ODOTOBRI RURAL BANK PLC

ANNUAL REPORTS &

FINANCIAL STATEMENTS 2023

ODOTOBRI
RURAL BANK PLC

FINANCIAL REPORTS FOR THE YEAR ENDED
31ST DECEMBER, 2023.

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NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty-Seventh (37th) Annual General Meeting of Shareholders of Odotobri Rural Bank PLC will be held at the **Nana Adu Darko Community Centre, Jacobu - Ashanti on Saturday, October 26, 2024 at 10:00am** to transact the following business:

AGENDA

1. To read notice convening the meeting.
2. To receive the report of the Chairman of the Board of Directors.
3. To receive the report of the Board of Directors, the Financial Statements for the year ended December 31, 2023 and the report of the Auditors thereon.
4. To authorize the Directors to fix the Auditors' Remuneration.
5. To pass special resolution to use 5%, 10% and 15% of Profit After Tax (PAT) for Corporate Social Responsibility, Building Fund and Human Capital Development respectively.
6. To declare dividend.
7. To fix Directors' Remuneration
8. To consider Directors' welfare and reimbursable claims.
9. To elect Directors in place of those retiring on rotational basis.
10. Any other Business

NOTE:

A member is entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend and vote on his or her behalf. Such a proxy needs not be a Member or Shareholder of the Bank. A member appointing a proxy to attend and vote must attach his or her Ghana card and telephone number.

The instrument appointing such a proxy must be deposited at the registered office of the Bank, Head Office, Jacobu – Ashanti, not later than forty eight (48) hours before the time appointed for holding the meeting.

Copies of the Directors Report and Financial Statements are available for collection at the Bank's Head Office at Jacobu and all Branches.

Shareholders who want to apply for directorship must submit the following to the Vetting Committee Chairman on or before October 17, 2024;

1. Application letter
2. Nomination by Shareholder
3. Secondment of nomination by shareholder
4. Curriculum Vitae (CV) and photocopies of educational certificates
5. Three (3) passport size photographs and copy of Ghana Card

MINIMUM QUALIFICATION

1. Applicant must have minimum of One Hundred Thousand (100,000) shares
2. Applicant must meet the fit and proper test of the regulator

BY ORDER OF THE BOARD
DATED: 2nd OCTOBER, 2024

BOARD OF DIRECTORS AND OFFICIALS

DIRECTORS

HIS WORSHIP REV. PRINCE OSEI OWUSU	-	CHAIRMAN
MR. BENEDICT BOADI	-	VICE CHAIRMAN
SAMUEL KOJO HAMMOND	-	MEMBER
MR. DANIEL ANNING	-	MEMBER
MS. SHIRLEY AMENGOR	-	MEMBER
MR. PAUL TWUMASI-AMISARE	-	AG. SECRETARY

REGISTERED OFFICE
HEAD OFFICE, ODOTOBRI RURAL BANK PLC BUILDING, JACOBU

ADDRESS	P.O.BOX 9 JACOBU - ASHANTI REGION
DIGITAL ADDRESS	AV - 0000 - 8574
AG. SECRETARY	P.O.BOX 9 C/O ODOTOBRI RURAL BANK PLC JACOBU - ASHANTI REGION

MANAGEMENT

MR. ABRAHAM COFFIE	CHIEF EXECUTIVE OFFICER
MR. PAUL TWUMASI-AMISARE	CHIEF OPERATING OFFICER
MR. SAMUEL APPIAH GYAPONG	RISK & COMPLIANCE MANAGER
MS. PHYLIS ADJEI TUFFOUR	HUMAN RESOURCE/ADMINISTRATIVE MANAGER
MS. JULIANA DAPAAH	BUSINESS DEVELOPMENT MANAGER
MR. SAMUEL ASAMOAH	CENTRAL ACCOUNTS MANAGER
MR. JOHN MENSAH	ICT MANAGER
MR. PHILIP AGYEI AMEYAW	CREDIT MANAGER
MR. BENJAMIN BOATENG	AUDIT MANAGER

AUDITORS:	MESSRS JOHN ALLOTEY & ASSOCIATES PRUDENTIAL PLAZA P. O. BOX 884 KUMASI - ASHANTI
SOLICITORS	MINKA - PREMO & CO P.O BOX 2464 KUMASI - ASHANTI REGION
BANKERS:	ARB APEX BANK PLC CAL BANK (GHANA) PLC UNITED BANK OF AFRICA (UBA) FIDELITY BANK PLC REPUBLIC BANK PLC CBG PLC ACCESS BANK PLC.

