	-	-	-
Dividend paid	-		-	-	-	-	-	-
Total transactions	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Regulatory transfers	-	(22,338)	-	22,338	-	-	-	-
Transfer to reserve fund	-	(67,059)	67,059	-	-	-	-	-
Total regulatory transfers	**-**	**(89,397)**	**67,059**	**22,338**	**-**	**-**	**-**	**-**
Balance as at 31 December, 2024	**1,363,622**	**(32,797,654)**	**2,226,084**	**113,383**	**3,173**	**138,909**	**38,923**	**(28,913,560)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER, 2025

	Note	2025 GH¢	2024 GH¢
Cash flows from operating activities			
Profit/(loss) before tax		2,808,577	193,820
Adjustments for:			
Depreciation and amortisation		567,558	547,405
Impairment on financial assets		796,768	2,018,472
Changes in non-cashflow income and expenses		(972,370)	(2,015,905)
Interest charge		155,751	331,562
Change in loans and advances		(3,896,049)	10,383,106
Change in other asset accounts		548,789	498,678
Change in deposits		20,608,246	26,248,647
Change in creditors and accruals		(485,961)	249,205
Growth and Sustainability levy		(57,415)	-
Cashflow from operations		**20,073,894**	**38,454,990**
Income tax paid		(344,488)	(1,495,095)
Interest Paid		(155,751)	(331,562)
Net cash generated from operating activities		**19,573,655**	**36,628,333**
Cash flows from investing activities			
Purchase of property and equipment		(373,244)	(3,300)
Acquisition of shares		-	(57,732)
Net cash used in investing activities		**(373,244)**	**(61,032)**
Cash flows from financing activities			
Repayment of borrowings		(318,085)	(1,486,085)
Dividend paid		-	(538)
Issue of ordinary shares		279,863	-
Net cash used in financing activities		**(38,222)**	**(1,486,623)**
Net increase in cash and cash equivalents		19,162,189	35,080,678
Cash and cash equivalents at 1 January		64,149,108	29,068,430
Cash and cash equivalents at 31 December	13&15	**83,311,297**	**64,149,108**

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

1.0 Reporting Entity

Upper Manya Klo Rural Bank PLC is a limited liability company incorporated in Ghana under the Companies Act, 2019 (Act 992). The nature of business the Bank is authorised to carry on includes the provision of current and deposit as well as savings and time deposit accounts for customers. It also acts as agent of the other financial institutions in the country, accepts and discounts bills of exchange and provides finance for small scale farmers, merchants, industrialists etc. It was granted a licence to operate as a financial institution in 1984 in accordance with the Banking Law of 1989 (PNDC Law 225). The registered office of the Bank is located at Asesewa in the Eastern Region of Ghana.

2.0 Basis of Preparation

2.1. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for land and buildings and available-for-sale financial assets that have been measured at fair value.

2.2. Statement of Compliance

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standard Board (IASB) and accounting requirements as dictated by the guide for financial publication 2017 issued by the Bank of Ghana and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposits - Taking Institutions Act, 2016 (Act 930).

2.3. Functional and Presentation Currency

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

3.0 Changes In Accounting Policies

The accounting policies adapted by the Bank are consistent with those of the previous financial year except for leases which were previously treated under IAS 17 but are now reported per IFRS 16. The significant accounting policies adopted by the Bank and which have been applied in preparing these financial statements are stated below:

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria apply in revenue recognition.

3.2 The Effective Interest Rate Method

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost, financial instruments designated at FVPL. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9, similarly, to interest bearing financial assets classified as available-for-sale or held to maturity under IAS 39 are also recorded by using the EIR method. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR. Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income. The adjustment is subsequently amortised through Interest and similar income in the statement of comprehensive income.

3.3 Interest and Similar Income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets. When a financial asset becomes credit-impaired and is therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the
Bank reverts to calculating interest income on a gross basis.

Interest income on all trading assets and financial assets mandatorily required to be measured at FVPL
is recognised using the contractual interest rate in net trading income.

3.4 Fees and Commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Other fees and commission income, including account servicing fees, management fees, sales commission, placement and arrangement fees and cheque clearing fees are recognised as the related services are performed. Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

3.5 Other Operating Income

This is made up of other operating income including profit or loss on sale of property, plant and equipment, Bad debt recovered and other miscellaneous incomes.

3.6 Interest Expense

Interest expense is recognized in profit or loss for all interest-bearing financial instruments measured at amortized cost, including loans and advances, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense. 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. The calculation includes fees paid by the Bank that are an integral part of the acquisition, issue or disposal of a financial instrument.

3.7 Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.

3.8 Current Taxation

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

3.9 Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously. Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

3.10 Financial Assets and Liabilities

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument or regular way purchases and sales of financial assets. They are recognised on trade-date, the date on which the Bank becomes party to the contractual provisions of the instrument or commits to purchase or sell the asset. At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions.

Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:
(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e., a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.
(b) In all other cases, the differences are deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

3.11 Classification and Subsequent Measurement

The Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

Impairment

IFRS 9 requires the Bank to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Bank will apply the simplified approach and calculate expected losses on all its instruments. Impairment Loss Schedule - 2025:

Impairment Loss Schedule - 2025:	**Stage 1 12-months**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Impairment loss classification	**ECL**	**Not credit impaired**	**Credit impaired**	
	GH¢	**GH¢**	**GH¢**	**GH¢**
Loans loss allowance	163,834	11,707	698,212	873,753
Investment with other institutions				
	163,834	**11,707**	**698,212**	**873,753**

Impairment Loss Schedule - 2024:	**Stage 1 12-months**	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
Impairment loss classification	**ECL**	**Not credit impaired**	**Credit impaired**	
	GH¢	**GH¢**	**GH¢**	**GH¢**
Loans loss allowance	98,443	2,448	7,510,416	7,611,307
Investment with other institutions	-	-	-	
	98,443	**2,448**	**7,510,416**	**7,611,307**

3.12 Debt Instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities. Classification and subsequent measurement of debt instruments depend on:

- the Bank's business model for managing the asset; and
- the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

a) **Amortised Cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) **Fair Value through Other Comprehensive Income (FVOCI)**: Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) **Fair Value through Profit or Loss**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method. The above classifications are done using:

Business Model: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g., financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a Bank's assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported by key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely

payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3.13 Equity Instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence is a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

3.14 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

3.15 Modification of Loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

- If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to the amounts the borrower is expected to be able to pay
- Significant extension of the loan term when the borrower is not in financial difficulty.
- Significant change in the interest rate.