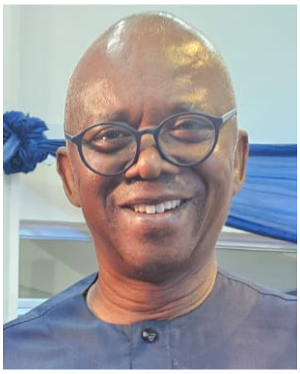
BOARD OF DIRECTORS

HIS WORSHIP REV. PRINCE OSEI OWUSU
CHAIRMAN

MR. BENEDICT BOADI
VICE CHAIRMAN

MS. SHIRLEY AMENGOR
MEMBER

MR. SAMUEL KOJO HAMMOND
MEMBER



MR. DANIEL ANNING
MEMBER

MR. PAUL TWUMASI-AMISARE
AG SECRETARY

MANAGEMENT

MR. ABRAHAM COFFIE
CHIEF EXECUTIVE OFFICER

MR. PAUL TWUMASI-AMISARE
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BUSINESS DEVELOPMENT MANAGER

MR. SAMUEL ASAMOAH
CENTRAL ACCOUNTS MANAGER

MR. JOHN MENSAH
ICT MANAGER

THE YEAR AT A GLANCE

	2023 GH¢	2022 GH¢	APPROX. PERCENTAGE CHANGE
Major Income Statement Items			
Gross Earnings	**69,848,715**	**46,626,329**	49.81%
Interest Expenses	**8,201,853**	**6,573,530**	24.77%
Overhead Expenses	**44,037,413**	**32,006,944**	37.59%
Loan-Loss Charge	**9,706,227**	**7,617,229**	27.42%
Profit before Taxation	**13,624,874**	**4,663,414**	192.17%
Profit after taxation	**9,176,738**	**3,858,080**	137.86%
Major Balance Sheet Items			
Total Assets	**357,993,798**	**273,808,115**	30.75%
Deposit Liabilities	**314,372,747**	**242,773,461**	29.49%
Loans and Advances	**56,840,612**	**45,072,041**	26.11%
Shareholder's Funds	**32,085,430**	**22,427,801**	43.06%
Per Share Data			
Earnings Per Share	**0.0288**	**0.0123**	134.27%
Total Assets Per Share	**1.1236**	**0.8726**	28.77%
Shares Issued to date	**318,609,550**	**313,800,515**	1.53%
Dividend Per Share	**0.0043**	**0.00**	0.00%
Net Assets Per Share	**0.1007**	**0.0715**	40.90%

REPORT OF THE DIRECTORS

The Directors in submitting to the shareholders the Financial Statements of the Bank for the year ended 31st December 2023 report as follows:

Directors' Responsibility Statement

The Bank's Directors are responsible for the preparation of the Financial Statements that give a true and fair view of Odotobri Rural Bank PLC financial position at 31 December 2023, and of the profit or loss and cash flows for the year then ended, and the notes to the Financial Statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the Directors are responsible for the preparation of this Directors' report.

The Directors are also responsible for such internal controls as the Directors may deem it necessary to ensure that the Financial Statements are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results and dividend

The financial results of the Bank for the year ended 31 December 2023 are set out in the attached Financial Statements, highlights of which are as follows:

31 December	2023	2022
	GH₵	GH₵
Profit before taxation is	13,624,874	4,663,414
from which is deducted taxation of	(4,448,136)	(805,334)
giving profit after taxation for the year of	9,176,738	3,858,080
less net transfer to statutory reserve fund and other reserves of	(1,147,092)	(1,578,577)
resulting in a balance of	8,029,646	2,279,503
to which is added a balance brought forward on retained earnings of	15,083,578	13,189,708
add transfer from credit risk reserves	-	-
less final dividend paid of	-	(385,633)
leaving a balance of	**23,113,224**	**15,083,578**

In accordance with Section 34(1) (b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢1,147,092 (2022: GH¢964,520) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GH¢5,133,528 (2022:GH¢3,986,436) at the year end.

Dividend

The Directors recommend the payment of a dividend of GH¢0.0043 (2022 : GH¢ 0.00) per share amounting to GH¢ 1,355,369 (2022 : GH¢ 0.00) for the year ended 31st December, 2023.
The number of Shareholders who qualified for dividend as per closure of register on 30th November 2023 was 315,202,024. Bank of Ghana has given written approval for proposed dividend to be paid.

Nature of Business

The Bank is authorised by Bank of Ghana to carry on the business of rural banking.
There was no change in the nature of business of the Bank during the year.

Particulars of entries in the Interest Register during the financial year

No Director had any interest 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 under Sections 194(6), 195(1)(a) and 196 of the Companies Act, 2019 (Act 992).

Corporate Social Responsibilities

The Bank spent a total of GH¢ 147,450 (2022: GH¢ 191,358) on corporate social responsibilities during the year. These are mainly in the form of education, health, security and sponsorships of major social events.

Capacity of Directors

The Bank ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Bank of Ghana. Relevant training and capacity building programs, facilitated by the Ghana Banking College and the Bank of Ghana, are put in place to enable the Directors discharge their duties.

Auditor and Audit Fees

The auditor, John Allotey & Associates, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).
Audit fee for the year ended 31 December 2023 is disclosed in Note 9 to the financial statement.

Retiring Directors

The following Directors are due to retire by Rotation:
Mr. Daniel Anning
His Worship Rev. Prince Osei Owusu
However, Mr. Daniel Anning is eligible for re-election and have expressed his willingness to seek re-election.
His Worship Rev. Prince Osei Owusu will retire from the Board.

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 11th May, 2024 and were signed on their behalf by:

....	....
Mr. Benedict Boadi	Mr. Daniel Anning

HIS WORSHIP REV. PRINCE OSEI OWUSU
BOARD CHAIRMAN

BOARD CHAIRMAN'S REPORT

SALUTATION

Nana Baffour Owusu Agyare II (Jacobu Krontihene), Nana Konadu Yiadom (Jacobu Hemaa), Nananom, Managing Director of ARB Apex Bank Ltd., National President of Association of Rural Banks (Ghana), President of Association of Rural Banks(Ashanti Chapter), Member of Parliament of Odotobri Constituency, District Chief Executive (DCE) of Amansie Central, Directors of Education, Distinguished Guests, Fellow Shareholders, Friends of Media, Ladies and Gentlemen, on behalf of the Bank's Directors,I welcome you all to the 37th Annual General Meeting of Odotobri Rural Bank (ORB)PLC.

Nananom, fellow Shareholders, on behalf of the Board and Management of the Bank, I humbly request your attention to present to you the Annual Report for the Financial Year ending December 31, 2023 in accordance with the requirements of the CompaniesAct,2019(Act992).

ECONOMIC ENVIRONMENT

According to African Development Bank (ADB) Group Ghana's real GDP growth decelerated from 3.2% in 2022 to 2.9% in 2023, reflecting spillover effects from Russia's invasion of Ukraine, tight global financial conditions, and macroeconomic challenges. Growth was led by industry on the supply side and by private consumption on the demand side. Inflation move from 54.1% in 2022 to 23.2% in 2023, driven mainly by food prices and currency depreciation.

The pace of exchange rate depreciation slowed from 60% in 2022 to 17% in 2023, responding to adjustments in macroeconomic policies. The fiscal deficit narrowed from 9.9% of GDP in 2022 to 4.5% in 2023 due to fiscal consolidation and improved revenue performance. Public debt dropped from 92.4% of GDP in 2022 to 84.9% in 2023, reflecting the benefits of the Domestic Debt exchange Program. The current account deficit narrowed from 2.1% of GDP in 2022 to 1.7% in 2023 on improved export performance. Gross international reserves shrank from $6.3 billion at the end of 2022 (2.7 months of import cover) to $5.0 billion (2.3 months) in November 2023. The financial sector remained sound, with a capital adequacy ratio above the 10% threshold but declining (from 18.22% in 2022 to 13.96% in 2023).

Multidimensional poverty worsened slightly, from 46% in 2017 to 46.7% in 2022, due to the impacts of the Covid-19 pandemic. Youth unemployment remains high at 7.16%, particularly among youths ages 15–24, especially women (36.7% compared with 29.3% among men).

The highlights of the key economic indicators for the year 2023 as against 2022 are presented below:

Key Economic Indicators

Indicator	December 31, 2023	December 31, 2022
Inflation Rate	23.2 %	54.10%
Policy Rate	30.19 %	27%
GDP Growth Rate	2.9 %	3.20%
Fiscal Deficit	4.5%	9.90%
91 - day T. Bill	27.2 %	32.49%
182 - day T. Bill	27.5 %	30.44%
36 4 - day T. Bill	24.5 %	26.53%

PERFORMANCE INDICATORS FOR 2023 AS AGAINST 2022

The year 2023 was characterized by decreasing trend of interest rate in the financial landscape particularly in the primary and secondary market. The decreasing trend of interest rate and inflation was part of economic recovery measures to stabilize the economy. As a result, loan repayments were also affected paving way for more non-performing loans to be recorded. It is in the midst of such economic environment that our Bank operated and I am therefore delighted to present to you the performance of the Bank for the 2023 financial year.

OPERATING PERFORMANCE

The Bank's performance in the year under review was very good in all indicators. The details of major performance indicators for our Bank for the 2023 operating year as compared to the previous year are presented below;

	2023 GH¢	2022 GH¢	CHANGE %
Total Deposits	314,372,747.00	242,773,461.00	29.49 %
Investments	240,450,366.00	177,483,169.00	35.48 %
Advances	56,840,612.00	45,072,041.00	26.11 %
Share Capital	3,823,864.00	3,342,973.00	14.39 %
Net Profit (Before Tax)	13,624,874.00	4,663,415.001	92.17 %
Total Assets	357,993,798.00	273,808,115.00	30.75 %

It is worth mentioning that operating results yielded a profit before tax of GH¢13,624,874.00 in the Statement of Comprehensive Income.

DEPOSIT MOBILIZATION

In 2023 financial year, Deposits increased by 29.49%. This increase was due to intensified mobilization efforts by Directors, Management and Staff coupled with the growing public confidence in the catchment areas in which the Bank operates. Again, the Bank opened Tutuka Branch in Obuasi to enchance its deposit mobilization drive.

INVESTMENTS

Investments in Treasury Bills, Government Bonds and other short term securities recorded an increase of 35.48% during the period under review.

We reported to shareholders at last year AGM that the Bank`s locked-up funds amounted to GH¢11,620,157.00. The Bank recovered GH¢64,689.00 and wrote off UTRAK Financial Management funds of GH¢4,043,645.00 in 2023 financial year leaving a balance of GH¢7,511,823.00. Members were informed that the Bank had started writing off the locked-up funds to clean the books.

These funds were greatly affected by the banking sector clean up and the effect of collapse of some banks in Ghana in the year 2017. Others continue to experience severe liquidity challenges, particularly National Trust Holding Company (NTHC) and SIC Financial Services Limited.

Details of the locked-up funds are as follows;

INSTITUTION	BAL AT DEC 31, 2022 (GH¢)	AMOUNT RECEIVED (GH¢)	BAL AT DEC 31, 2023 (GH¢)
Gold Coast Security (Blacksheild)	1,537,200.00		1,537,200.00
NTHC	3,970,173.00	35,000.00	3,935,173.00
SIC Financial Service Ltd	2,069,139.00	29,689.00	2,039,450.00
UTRAK Financial Management	4,043,645.00	Written Off	0.00
TOTAL	**11,620,157.00**	**64,689.00**	**7,511,823.00**

The Bank, subject to Board approval has written off our locked up funds with UTRAK Financial Management amounting to GH¢4,043,645.00 at the year ended December 31, 2023.

DOMESTIC DEBT EXCHANGE PROGRAMME (DDEP)

The Bank successfully exchanged its Government of Ghana Bonds as a result of the Government Domestic Debt Exchange Programme (DDEP). The Bank exchanged GH¢28.4 million Government of Ghana cedi bonds for a series of new bonds with maturity date commencing from 2027-2038, through the Ghana Debt Exchange Programme.

A modification gain of GH¢114,064 was recognised as a result of the exchange of the bonds.

The table below shows the details of the Bonds the Bank had presented under the government DDEP.

EXCHANGE OF BONDS AS A RESULT OF DDEP

INSTITUTION	AMOUNT (GH¢)
Fidelity Government of Ghana Bonds	14,240,777.00
Zenith Government of Ghana Bonds	7,196,579.00
Consolidated Bank Government of Ghana Bonds	1,832,774.00
UBA Government of Ghana Bonds	2,621,628.00
Cal Bank	2,541,145.79
TOTAL	**28,432,903.79**

LENDING OPERATIONS

During the year under review, the Bank granted total loans and overdraft facilities of Fifty-Six Million, Eight Hundred and Forty Thousand, Six Hundred and Twelve Ghana Cedis (GH¢56,840,612.00) to customers, representing an increase of 26.11%.