If the terms are substantially different, the Bank derecognises the original financial asset and recognizes a 'new' asset at fair value and recalculates a new effective interest rate for the asset. The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

3.16 De-Recognition Other than on a Modification

Financial Assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of:

(i) the consideration received (including any new asset obtained less any new liability assumed) and
(ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

3.17 Identification and Measurement of Impairment

At each reporting date, the Bank assesses whether there was objective evidence that financial assets not carried at fair value through profit or loss were impaired. A financial asset was impaired when objective evidence demonstrated that a loss event had occurred after the initial recognition of the asset(s) and that the loss event had an impact on the future cash flows of the asset(s) that could be estimated reliably.

Objective evidence that financial assets were impaired included:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- indications that a borrower or issuer will enter Bankruptcy;
- the disappearance of an active market for a security; or
- observable data relating to a Bank's assets such as adverse changes in the payment status of borrowers or issuers in the Bank, or economic conditions that correlate with defaults in the Bank.

The Bank considers evidence of impairment for loans and advances and held-to-maturity investment securities at both specific and collective asset level. All individually significant loans and advances, and held-to-maturity investment securities were assessed for specific impairment. Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Loans and advances, and held-to-maturity investment securities that were not individually significant were collectively assessed for impairment by ranking together loans and advances and held-to-maturity investment securities with similar risk characteristics. In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and makes an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than was suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries were regularly benchmarked against actual outcomes to ensure that they remained appropriate. Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

If the terms of a financial asset were renegotiated or modified or an existing financial asset was replaced with a new one due to financial difficulties of the borrower, then an assessment would be made of whether the financial asset should be derecognised. If the cash flows of the renegotiated asset were substantially different, then the contractual rights to cash flows from the original financial asset would be deemed to have expired. In such case, the original financial asset would be derecognised and the new financial asset recognised at fair value.

The impairment loss before an expected restructuring was measured as follows:

- If the expected restructuring will not result in derecognition of the existing asset, then the estimated cash flows arising from the modified financial asset would be included in the measurement of the existing asset based on their expected timing and amounts discounted at the original effective interest rate of the existing financial asset.
- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset will be treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount will be discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Impairment losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss will be reversed through profit or loss.

The Bank writes off a loan or an investment in debt security, either partially or in full, and any related allowance for impairment losses, when the Bank Credit Committee determined that there was no realistic prospect of recovery and approval for write-off granted by the Board of Directors and the Central Bank.

3.18 Assets Carried at Amortised Cost

For loans and receivables, the amount of the loss will be measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset would be reduced and the amount of the loss would be recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss will be the current effective interest rate determined under the contract. As practical expedient, the Bank could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss would be recognized in profit or loss.

3.19 Derecognition of Financial Assets and Liabilities

The derecognition policies for financial assets and liabilities have not changed on the adoption of IFRS 9.

3.20 Financial Liabilities

i) Classification

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

ii) Measurement

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

iii) Derecognition

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

3.21 Fair Value Measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk. When an active market is available, the Bank measures the fair value of an instrument using the quoted price in the active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Bank would use valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction. The best evidence of the fair value of a financial instrument at initial

recognition is normally the transaction price – i.e., the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out. If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price. Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure.

Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio. The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid. The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.22 Cash and Cash Equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprises cash on hand, cash and balances with the ARB Apex Bank and amount due from Banks and other financial institutions

3.23 Loans and Advances

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

Loans and advances to Banks are classified as hold to collect. Loans and advances to customers include:

- Those classified as loans and receivables; and
- Finance lease receivables.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances also include finance lease receivables in which the Bank is the lessor.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

3.24 Investments

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as hold to collect or hold to sell.

3.25 Non-Pledged and Pledged Trading Assets

The non-pledged trading assets portfolio comprises debt securities purchased with the intent of short-term profit taking. The Bank values these securities with reference to quoted prices in active markets for identical assets. These securities are designated at fair value, with fair value changes recognized immediately in profit or loss.

3.26 Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a Bank of similar transactions such as in the Bank's trading activity.

3.27 Collateral

The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from Banks or other counterparties. Any interest payable or receivable arising is recorded as interest payable or interest income respectively except for funding costs relating to trading activities which are recorded in net trading income.

3.28 Property, Plant and Equipment

(i) Recognition and Measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent Costs

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

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives. The estimated annual depreciation rate for the current and corresponding periods are as follows:

Freehold land and buildings	2%
Improvements on leased premises	10%
Office and bungalow furniture and fittings	15%
Office equipment	15%
Motor vehicles	25%
Computers	25%

Right of use assets are amortised over the shorter of the lease term and the asset's useful life.

3.29 Leasehold Property

Leasehold property is initially recognised at cost. Subsequent to initial recognition, leasehold property is amortised over the lease term of the property. The amortisation is recognised in profit or loss.

3.30 Intangible Assets

Computer Software

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

Intangible assets with indefinite useful lives are not amortized. Amortisation is recognised 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 five years. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.31 Impairment of Non-Financial Assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to the present

value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

3.32 Deposits and Borrowings

This is mainly made up of customer deposit accounts, other financial institutions and medium-term borrowings. They are categorised as other financial liabilities measured in the statement of financial position at amortised cost.

3.33 Provisions

The Bank recognises provisions when it has a present obligation (Legal or Constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement. If the effect of the Time Value of money 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. Where discounting is used, the increase in the provision due to the passage of time is recognised as Borrowing Cost.

3.34 Employee Benefit

Short-Term Benefits

a. Short Term Benefits

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

b. Post-Employment Benefits

Defined Contribution Plans

Social Security and National Insurance Trust (SSNIT)

Under a National Defined Benefit Pension Scheme, the Bank contributes 13% of employees' basic salary to the SSNIT for employee pensions. The Bank's obligation is limited to the relevant contributions which are settled on due dates. The pension liabilities and obligations rest with SSNIT and Enterprise Trustees.

Provident Fund

The Bank has a Provident Fund Scheme for all employees who have completed probation with the Bank. Employees contribute 5% of their basic salary to the Fund whilst the Bank contributes 7.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager as required by National Pension Regulatory Authority (NPRA).