The sectorial breakdown of loans and advances granted to customers in the year under review are as follows:

Sector	2023 GH¢	2022 GH¢	CHANGE %
Agriculture	985,165.00	1,078,387.00	8 %
Small Scale Industries		-	%
Transport	101,040.00	232,490.00	56 %
Trading	22,963,879.00	31,605,406.00	27 %
Others	39,740,424.00	17,075,507.00	132 %
Total	**63,790,508.00**	**49,991,790.00**	**27 %**

We wish to humbly appeal to our cherished customers that beneficiaries of these loans who have defaulted should make positive efforts to repay their loans to enable others also benefit from such facilities. Again, in line with IFRS the Bank's profit shall be eroded significantly by high Expected Credit Loss if loan beneficiaries default.

Nananom, Distinguished Shareholders, it is worthy of note that the Bank has not relented on its efforts to recover all credit facilities and as a result has taken a number of recalcitrant loan defaulters to court of competent jurisdiction for recovery.

SHARE CAPITAL

The Bank needs more Share Capital to enhance its solvency and risk absorption capacity to stand in the test of time. In the year 2023, the Bank's share capital grew by 14.39% from GH¢3,342,973.00 in 2022 to GH¢3,823,864.00 in 2023. We wish to encourage Shareholders to buy more Shares in times of difficulties and get the associated benefits in the near future as the Bank continues to improve on its earning potentials. Fellow Shareholders, I plead we use some of our dividends to purchase more shares to increase our shareholdings.

SUMMARY OF OPERATING RESULTS FOR 2023

Nananom, Distinguished Shareholders, Odotobri Rural Bank PLC. recorded a profit of Nine Million, One Hundred and Seventy-Six Thousand, Seven Hundred and Thirty-Eight Ghana Cedis (GH¢9,176,738.00) in 2023. The profit was as result of increased revenue generation and putting the Bank's expenditure under control.

Total Assets recorded an increase of 30.75%, from Two Hundred and Seventy Three Million, Eight Hundred and Eight Thousand, One Hundred and Fifteen Ghana Cedis (GH¢273,808,115) in 2022 to Three Hundred and Fifty-Seven Million, Nine Hundred and Ninety-Three Thousand, Seven Hundred and Ninety-Eight Ghana Cedis (GH¢357,993,798.00) in 2023.

Share Capital also grew by 14.39% that is increasing from Three Million, Three Hundred and Forty Two Thousand, Nine Hundred and Seventy Three Ghana Cedis (GH¢3,342,973.00) as at 31st December, 2022 to Three Million, Eight Hundred and Twenty-Three Thousand, Eight Hundred and Sixty-Four Ghana Cedis (GH¢3,823,864.00).

DIVIDEND

Nananom, distinguished shareholders, ladies and gentlemen, it is always the priority of the Board of Directors that a good return is achieved on your investment in the Bank.

In view of the above and, on the basis of impressive performance for the year under review, the Board of Directors has proposed GH¢0.0043 per share (2022: GH¢00) as dividend for shareholders. This translates into absolute figure of GH¢1,355,369 representing approximately 15% of profit after taxation. The good news is that Bank of Ghana has given written approval for the proposed dividend to be paid. Well done to management for spearheading for dividend payment.

COMMUNITY SUPPORT

During the year under review, the Bank did not renege on its Corporate Social Responsibility (CSR). The Bank spent an amount of One Hundred and Ninety One Thousand, Four Hundred and Thirty Ghana Cedis (GH¢191,430) as part of its Corporate Social Responsibilities to support socio-economic activities in the communities it operates and beyond.

The support included the following:

	CSR ACTIVITIES FOR YEAR 2023	
No.	**BENEFICIARY**	**VALUE /AMOUNT (GH¢)**
1	EDUCATION & SCHOLARSHIP	51,700.00
2	HEALTH	11,164.00
3	TRADITIONAL SUPPORT	58,100.00
4	GHANA POLICE SERVICES	1,000.00
5	AGRICULTURE	28,820.00
6	OTHERS	40,646.00
	GRAND TOTAL	**191, 430.00**

RE-ELECTION OF RETIRING DIRECTORS

Mr. Daniel Aning has completed his Second (2nd) term of three (3) years as a Director of the Bank. He has availed himself for re-election as a Director. Due to his immense contributions and regular attendance at meetings in his first and second terms, the Board of Directors therefore supports his bid for re-election.

FUTURE OUTLOOK

The Bank would open a new Branch in 2025 at a strategic place to grow its market share. The Bank's electronic channels shall be given critical attention as part of the Bank's expansion and customer service satisfaction as against 2024, where members were informed that the Bank would not open a branch.

AWARDS

Fellow Shareholders, our Bank in the 2023 Financial Year won awards as follows;

I. Ghana Club 100: The Bank was ranked 88th in the ranking of Companies in Ghana by Ghana Investment Promotion Centre (GIPC).

ii. ARB Apex Bank Plc: The Bank was ranked 14th out of 130 Rural & Community Banks in the 4th Quarter Performance Review of 2023 financial year.

CONCLUSION

Nananom, Distinguished Guests, the Bank continues to enjoy maximum co-operation from the chiefs and people of the various traditional areas. We are ever thankful for their support. We also assure our customers that their satisfaction is at the centre of our products, services and other activities of the Bank. They should therefore not hesitate to bring to our attention any lapses they may observe in our relationship with them.

We wish to also acknowledge the commitment of the Board, Management and entire Staff to the objectives of the Bank. Their individual and collective efforts have culminated in the significant improvements in our operational results for 2023 financial year. We appreciate their brilliant performance for the year under review and encourage them to work harder. The Bank expects maximum contribution from each member of Staff and the prayers of our Shareholders towards our collective goals for year 2024 and beyond.

Finally, we wish to express our appreciation to all Shareholders and our development partners including the Bank of Ghana, ARB Apex Bank, The Association of Rural Banks and several other well-wishers who have been part of our success story for their continuous support and encouragement.

Thank you and God bless us all.

HIS WORSHIP REV. PRINCE OSEI OWUSU
BOARD CHAIRMAN

CORPORATE GOVERNANCE REPORT

INTRODUCTION

Corporate Governance in Odotobri Rural Bank PLC explains the manner in which the business and affairs of the Bank is administered by its Board & Key Management Staff. This encompasses how the Bank's strategy and objectives are set, risk appetite and or risk tolerance levels are determined, day-to-day business is operated, interests of depositors are protected and the expectations of Shareholders and all other Stakeholders are met.

It includes aligning corporate activities and behaviour with the expectation of operating in a safe and sound manner with integrity and compliance with applicable laws.

ROLES &DUTIES OF THE DIRECTORS

The Board's role is to effectively represent and promote the interests of shareholders with the objective of maintaining and adding long-term value to the Bank. The Board directs, supervises and assesses the activities and performance of Management with a view of ensuring that the goals and objectives are clearly established, and strategies are in place for achieving them. Additionally, the Board is responsible for establishing policies for Management implementation to enhance the performance of the Bank and to protect its reputation to ensuring shareholders' wealth maximization.

CHANGES IN THE BOARD OF DIRECTORS

The Board of Odotobri Rural Bank PLC is made up of five (5) members, comprising one (1) female and four (4) males. The Board size is supposed to be maximum of seven (7) membership.

Dr. Kwaku Mensa-Bonsu who was the Chairman of the Board retired from his position effective 26th November 2023 after serving on the Board for sixteen (16) years. His Worship Rev. Prince Osei Owusu, a Board member then took the mantle and has been the Board Chairman since then. Ms. Shirley Amengor received Bank of Ghana's approval and was appointed to serve as a Board Member in May, 2024. Mr. Samuel Kojo Hammond joined the Board in May 2023. The Board has at least one (1) female Director which is a requirement in the Corporate Governance Directive.

DIRECTORS' ATTENDANCE AT MEETINGS

This section covers Directors' attendance at meetings for the year ended 31st December, 2023 exclusive of Board Sub-Committees meetings, Training, Seminars and other official engagements by Directors. In all Twenty-one (21) Board meetings were held in the year under review and the details are presented as follows:

NAME	FULL BOARD MEETING	EMERGENCY & OTHER MEETINGS	TOTAL	PERCENTAGE (%)
Dr. Kwaku Mensa - Bonsu	6	13	19	90%
Ms. Shirley Amengor	6	14	20	95%
Dr. Ernest Owusu-Dapaa	1	-	1	5%
Mr. Prince Osei Owusu	6	14	20	95%
Mr. Daniel Aning	6	15	21	100%
Mr. Samuel Kojo Hammond	4	10	14	67%
Mr. Benedict Boadi	3	8	11	52%

Mr. Samuel Kojo Hammond and Mr. Benedict Boadi were elected by Shareholders during the Bank's 35th AGM held on 26th November, 2022 and were approved by Bank of Ghana on 27th April, 2023 and 6th July, 2023 respectively. Dr. Ernest Owusu-Dapaa also resigned from the Board on 25th January, 2023, following his appointment as a Court of Appeal Judge.

CAPACITY BUILDING FOR DIRECTORS

The Directors attended the following training and capacity building programmes in the year under review.

COURSE	NO. OF PARTICIPANTS	ORGANISERS
AML/CFT Training	4	Internal
Corporate Governance Certification	3	Association of Rural Banks
Risk Management Guidelines	2	Bank of Ghana
IFRS 9 Financial Instruments	3	Institute of Directors
Effective Strategic Planning and Budgeting Processes	2	Association of Rural Banks

The Board was trained on Anti-Money Laundering/ Combating Financing of Terrorism and the Proliferation of Weapons of Mass Destruction (AML/CFT & P) as a requirement of Act 2020 (Act 1044).

BOARD EVALUATION

In accordance with the requirements of the Corporate Governance Directive (May 21, 2021),Board Evaluation was carried out. The Board carried out self-assessment and the whole Board was evaluated by an Independent Third Party (Mikensy Consult) on the following criteria:

- Board performance
- Board effectiveness
- Board Committees
- Evaluation of Chairman

The evaluation report for 2023 Financial Year has been completed by Board Members and it has been placed on their individual files.

BOARD SUB-COMMITTEES

To strengthen its corporate governance, the Board has in place the following Sub Committees:

AUDIT, FINANCE, RISK AND COMPLIANCE COMMITTEE

The Committee is responsible for Internal Control and Audit Programme, Risk & Compliance matters, make appropriate recommendation to the Board for considerations and approvals, prepare and review the Bank's Corporate Plan and Budget, and advise the Board on issues relating to Audit and Finance as well as undertakes any other duty that may be assigned by the Board.

ASSETS AND PROCUREMENT COMMITTEE

The Committee is responsible for assets acquisition and limits, verifying of invoices submitted by suppliers/bidders, determination of Brands and Specification of Assets to be purchased. In the situations when the asset might be needed urgently then Management should seek approval from the Chairman as well as undertakes any other duty that may be assigned by the Board.

HUMAN RESOURCE AND COMPENSATION COMMITTEE

The Committee is responsible for reviewing the existing compensation structures and systems that currently exist in the Bank as well as addressing any other related issues that involve payment of money to any official of the Bank. It is also mandated to formulate a comprehensive compensation structure and policy for all categories of officials of the Bank, namely: the Board, CEO, Management, Senior Staff, Junior Staff, Commission Employees, etc. The Committee also undertakes any other duty that may be assigned by the Board.

BUSINESS DEVELOPMENT AND INFORMATION COMMUNICATION AND TECHNOLOGY COMMITTEE

The Committee is responsible for management and safety of ICT Infrastructure of the Bank, the overall business performance and strategy for the Bank, reviewing of the systems as well as conducting thorough market research to identify growth opportunities for the Bank. The Committee shall also undertake any other duty that may be assigned by the Board.