3.35 Events After the Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate to the financial statements and the effect is material. Subsequent to the reporting date, the Bank of Ghana issued a directive increasing the minimum stated capital requirement for regulated institutions to Five Million Ghana Cedis (GH¢5,000,000). Management is currently assessing the impact of this directive on the Bank's capital structure, regulatory compliance and future operations. As the directive was issued after the reporting date, it constitutes a non-adjusting event under International Accounting Standards Board requirements in IAS 10 – events after the reporting period and therefore has not resulted in adjustments to the amounts recognized in these financial statements. However, the event is considered material and has been disclosed accordingly.

3.36 Dividend

Dividend on ordinary shares is recognized in equity in the period in which they are approved by the company's shareholders. Dividend proposed for approval at AGM is not recognized as a liability as at 31 December, 2025 in accordance with IAS 10. The Directors do not recommend the payment of dividend for the year ended 31 December, 2025.

3.37 Earnings Per Share

The Bank presents basic 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 year.

3.38 Risk Management

Risk in a Banking organisation is the possibility that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings/capital or may result in imposition of constraints on the Bank's ability to meet its business objectives. Such constraints pose a risk as these could hinder the Bank's ability to conduct its ongoing business or to take benefit of opportunities to enhance its business.

Risk is inherent in every Bank's activity but it is managed through a process of constant identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to Upper Manya Klo Rural Bank's continuing profitability and each Staff/Board member within the Bank is answerable for the exposures relating to his or her responsibilities. The key risks the Bank is exposed to are credit risk, liquidity risk, market risk, operational risks, and reputational risk.

a. Risk Management Structure

The Board of Directors has overall oversight responsibility for the Bank's risk management framework.

The Board's Audit, Risk and Compliance Committee gives direction for overall risk monitoring and control and it is assisted in its functions by the Internal Audit Department of the Bank. The Credit Committee, Assets and Liabilities Management Committee (ALCO) are directly responsible for developing and monitoring risks in their specific areas of operation. All these structures work together to ensure effective implementation of the risk management policies and procedures of the Bank.

b. Risk Measurement and Reporting System

Risk taking is an integral part of Banking business. In undertaking its business, Upper Manya Klo Rural Bank PLC has to strike an appropriate balance between the level of risk it is willing to take and the level of returns

it desires to achieve. In order to ensure that its risks are well managed within the Bank's risk appetite an effective risk management system that is commensurable with the size and nature of Upper Manya Klo Rural Bank's operations needs to be in place at all times.

As a means of enhancing corporate governance in the Bank, the risk management framework of the Bank seeks to enhance its ability to identify and manage risks that it faces in the discharge of its functions by identifying, assessing, managing and monitoring key risks across all areas of its operations as well as gathering information on the Bank's risk exposure for management decision making. Upper Manya Klo Rural Bank PLC has the following types of Risk exposures

- Operational Risk
- Market Risk
- Liquidity Risk
- Credit Risk
- Reputational Risk

These inherent risks are managed through a process of continuous identification, measurement, monitoring and controls. The Bank continues to intensify measures to minimize the effects of these risks on its financial performance.

c. Operational Risk

Operational risk is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. Key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks. The Bank manages its operational risk at three distinct levels, each with clearly defined roles and responsibilities as follows:

Business Units and Support Functions

Business Units and Support Functions own and are responsible for understanding the operational risk inherent in their material business units, activities, processes and systems. They are responsible for the consistent implementation of the operational risk management framework in their area of responsibility on a day-to day basis. This includes identifying the risks, establishing controls, and managing the risks in accordance with the Bank's overall risk tolerance and operational risk policies.

Operational Risk Management (ORM)

The ORM function has direct responsibility for formulating and implementing the Bank's ORM framework including methodologies, policies and procedures approved by the Board. ORM function works with the Business Units and Support Functions to ensure that the day-to-day operations of the Bank are in line with the approved ORM policies. The unit provides trainings and workshops to facilitate interpretation and implementation of the various ORM programs. The unit continuously monitors the effectiveness and the quality of the controls and risk mitigating tools.

Internal Audit

The mission of Internal Audit is to provide an independent assurance of the design and effectiveness of internal controls over the risks to the Bank's business performance. In carrying out this function, Internal

Audit provides specific recommendations for improving the governance, risk and control framework. The role of the Internal Audit function is to conduct regular independent evaluation and review of the Bank's policies, procedures and practices in relation to the ORM Policy Framework and report the results to the Board.

d. Market Risk

Market risk is the risk that changes in market prices – such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – which will affect the Bank's income or the value of its holdings of financial instruments. The objective of the Bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Bank's solvency while optimising the return on risk. The Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank's exposure to market risk arises principally from customer driven transactions. Overall authority for market risk is vested in the ALCO. The Risk Management unit is responsible for the development of detailed risk management policies (subject to the review and approval by ALCO) and for the day-to-day review of their implementation.

3.39 Reputational Risk

Reputation, though an intangible asset, is considered as one of the prized assets of the Bank. The Bank's definition of reputational risk is the risk of loss or under-performance caused by deterioration in public perception of (any part) the Bank, arising from adverse publicity or rumour. This can affect the Bank's ability to establish new relationships or retain existing relationships. Reputational risk can expose the Bank to financial loss, decline in customer base, litigation and loss of business generally. By the nature of its operations, reputational risk management plays a very significant role within the Bank. The Bank ensures compliance with all legal, statutory and Regulatory Requirements.

The Business Development and Marketing Department continues to monitor and manage reputational risk to the Bank by undertaking customer surveys and reporting to the appropriate business unit. Reputational risk is difficult to quantify yet the damage from such reputational risk events can be devastating. The Bank, therefore, must ensure to minimize the negative impact of reputational risk exposures on its image, earnings and capital by instituting the following measures:

- Strong financial stability
- Excellent customer services
- Timely and periodic review of service agreements
- Good corporate governance and control practices
- Balancing the interest of all significant stakeholders
- Professionalism of employees
- Adherence to corporate social and environmental responsibility.
- Adequate annual budgetary allocation for donation and sponsorship.

3.40. Credit Risk

Credit Risk arises from the credit exposure to a borrower or a counter-party, in that either the borrower or the counter-party is unable to redeem an obligation or the liability to perform such obligation is impaired resulting in economic loss to the Bank. The Credit Risk in the Bank's operations arise from largely Loans and Advances to Customers.

The Credit Risk is managed through the systems and controls established by the Credit Department that ensures that there is review of the status of the credit at every stage from application to completion of the repayment of the advance by the customer. There is the Credit Committee that reviews reports on the performance of the Loans and Overdrafts which takes appropriate action for recovery. Credit facilities are also closely monitored to uncover early warning signal or non-performance.

Credit Risk.

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other Banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure. For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

Management of Credit Risk.

The Board of Directors has delegated responsibility for the management of credit risk to its Bank Credit Committee. A separate Bank credit department, reporting to the Bank Credit Committee, is responsible for the oversight of the Bank's credit risk, including:

- Formulating credit policies covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements. - Establishing the authorisation and structure for the approval and renewal of credit facilities per the Bank's credit policy.
- Reviewing and assessing credit risk. The Bank credit committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.
- Limiting concentrations of exposure to counterparties, geographies and industries (for loans and advances), and by issuer, credit rating band and market liquidity (for investment securities).
- Developing and maintaining the Bank's risk grading in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The risk grading system is used in determining where impairment provisions may be required against specific credit exposures. The current risk grading framework consists of various grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for setting risk grades lies with the final approving executive / committee as appropriate. Risk grades are subject to regular reviews by the Bank risk function.
- Reviewing compliance with agreed exposure limits, including those for selected industries and product types. Regular reports are provided to the Bank credit committee on the credit quality of portfolios and appropriate corrective action been taking.
- Providing advice, guidance, specialist skills and training to promote best practice throughout the Bank in the management of credit risk.

Each branch is required to implement Bank credit policies and procedures, with credit approval authorities delegated from the Bank Credit Committee. Each branch has a credit risk officer who reports on all credit related matters to local management and the Bank credit committee.
Each branch is responsible for the quality and performance of its credit portfolio and for monitoring risk in its portfolios, including those subject to central approval. Regular audits of business units and Bank credit processes are undertaken by Internal Audit and Compliance Departments.

Impaired Loans and Securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan/ securities agreement(s). Interest on these loans is calculated and treated on non-accrual basis and portions shall only be considered when payments (settlement) are made.

Loans with Renegotiated Terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. The status or risk grade of a restructured facility does not change until there is evidence of performance over a reasonable period of time. When the contractual cash flows of a financial asset are renegotiated or otherwise modified and the renegotiation or modification does not result in the derecognition of that financial asset, the bank shall recalculate the gross asset, carrying amount of the financial asset and shall recognise a modification gain or loss in profit or loss.

The gross carrying amount of the financial asset shall be recalculated as the present value of the renegotiated or modified contractual cash flows that are discounted at the financial asset's original effective interest rate (or credit adjusted effective interest rate for purchased or originated credit-impaired financial assets). Any costs or fees that are incurred will adjust the carrying amount of the modified financial asset and are amortised over the remaining term of the modified financial asset.

Allowances for Impairment

The Bank establishes an allowance for impairment losses that represents the estimate of incurred losses in the loan portfolios. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance established for groups of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

Write-Off Policy

The Bank writes off a loan/security when it determines that the loans/securities are uncollectible. This determination will be reached after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower or issuer can no longer discharge the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure subject to the approval by the Board and the Bank of Ghana.

Collateral of Impaired Exposures

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when

a loan is individually assessed as impaired. Collateral is not normally held for loans and advances to Banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral is not usually held against investment securities, and no such collateral was held as at 31st December, 2025. An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below. It must however be noted that collateral values for impaired loans are at cash flows of the forced sale values less estimated costs of sale as discounted to present values:

	Loans and advances to customers 2025 GH¢	Loans and advances to customers 2024 GH¢
Net loans and advances	16,361,098	12,465,049
	16,361,098	**12,465,049**

	Loans and advances to customers 2024 GH¢	Loans and advances to customers 2023 GH¢
Net loans and advances	12,465,049	22,848,155
	12,465,049	**22,848,155**

Collaterals and Other Credit Enhancements

The Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. The Bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

- Mortgages over residential properties.
- Charges over business / personal assets such as premises, vehicle.
- Charges over financial instruments such as debt securities and equities

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities or individuals are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss, the Bank will seek additional collateral from the counterparty as soon as impairment indicators are identified for the relevant loans and advances. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior year. The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk on loans and advances is shown below.

Repossessed Assets

The Bank did not repossess any customer's assets during the period. If the Bank would have repossessed, the type and carrying amount of collateral would have been the lower of its carrying amount and fair value less costs to sell: All assets repossessed if any, are to be sold within one year of possession and approval

would be sought from Bank of Ghana for those which efforts towards sale have not been successful within one year. The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

	2025 GH¢	2024 GH¢
Agriculture	180,915	1,279,696
Transport	117,919	1,051,759
Trading	774,766	2,700,864
Others	16,161,250	15,044,037
	17,234,850	20,076,356
Credit impairment loss	(873,752)	(7,611,307)
	16,361,098	**12,465,049**

	2024 GH¢	2023 GH¢
Agriculture	1,279,696	959,029
Cottage Industry	-	39,416
Transport	1,051,759	1,350,574
Trading	2,700,864	4,827,948
Others	15,044,037	21,086,878
	20,076,356	28,263,845
Credit impairment loss	(7,611,307)	(5,415,690)
	12,465,049	**22,848,155**

3.41 Liquidity Risk

'Liquidity risk' is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due. The Bank maintains liquidity limit imposed by its regulator, the Bank of Ghana. The overall liquidity has always been within the regulatory limit of the Bank of Ghana. Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets. The Bank aims to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments.

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to customers and other inter-Bank facilities, to ensure that sufficient liquidity is maintained within the Bank. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports on the liquidity position of the Bank are submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on monthly basis.

Average of liquidity ratios are as follows:	2025 %	2024 %
At 31st December	64.43	59.19

3.42 Capital

a) The Objectives of Capital Management

The Capital Management Objective of the Bank is to ensure that the financial net assets at the end of the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions and adding contributions from the owners. This objective will be to ensure that, at any time, the Stated Capital requirement by Bank of Ghana would be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This will be achieved by maintaining an appreciable level of profits to meet these expected Capital increases by the Bank of Ghana.

b) Regulatory Capital

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets. The Bank's regulatory capital is analysed as follows: Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after-tax retained earnings/surplus, retained profits and general statutory reserves and does not include regulatory credit risk reserve.