CREDIT COMMITTEE

The Committee is responsible for approval and recovery of all Credit facilities above Management threshold. Management Credit Committee reports to the Credit Committee of the Board. The Committee assesses the Credit risk of the Bank's credit portfolio and puts in measures to minimize Non-Performing Loans (NPLs).

MANAGEMENT STRUCTURE

The Bank has a Management Team which consists of all Heads of Departments with rich and mixed experiences that meet the required standards to make sure policies and strategies formulated by the Board are implemented. The Management Team is made up of seven (7) males and two (2) females, and is headed by the Chief Executive Officer. Other members are as follows: Chief Operating Officer, Accounts Manager, Audit Manager, HR/Admin. Manager, ICT Manager, Credit Manager, Risk & Compliance Manager and Business Development Manager.

MANAGEMENT COMMITTEES

These are committees comprising members of the Management Team. Their duty is to see to it that policies are communicated clearly to employees to achieve desired results. They are also responsible for the implementation and formulation of strategies for the day to day running of the Bank. Below are the committees and their composition;

1. **Executive Committee (EXCO)–** This committee consists of the Chief Executive Officer and all Heads of Departments. It is responsible for smooth running of the Bank.

2. **Management Cyber Information Security Committee –** The responsibility of this committee is to see to the smooth running of the ICT infrastructure of the Bank.

3. **Management Credit Committee** – Is responsible for granting and recovery of all credit facilities.

4. **Assets and Liabilities Committee (ALCO)** – This committee is responsible for the review of the Assets and Liabilities of the Bank.

5. **Management Risk Committee** – Responsible for ensuring the identification of Business or enterprise risks and providing needed mitigating factors to identified risk. The Committee is risk-driven and basically set up to identify, analyze and make recommendations on risks arising from the day-to-day activities of the Bank.

UPDATE ON ELECTION OF NEW DIRECTORS

The following shareholders were elected at the 36th AGM held on 25th November, 2023.

Ms. Shirley Amengor - Serving Director
Ms. Selina Sarpong - Elected Director
Mr. Samuel Arbuah - Elected Director

Ms. Shirley Amengor has obtained Bank of Ghana's approval to serve for a second term of 3 years effective21st May, 2024.
Ms. Selina Sarpong – Bank of Ghana was unable to approve her as a Director of the Bank.

Mr. Samuel Arbuah – He could not submit the needed documents for submission as a requirement for Bank of Ghana Fit and Proper Test for approval to become a Director.
In view of the above, the two (2) vacancies should be filled by shareholders.

COMPANY SECRETARY

The Bank is yet to appoint a substantive Company Secretary following Bank of Ghana's inability to approve Ms. Grace Kwakye-Duah due to the fact that she is a staff at the Bank. In the interim, Mr. Paul Twumasi-Amisare has been appointed by the Board to act as Company Secretary.

CHIEF EXECUTIVE OFFICER

The Bank has a Chief Executive Officer (CEO) who is accountable to the Board for the achievement of the Bank's overall goals. The CEO is expected to act within the authority delegated to him by the Board. The Board links the Bank's governance & Management function through the CEO.

TENURE OF OFFICE OF CHIEF EXECUTIVE OFFICER

The position of Chief Executive Officer can be held for a maximum of 12 years only, split into three terms, each of which should be four (4) years as clearly spelt out in the Corporate Governance Directive for Rural &Community Banks by Bank of Ghana. The Bank's Chief Executive Officer is currently serving his 1st term in office since 2021.

TENURE OF OFFICE OF DIRECTORS

A Director shall hold office for a term of three (3) years and shall not hold office for more than three (3) terms as contained in the Bank of Ghana's Corporate Governance Directive. The Directors tenure of office are as follows;

NAME	NO. OF YEARS SERVED	NO. OF TERMS
H/W Prince OseiOwusu	9	Third Term
Benedict Boadi	4	Second Term
Daniel Aning	6	Second Term
Samuel Kojo Hammond	1 year + Six months	First Term
Shirley Amengor	4	Second Term

DISCLOSURE OF INTEREST OF BOARD OF DIRECTORS

The Board of Directors of Odotobri Rural Bank PLC (the Bank) is in charge of the policy directions of the Bank and superintends its key decisions. In consonance with the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) the Bank seeks to ensure that Directors do not place themselves in a position where their personal interest or duties to other persons are likely to conflict with their duties to the Bank. The disclosure of interest requirement is to forestall situations where the professional or financial interest of a Director conflicts with his duties to the Bank. In view of the above all Board Members have as a matter of compliance disclosed their interest.

DISCLOSURE OF INTEREST OF KEY MANAGEMENT PERSONNEL

The Key Management Personnel of Odotobri Rural Bank PLC (the Bank) are in charge of the implementation of policies formulated by the Board of Directors of the Bank and play a crucial role in the operations of the Bank. In consonance with the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) the Bank seeks to ensure that Key Management Personnel do not place themselves in a position where their personal interest or duties to other persons are likely to conflict with their duties to the Bank. The disclosure of interest requirement is to forestall situations where the professional or financial interest of a Key Management Personnel conflicts with his duties to the Bank. In view of the above, all Key Management Personnel have disclosed their interest.

CORPORATE SOCIAL RESPONSIBILITY

In order for the Bank to strengthen community relationships and attract more customersto increase deposit level, the CSR is expressed in the 5Rs of Odotobri Rural Bank PLC as below:

- Responsibility to Clients
- Responsibility to Employers
- Responsibility to the Society
- Responsibility to Shareholders
- Responsibility to Employees

GENDER EQUALITY

The Bank is keen on exercising due diligence in our recruitment and selection process and it is imperative that we employ male and female of impeccable character as well as physically challenge personnel.