Adjusted Capital Base	**2025**	**2024**
Tier 1 capital	**GH¢**	**GH¢**
Ordinary share capital	1,643,485	1,363,622
Disclosed Reserve	(31,115,445)	(30,374,678)
Less: Investments in the capital of other financial institutions	(357,166)	(299,434)
	(29,829,126)	(29,310,490)
Tier 2 capital		
Other reserves	(564,983)	152,110
	(564,983)	152,110
Total Adjusted Capital Base (Tier 1 and Tier 2)	**(30,394,109)**	**(29,158,380)**
Adjusted Asset Base		
Total assets	117,600,657	86,466,789
Less: Cash on hand	(4,448,640)	(4,232,369)
Claims on ARB Apex Bank (clearing)	(27,962,928)	(8,512,654)
Claims on government	(51,888,822)	(53,324,375)
Investment in the capital of other financial institutions	(357,166)	(299,434)
50% claims on other financial institutions	(1,147,054)	(1,147,054)
Adjusted total assets	31,796,047	18,950,904
100% of 3 years average annual gross income	18,428,795	19,024,753
Total Adjusted Asset Base	**50,224,842**	**37,975,657**
Capital adequacy ratio (adjusted capital base/adjusted asset base*100)	**-60.52%**	**-76.78%**

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by

a sound capital position. The Bank complied with the statutory capital requirements throughout the period. There have been no material changes in the Bank's management of capital during this period.

Capital Allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by the optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not fully reflect the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the finance and operation and is subject to review by the Bank as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Consideration is also made of synergies with other operations and activities, the availability of management and other resources, and the capability of the activity with the Bank's longer term strategic objectives. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

Use of Estimates and Judgements

Management discusses with the Finance Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates. These disclosures supplement the commentary on financial risk management.

Key Sources of Estimation - Uncertainty Allowances for Credit Losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in the accounting policy. The individual counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based on management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about the counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the credit risk function.
Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar characteristics when there is objective evidence to suggest that they contain impaired claims.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depend on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters are used in determining collective allowances.

Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in the accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Critical Accounting Judgements in Applying the Bank's Accounting Policies

Critical accounting judgements made in applying the Bank's accounting policies include:

Financial Asset and Liability Classification

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

- In classifying financial assets or liabilities as "trading", the Bank must determine whether it meets the description of trading assets and liabilities as set out in the accounting policy.
- In designating financial assets or liabilities at fair value through profit or loss, a determination is made based on the description criteria for financial assets and liabilities set out in the accounting policy.
- In classifying financial assets as held-to-maturity, the Bank must determine whether it has both the positive intention and ability to hold the assets until their maturity date as required by the accounting policy.

Financial Assets and Liabilities

Accounting Classifications and Fair Values

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair values (excluding accrued interest).

2025	Carrying value	Fair value
Assets as at 31st December, 2025	**GH¢**	**GH¢**
Cash and cash equivalents	32,411,568	32,411,568
Non-pledged assets	2,294,107	2,294,107
Pledged assets	50,899,729	50,899,729
Loans and advances to customers	16,361,098	-
Other assets	2,207,554	2,207,554
Investment securities	357,166	357,166
	104,531,223	**88,170,124**
Liabilities as at 31st December, 2025		
Deposits from customers	132,858,996	132,858,996
Other liabilities	2,141,827	2,141,827
Institutional borrowings	69,723	69,723
	135,070,546	**135,070,546**

2024	Carrying value	Fair value
Assets as at 31st December, 2024	**GH¢**	**GH¢**
Cash and cash equivalents	12,745,023	12,745,023
Non-pledged assets	2,294,107	2,294,107
Pledged assets	51,404,085	51,404,085
Loans and advances to customers	20,076,356	12,465,049
Other assets	2,756,343	2,756,343
Investment securities	299,434	299,434
	89,575,348	**81,964,041**
Liabilities as at 31st December, 2024		
Deposits from customers	112,250,750	112,250,750
Other liabilities	2,627,788	2,627,788
Institutional borrowings	387,808	387,808
	115,266,346	**115,266,346**

4. Net Interest Income

Interest Income	2025 GH¢	2024 GH¢
Loans and advances to customers	8,326,617	9,166,656
Investment	10,707,815	8,874,268
Total Interest Income	**19,034,432**	**18,040,924**

Interest Expense	2025 GH¢	2024 GH¢
Deposits from customers	1,594,063	1,313,507
Interest on fixed deposits	3,127,080	3,491,065
Interest on borrowings	155,751	331,562
GhanaPay interest	126	43
Total Interest Expense	**4,877,020**	**5,136,177**

5. Net Fees and Commission Income

Fees and Commission Income	2025 GH¢	2024 GH¢
Cheque clearing fees	105,455	61,947
Commitment fees	856,618	470,228
Commissions received	1,100,664	987,264
Total Fees and Commission Income	**2,062,737**	**1,519,439**
Fees and Commission Expenses		
Susu agents	728,609	677,620
Total Fees and commission expenses	**728,609**	**677,620**
Net Fees and Commission Income	**1,334,128**	**841,819**

6. Other Income

	2025 GH¢	2024 GH¢
Sundry Income	865,513	125,281
SMS charges	31,402	19,050
	896,915	**144,331**

7. Personnel Expenses

	2025 GH¢	2024 GH¢
Salaries, wages and allowances	4,953,430	5,168,694
Medical expenses	154,543	92,839
	5,107,973	**5,261,533**

8. Depreciation and Amortisation

	2025	2024
	GH¢	GH¢
Property and equipment	506,204	467,435
Intangible assets	61,354	79,970
	567,558	**547,405**

9. Other Expenses

	2025	2024
	GH¢	GH¢
Staff training	467,646	166,284
Advertising and publicity	18,286	1,500
Other administrative expenses (appendix i)	6,560,287	5,648,509
Directors' emoluments	28,800	23,775
Auditor's remuneration	32,560	29,599
	7,107,579	**5,869,667**

10. Income Tax Expense

	2025	2024
	GH¢	GH¢
Current Income Tax (a)	752,592	88,729
Deferred Income Tax (c)	10,174	(431,380)
	762,766	**(342,651)**

(a) Current Income Tax

	Balance at 1/1/2025	Payments for the year	Charged to profit or loss	Tax adjustments and reclassifications	Balance at 31/12/2025
	GH¢	GH¢	GH¢	GH¢	GH¢
2025	73,729	(287,073)	752,592	(73,729)	465,519
2024	1,480,095	(1,495,095)	88,729	-	73,729

All tax liabilities are subject to the agreement with the Ghana Revenue Authority. Income tax rate was 25% per the income tax act, 2015 (act 896) as amended.

(b) Growth and Sustainability Levy

	Balance at start	Charge for the year	Payment during the year	Tax Adjustment	Balance at end
	GH¢	GH¢	GH¢	GH¢	GH¢
2025	-	140,429	(57,415)	-	83,014
2024	-	-	-	-	-

(c) Deferred Income Tax

	2025 GH¢	2024 GH¢
Opening balance	40,274	471,654
Increase/(decrease)	10,174	(431,380)
Closing balance	**50,448**	**40,274**

Deferred income tax is calculated using the enacted income tax rate of 25% (2024: 25%). Deferred income tax liability and deferred income tax charge in the statement of profit or loss and other comprehensive income is attributable to the following items;

Reconciliation of Effective Tax Rate	2025 GH¢	2024 GH¢
Profit/(Loss) before income tax	2,808,577	193,820
Income tax using the enacted corporation tax rate	752,592	88,729
Non-deductible expenses	-	63,892
Tax incentive not recognised in the income statement	-	-
Deferred tax	10,174	(431,380)
	762,766	**(278,759)**
Effective Tax Rate	**27.16%**	**-143.82%**

11. Earnings Per Share

Basic Earnings Per Share

The calculation of basic earnings per share as at 31st December, 2025 was based on the profit attributable to ordinary shareholders of GH¢1,905,382 (2024: profit GH¢536,471) and number of ordinary shares of 67,441,440 (2024: 63,615,144) existing as at 31st December, calculated as follows:

	2025 GH¢	2024 GH¢
Profit attributable to ordinary shareholders	10,806,812	536,471
Net profit for the period attributable to equity holders of the Bank	1,905,382	536,471
Weighted average number of ordinary shares		
Issued ordinary shares at 1st January	63,615,144	63,615,144
Effect of share issued as at 31st December	3,826,296	-
Number of ordinary shares at 31 December	**67,441,440**	**63,615,144**

Diluted Earnings Per Share

The calculation of basic earnings per share as at 31st December, 2025 was based on the profit attributable to ordinary shareholders of GH¢1,905,382 (2024: profit of GH¢536,471) and number of ordinary shares of 67,441,440 (2024: 63,615,144) existing as at 31st December, calculated as follows:

	2025	2024
Profit attributable to ordinary shareholders (diluted)	**GH¢**	**GH¢**
Profit for the period attributable to ordinary shareholders	1,905,382	536,471

	2025	2024
Weighted average number of ordinary shares (diluted)	**GH¢**	**GH¢**
Number of ordinary shares (basic)	152,671	152,671
Effect of share purchase after 31st December	3,826,296	-
Number of ordinary shares (diluted) at 31 December	**3,978,987**	**152,671**

12. Dividend Per Share

The Directors of the Bank do not recommend the payment of Dividends for the 2025 financial year.

13. Cash and Cash Equivalents	2025	2024
	GH¢	**GH¢**
Cash balance	4,448,640	4,232,369
Unrestricted balance with ARB Apex Bank and Other Banks	27,962,928	8,512,654
	32,411,568	**12,745,023**

14. Non-Pledged Trading Assets	2025	2024
	GH¢	**GH¢**
Investment with Amfund	2,294,107	2,294,107
	2,294,107	**2,294,107**

15. Pledged Trading Assets	2025	2024
Bank of Ghana treasury bills held by:	**GH¢**	**GH¢**
ARB Apex Bank	51,888,822	53,324,375
Unearned income on investment	(989,093)	(1,920,290)
	50,899,729	**51,404,085**

The trading asset has been used as a security to contract all the institutional borrowings by the Bank.

Trading liabilities

There were no trading liabilities during the year.

16. Loans and Advances to Customers	2025	2024
	GH¢	**GH¢**
Loans and advances to customers at fair value through profit or loss	17,234,850	20,076,356
	17,234,850	20,076,356
Allowances for impairment	(873,752)	(7,611,307)
	16,361,098	**12,465,049**

Loans and advances to customers at amortised cost-	2025	2024
Loans by business segment to customers:	GH¢	GH¢
Agriculture	180,915	1,279,696
Transport	117,919	1,051,759
Commerce	774,766	2,700,864
Susu and other credit lines	16,161,250	15,044,037
	17,234,850	**20,076,356**

Allowance for impairments	2025	2024
Individual allowances for impairment	GH¢	GH¢
Balance at 1st January	7,611,307	5,415,690
Charge for the year	796,768	2,018,472
Increase in RMF during the year	-	177,145
Adjustment for 2024 closing balance provisions	(290,338)	
Loan write offs	(7,243,985)	-
Balance at 31 December	**873,752**	**7,611,307**

Loans and advances to customers at fair value through profit or loss

At 31st December 2025 the maximum exposure to credit risk on loans and advances at fair value through profit or loss was Nil (2024: GH¢113,383).

Loan statistics

i) Twenty (20) largest exposure to total exposures	17.84%	9.45%
ii) Loan loss provision ratio	5.07%	37.91%

17. Other Assets

	2025	2024
	GH¢	GH¢
Interagency account	146,701	146,627
Uncleared effect	232,354	845,490
GhanaPay operations	4	-
ACH uncleared effects	26,263	-
Stationery stock	257,103	238,085
Ezwich control account	135,089	70,185
Interest receivable	473,138	790,881
Sundries	606,781	603,308
Prepayment	183,516	52,377
AL difference	1,638	-
Prepaid insurance	7,123	-
Office account	137,844	9,390
	2,207,554	**2,756,343**

18. Investment in Securities

	2025	2024
	GH¢	GH¢
Investment in ordinary shares of ARB Apex Bank	347,484	289,752
Cal Bank shares	9,682	9,682
	357,166	**299,434**

19. Property, Plant and Equipment- 2025

	Freehold Property	Improvement on Leased Premises	Furniture, Fittings and Equipment	Motor Vehicles	Computers	Intangible Assets	Right of Use Assets	Total
Cost	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Balance at 1/1/2025	4,245,375	814,622	2,695,032	1,042,701	1,565,838	679,201	-	11,042,769
Additions	-	62,100	125,410	-	35,588	-	150,146	373,244
Revaluations	8,761,001	-	-	-	-	-	-	8,761,001
Disposal	-	-	-	-	-	-	-	
Balance at 31/12/2025	13,006,376	876,722	2,820,442	1,042,701	1,601,426	679,201	150,146	20,177,014
Depreciation								
Balance at 1/1/2025	901,145	593,810	2,211,349	999,915	1,492,982	340,820	-	6,540,021
Charge for the year	93,431	69,946	180,807	29,165	89,598	61,354	43,257	567,558
Disposal	-	-	-	-	-	-	-	
Balance at 31/12/2025	994,576	663,756	2,392,156	1,029,080	1,582,580	402,174	43,257	7,107,579
Carrying Amount - 31/12/2025	**12,011,800**	**212,966**	**428,286**	**13,621**	**18,846**	**277,027**	**106,889**	**13,069,435**
Carrying Amount - 31/12/2024	**3,344,230**	**220,812**	**483,683**	**42,786**	**72,856**	**338,381**	-	**4,502,748**