RECRUITMENT OF PHYSICALLY CHALLENGED PERSONS

The Bank does not discriminate in its recruitment for people with disability. Disability is not inability. As a result the bank has employed people with physical challenge based on competence to enable them contribute their quota for the development and growth of the Bank. The Bank will not discriminate against physically challenged persons in the pursuit of its corporate culture.

COMPLIANCE DECLARATION

The Board declares that the bank has complied with the Corporate Governance Directive for Rural and Community Banks.

INDEPENDENT AUDITORS REPORT

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of ODOTOBRI RURAL BANKPLC, which comprise the statements of financial position as at 31 December 2023 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the Financial Statements which include a summary of significant accounting policies and other explanatory information, as set out on pages 15 to 49.

In our opinion, these Financial Statements give a true and fair view of the financial position of ODOTOBRI RURAL BANK PLC as at 31 December 2023, and its financial performance and cash flows for the year then 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of theFinancial Statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.For the matter below, we have provided our description of how our audit addressed the matter as provided in that context.

Key audit matter	How the matter was addressed in our audit
A. Impairment allowances represent management's best estimate of expected credit loss ('ECL') within each portfolio at the balance sheet date. The identification and the determination of allowances is inherently judgemental. During the year,impairment allowances increased from GHS 4,919,811 as at 31 December 2022 to GHS 6,949,896 as at 31 December 2023. The key areas where we identified significant levels of management judgement and therefore increased levels of audit focus in the Bank's implementation of IFRS 9 are:	Based on our risk assessment and industry knowledge, we have examined the impairment allowance on loans and advances to customers and evaluated the methodology applied as well as the assumptions made according to the description of the key audit matter. Our procedures included: Assessing and testing the design, implementation and operating effectiveness of key controls over the capture, monitoring and reporting of loans and advances to customers.

• Economic scenarios – IFRS 9 requires the Bank to measure ECLs on a forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied to determining the economic scenarios used, particularly in the context of COVID 19, and the probability weightings applied. • Significant Increase in Credit Risk ('SICR') –the criteria selected to identify a significant increase in credit risk is a key area of judgement within the Bank's ECL calculation as these criteria determine whether a 12-month or lifetime provision is recorded. Increased judgement exists in the current year relating to the treatment of those customers who were granted one or more COVID 19 payment reliefs. • ECL estimations – Inherently judgemental modelling is used to estimate ECLs which involves determining Probabilities of Default ('PD'), Loss Given Default ('LGD'), and Exposures at Default ('EAD'). The PD models used are the key drivers of the Bank's ECL results and are therefore the most significant judgemental aspect of the Bank's ECL modelling approach. • Adjustments to the model driven ECL results are raised by management to address known impairment model limitations, model responsiveness or emerging trends relating to COVID 19. Such adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts. • Disclosure quality - the disclosures regarding the Bank's credit risks are key to understanding the key judgements and material inputs to the IFRS 9 ECL results. Given the high degree of estimation uncertainty and significance of the balance, we considered impairment allowances on loans and advances to customers to be a key audit matter.	• Assessing and testing the design and operating effectiveness of controls over the Bank's loan impairment process regarding management's monitoring of loan performance. • Using financial risk model specialists to independently assess and substantively validate the impairment models by re-performing calculations and agreeing data inputs to source documentation. • Assessing whether key data inputs used in the ECL calculation are complete and accurate through testing relevant data fields and their aggregate amounts against data in the source system. • Assessing the ongoing effectiveness of the SICR criteria through loan file reviews and independently determining the staging of the Bank's loans and advances portfolio, including determining the reasonableness of the Bank's treatment of COVID 19 payment relief to customers from a SICR perspective. Testing over key inputs and assumptions impacting ECL calculations to assess the reasonableness of economic forecasts, weights, and PD, LGD and EAD assumptions applied. • Considering the adequacy of the Bank's disclosures in relation to impairment about changes in estimates occurring during the period and its sensitivity to key assumptions. In addition, we assessed whether the disclosure of the key judgements and assumptions made, including COVID 19 related disclosures, was reasonable.

B. Impairment allowance and modification gain on investment in debt securities.	**How our audit addressed the key audit**
The expected credit loss provision on investment securities is as follows: **Investment Securities :GH¢251,246,531** **Impairment Allowance : GH¢10,910,229** **Modification Gains : GH¢114,064.00** The ECL for investment securities is material to the financial statements in terms of magnitude and level of subjective judgement applied by management. The government of Ghana announced a voluntary Domestic Debt Exchange Programme (DDEP) which sought to exchange existing eligible domestic notes and bonds. Management successfully exchanged both the Government of Ghana Cedi Bonds and the Cocobod Bonds. Certain out of model adjustments were calculated and assessed based on management's judgement. The key areas of significant management judgement within the ECL calculation include: -Determination of SICR -Application of out-of-model adjustments into the ECL measurements -Assessment of the input assumptions applied toestimate the PD, EAD and LGD. The determination of fair values of the new instruments on the date of exchange was performed using discounted cash flow models which estimated the discount factors for the categories of bonds exchanged in calculating the modification gain or loss on these bonds.	We obtained an understanding of the DDEP based on the Exchange Memoranda issued by the Government of Ghana. We tested the appropriateness of the staging of the investment securities by independently assessing management's criteria for significant increase in credit risk. We assessed the reasonableness of out of model adjustments by evaluating key assumptions and inspecting the methodology. We assessed the reasonableness of the discount rates (key assumptions) used for determining the present value of cash flows expected from the new bonds. For stage 3 eligible domestic notes and bonds we considered the impairment indicators, uncertainties and assumptions made by management in their assessment of the recoverability of the investments. We assessed the assumptions relating to historical default experience, estimated timing and amount of forecasted cash flows applied within the PD, EAD and LGD for compliance with the requirements of IFRS 9. We assessed the appropriateness of the related disclosures for investment securities in the financial statements in accordance with IFRS 9

Other Information

The Directors are responsible for the Other Information. The other information comprises the Directors Report as requested by the Companies Act, 2019 (Act 992), notice and agenda for the Annual General Meeting, Corporate information, chairman's report. Other information does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either in tend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements
Compliance with the requirements of Section 137 of the Companies Act, 2019 (Act 992)

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

ii) In our opinion, proper books of account have been kept, so far as appears from our examination of those books.

iii) The Bank's statements of financial position and comprehensive income are in agreement with the accounting records and returns.

iv) We are independent of the Bank under audit pursuant to Section 143 of the Companies Act, 2019 (Act 992).