Property, Plant and Equipment- 2024

	Freehold Property	Improvement on Leased Premises	Furniture, Fittings and Equipment	Motor Vehicles	Computers and Accessories	Intangible Assets	Total
Cost	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**	**GH¢**
Balance At 1/1/2024	4,245,375	814,622	2,691,732	1,042,701	1,565,838	679,201	11,039,469
Additions			3,300				3,300
Disposal						-	
Balance At 31/12/2024	4,245,375	814,622	2,695,032	1,042,701	1,565,838	679,201	11,042,769
Depreciation							
Balance At 1/1/2024	806,843	525,416	2,026,487	970,750	1,402,270	260,848	5,992,614
Charge for the year	94,302	68,394	184,862	29,165	90,712	79,972	547,407
Disposal	-	-	-	-	-	-	
Balance At 31/12/2024	901,145	593,810	2,211,349	999,915	1,492,982	340,820	6,540,021
Carrying Amount - 31/12/2024	**3,344,230**	**220,812**	**483,683**	**42,786**	**72,856**	**338,381**	**4,502,748**
Carrying Amount - 31/12/2023	**3,438,532**	**289,206**	**665,245**	**71,951**	**163,568**	**418,353**	**5,046,855**

20. Deposits from Customers

	2025	2024
Retail customers:	**GH¢**	**GH¢**
Demand Deposits	18,864,273	16,334,719
Savings Deposits	52,694,638	48,395,850
Time Deposits	27,016,640	22,908,459
CSWE-Credit Savings with Education	4,917,937	4,793,575
Instalment Deposits- Susu	29,365,508	19,818,147
	132,858,996	**112,250,750**

21. Borrowings

	2025	2024
	GH¢	**GH¢**
ARB Apex Bank PLC	69,723	87,154
Outgrower	-	27,927
RDF	-	272,727
	69,723	**387,808**

22. Other Liabilities

	2025	2024
	GH¢	**GH¢**
Fixed deposits-interest payable	1,020,604	1,085,756
Uncleared effect	-	519,949
Office accounts	538,124	460,776
Audit fees	32,560	29,599
Payment orders	26,773	30,932
Withholding tax	44,402	40,051
Sundries liabilities	6,512	6,842
Dividend payable	-	254,590
Provision for GDPC Insurance	-	25,843
Provision for legal and retainer fees	306,737	15,343
Provision of utilities	-	10,926
Mobile money suspense	-	57,738
Provision for AGM	92,210	67,764
Ghanapay operations	19,779	19,779
Ezwich operations account	539	-
Provision for police guard	21,600	-
Suspense credit	31,987	-
Deposit for shares	-	1,900
	2,141,827	**2,627,788**

23.Stated Capital - 2025

Ordinary shares

	Number of Shares		Proceeds	
	2025	2024	2025 GH¢	2024 GH¢
Authorised No. of Shares	500,000,000	500,000,000		
Ordinary shares	17,845,414	15,046,788	1,083,653	803,790
Capitalization Issue	49,596,026	49,596,026	559,832	559,832
	67,441,440	**64,642,814**	**1,643,485**	**1,363,622**

The shares are of no-par value. All issued shares are fully paid.
The holders of ordinary shares are entitled to receive Dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equal with regard to the Bank's residual assets.

Statement of changes in issued number of shares	Ordinary Shares 2025	Ordinary Shares 2024
On issue at 1st January	63,615,144	63,615,144
Number of shares issued during the year	3,826,296	-
On issue at 31 December	**67,441,440**	**63,615,144**

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

Retained earnings
This represents the residual of cumulative annual profits that are available for distribution to shareholder

The shares are of no-par value. All issued shares are fully paid.
The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Bank. All shares rank equal with regard to the Bank's residual assets.

Dividend	2025 GH¢	2024 GH¢
The following dividends were paid by the Bank for the year ended 31 December:		
Ordinary share (bonus)	-	-
Ordinary share (cash pay-out)	-	-
	-	-

24. Capital Surplus Reserve

	2025 GH¢	2024 GH¢
Balance at beginning	-	-
Balance at end	**-**	**-**

This represents increase in share value with ARB Apex Bank PLC

25. Statutory Reserve

	2025	2024
	GH¢	GH¢
Balance at beginning	2,226,084	2,159,025
Transfer from Retained Earnings	238,173	67,059
Balance at end	**2,464,257**	**2,226,084**

26. Credit Risk Reserve

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

As at the reporting date, total provision for losses amounted to GH¢873,752 (2024:GH¢7,611,307). This exceeds the impairment allowance for loans and advances recognised under the IFRS 9 framework.

27. Deposits for Shares

The deposit for shares for 2025 was nil. (2024: GH¢3,173) represents the monies received from shareholders for the purchase of shares yet to be registered. These would be transferred to Stated Capital pending registration formalities at the Registrar General's Department have been complied with. These are not repayable; hence they are treated as part of equity.

28. Available-for-Sale Reserve

This represents cumulative fair value gains and losses on available-for-sale-financial assets.

29. Community Support Fund

This represents an amount set aside which is (5%) of profit after tax to meet the Bank's obligations in connection with corporate social responsibility.

30. Contingencies

Claims and Litigation

There were some legal suits and claims which were brought against the Bank.

Contingent Liabilities

In the ordinary course of business, the Bank did conduct business involving guarantees but did not engage in letters of credits and acceptances. These facilities are offset by corresponding obligations of third parties.

Nature of Contingent Liabilities

Guarantees are generally written by a Bank to support performance by a customer to third parties. The Bank will only be required to meet these obligations in the event of the customer's default. Letters of credit commit the Bank to make payment to third parties, on production of documents, which are subsequently reimbursed by customers.

An acceptance is an undertaking by the Bank to pay a bill of exchange drawn on the customer. The Bank expects most acceptances to be presented and reimbursed by the customer immediately.

31. Related Parties

Transactions with Key Management Personnel

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

32. Capital Commitments

There were no capital commitments as of 31st December, 2025 (2024: Nil).

33. Country Analysis

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

34. Comparative Figures

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

35. Adoption of New and Revised Standards

At the date of authorization of these financial statements, the following standard and interpretations have been applied in these financial statements; IFRS 16 Leases; IFRS 9, Financial Instruments. IFRS 18, *Presentation and Disclosure in Financial Statements*, issued in April 2024 and effective from January 1, 2027, replaces IAS 1 to improve how companies report financial performance. It mandates new, standardized subtotals including operating profit in the profit or loss statement, requires disclosures for management-defined performance measures (MPMs) and tightens requirements for aggregating/disaggregating data.

36. Value Added Statement

	2025 GH¢	2024 GH¢
Interest earned and other operating income	21,097,169	19,560,363
Direct cost of services	(13,979,527)	(17,295,019)
Value added by Banking services	7,117,642	2,265,344
Non-Banking Income	896,915	144,331
Impairments	796,768	2,018,472
Value added	**8,811,325**	**4,428,147**
Distributed as follows:		
To Employees: -		
Directors (non-executives)	467,646	166,284
Other employees	5,107,973	5,261,533
To Government:		
Income tax	752,592	88,729
Deferred tax	10,174	(431,380)
To providers of capital: -		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	506,204	467,435
Amortisation	61,354	79,970
Wealth distribution	**1,905,382**	**536,471**

37. Analysis of Shareholdings as at 31st December, 2025

Number of Shareholders

The Bank has three thousand six hundred and seventy-four (3,674) ordinary shareholders as at 31 December, 2025 distributed as follows.

Category	Number of Shareholders	Number of Shares	Percentage Holding (%)
1-1,000	2,345	3,282,767	4.87%
1,001-5,000	607	1,289,848	1.91%
5,001-10,000	311	2,095,277	3.11%
Over 10,000	411	60,773,548	90.11%
Total	**3,674**	**67,441,440**	**100.00%**

Directors' shareholding	**Number of**	**Percentage**
Name of Director	**Shares**	**Holding (%)**
1. Dr. (Mrs.) Gladys Narki Kumi Som	35,000	0.05%
2. Mr. Ebenezer Na-Tei	50,000	0.07%
3. Mr. Frederick Tei-Nobi	43,900	0.07%
4. Dr. Harold Azar Okai-Tettey	32,000	0.05%
Total	**160,900**	**0.24%**

Twenty (20) largest shareholders Name of shareholder	Number of Shares	Percentage Holding (%)
1. Prof. Ayertey Jonathan Nar	9,000,000	13.34
2. Desmond Afutu Nartey	6,521,068	9.67
3. Dr. Roland Padi Ayertey	3,900,000	5.78
4. Dr. Jonathan Partt Adjim	3,000,000	4.45
5. Hisham Omayad	2,959,110	4.39
6. Sydas Limited	2,100,000	3.11
7. Mr. Samuel Dadzie	1,520,000	2.25
8. Moses Angmor Osakonor	1,325,896	1.97
9. Vida Naa Larteley Allotey	1,288,320	1.91
10. Mr. Sas George	1,206,600	1.79
11. Ebenezer Tetteh Adamanor	1,000,000	1.48
12. Brian Kwatekwei Quartey	1,000,000	1.48
13. Dr. Harry Amoatey Mensah	835,200	1.24
14. Mad. Victoria Otieku Maku	734,976	1.09
15. Samuel Gyebi Yeboah	645,875	0.96
16. Daniel and Vivian Mamphey	600,000	0.89
17. Obawale Teachers	542,340	0.80
18. Reginald Acquaye	464,176	0.69
19. Joseph Johnson	437,600	0.65
20. Neneyo Asare Mate-Kole	398,348	0.59
Reported Totals	**39,479,509**	58.54
Unreported Totals	**27,961,931**	41.46
Total	**67,441,440**	**100**

38. Other Administrative Expenses for the year ended 31st December, 2025 (Appendix I)

	2025 GH¢	2024 GH¢
Postage, telephone and telegraph	122,408	128,594
Travelling	937,058	640,681
Printing and stationery	131,656	110,535
Motor vehicle repairs	202,291	209,704
Motor vehicle running cost	1,209,122	1,025,692
Audit expenses	27,200	19,372
Board meeting expenses	345,485	238,825
Repairs and maintenance	168,565	119,323
Rent, rates and levies	82,563	69,112
Light and water	437,626	390,543
Entertainment	25,871	13,849
WAN services	537,912	501,669
Annual general meeting expenses	95,000	100,000
Police guard expenses	193,829	175,407
Insurance	488,139	326,474
Donation and charitable contributions	53,585	14,140
Specie movement	95,395	144,992
Office expenses	8,294	71,862
Subscription and periodicals	94,061	108,753
Cleaning and sanitation	46,076	64,763
Generator running expenses	97,564	177,748
Mobilisation expenses	5,941	72,569
Recoveries expenses	-	815
Bank charges	29,902	48,962
Legal expenses	361,984	151,870
Microfinance expense	5,065	31,945
Business promotion	174,758	11,780
Cheque clearing expense	27,684	14,994
Teller efficiency	13,600	20,700
Hotel accommodation	198,115	30,258
Sundries expenses	333,943	612,578
Consultancy fees	9,595	
	6,560,287	**5,648,509**

PROXY AUTHORISATION

I/We ..... of

.....
being shareholder(s) of Upper Manya Klo Community Bank PLC hereby appoint

..... to attend as my/our proxy and authorised him/her to vote on my/our behalf at the Annual General Meeting of the Bank to be held on 24th , October 2026 and at any adjournment thereof.

SHAREHOLDER'S ID TYPE/NO.: .....

SHAREHOLDER'S SHARE NO.: .....

SIGNED ..... DATE:.....
(SHAREHOLDER'S SIGNATURE)

ADMISSION FORM

ANNUAL GENERAL MEETING to be held on Saturday, 24th October 2026 at 10:00 am GMT at the Christ Apostolic Church (CAC), Asesewa .

Full name and address of shareholder.

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IMPORTANT: This Admission Form must be produced by the proxy in order to obtain admission to the Annual General Meeting.

NB:
A proxy is entitled to attend and vote in the name of the shareholder. A proxy need not be a shareholder of the Bank.

Completed proxy forms should be lodged with the Chief Executive Officer, Upper Manya Klo Community Bank PLC not less than two (2) days before the meeting.

Proxies are to produce a valid Identity Card before they can be allowed to vote.