Compliance with the requirements of Section 85 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

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

ii) The Bank's transactions were within their powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

iii) The Bank has generally complied with the Bank of Ghana Corporate Governance Directives

iv) The Bank have generally complied with the provisions of the Anti-Money Laundering Act, 2020 (Act 1044), the Anti-Terrorism Act, 2008 (Act 762) and all relevant Amendments and Regulations.

The engagement partner on the audit resulting in this independent auditor's report is:
Barima Ogyeabour Amankwaah Adunan II (ICAG/P/1154).

For and on behalf of John Allotey& Associates
(ICAG/F/2024/161)
Chartered Accountants
Prudential Plaza
Adum - Kumasi, Ghana
Date: 14th May 2024.

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2023.

	NOTES	2023 GH¢	2022 GH¢
Interest Income	4	64,735,164	42,860,979
Interest Expense	5	(8,201,853)	(6,573,530)
Net Interest Income		**56,533,311**	**36,287,449**
Net Commission & Fees Income	6c	2,618,351	1,426,607
Total Income		**59,151,662**	**37,714,056**
Personnel Expenses	7	(19,000,356)	(15,110,766)
Occupancy Cost	8	(1,517,655)	(1,995,819)
Operating Expenses	9	(12,784,336)	(7,112,648)
Impairment Charge	10	(9,706,227)	(7,617,229)
Depreciation & Amortisation	19a & 20	(2,518,214)	(1,214,180)
Profit Before Taxation		**13,624,874**	**4,663,414**
Growth & Sustainability Levy	17c	(454,162)	-
Income Tax Expense	17a	(3,993,974)	(805,334)
Profit for the year		**9,176,738**	**3,858,080**
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		**9,176,738**	**3,858,080**
Earnings per share:			
Basic earnings per share (GH¢)	28	**0.029**	**0.012**
Diluted earnings per share (GH¢)	28	**0.029**	**0.012**

STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2023.

	NOTES	2023 GH¢	2022 GH¢
Assets			
Cash and Bank Balances	11	36,675,117	30,840,747
Investment Securities	12	240,450,366	177,483,169
Loans & Advances to customers	13	56,840,612	45,072,041
Investment in Equity	14	84,384	26,844
Other Assets	15	1,362,361	4,221,433
Investment in Subsidiary	16	-	1,000
Deferred Tax - Asset	18a	1,629,295	2,029,269
Property,Plant and Equipment	19	20,844,968	13,990,862
Intangibles	20	106,695	142,750
Total Assets		**357,993,798**	**273,808,115**
Liabilities			
Deposits from Customers	21	314,372,747	242,773,461
Creditors and Accruals	22	8,230,156	5,722,193
Borrowings	23	1,557,303	1,833,636
Taxation	24	1,748,162	1,051,024
Total Liabilities		**325,908,368**	**251,380,314**
Equity and Reserves			
Stated Capital	25	3,823,864	3,342,973
Retained Earnings	26	23,113,224	15,083,578
Statutory Reserve	27	5,133,528	3,986,436
Capital Surplus	28	14,814	14,814
Total Equity and Reserves		**32,085,430**	**22,427,801**
Total Liabilities, Equity and Reserves		**357,993,798**	**273,808,115**

Approved by the Board of Directors on 11th May, 2024 and signed on its behalf by:

DIRECTOR: ....

DIRECTOR: ....

STATEMENT OF CHANGES IN EQUITY

AS AT 31ST DECEMBER, 2023.

2023	STATED CAPITAL GH¢	INCOME SURPLUS GH¢	STATUTORY RESERVE FUND GH¢	CAPITAL GRANT GH¢	FAIR VALUE RESERVES GH¢	TOTAL GH¢
At 1 January, 2023	3,342,973	15,083,578	3,986,436	-	14,814	22,427,801
Profit for the year	-	9,176,738	-	-	-	9,176,738
Issue of additional shares	480,891	-	-	-	-	480,891
Transfer to Statutory Reserve	-	(1,147,092)	1,147,092	-	-	-
At 31 December, 2023	**3,823,864**	**23,113,224**	**5,133,528**	**-**	**14,814**	**32,085,430**
2022						
At 1 January, 2022	2,995,461	13,189,707	3,021,916	72,000	14,814	19,293,898
Profit for the year	-	3,858,080	-	-	-	3,858,080
Issue of additional shares	347,512	-	-	-	-	347,512
Dividend		(385,633)	-	-	-	(385,633)
Transfer to Statutory Reserve	-	(964,520)	964,520	-	-	-
Transfer from Grant Reserve	-	72,000	-	(72,000)	-	-
Prior Year Adjustment	-	(686,056)	-	-	-	(686,056)
At 31 December, 2022	**3,342,973**	**15,083,578**	**3,986,436**	**-**	**14,814**	**22,427,801**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER, 2023.

	2023	2022
Cash Flows from Operating Activities	**GH¢**	**GH¢**
Profit before Tax	13,624,874	4,663,415
Depreciation & Amortisation	2,518,214	1,214,180
Transfer from other asset - ROUA	(3,261,261)	-
ROU Assets Written off	-	418,541
Cash Flows From Operating Activities Before Changes in Operating Assets & Liabilities	**12,881,827**	**6,296,136**
Changes in Operating Assets & Liabilities		
Change in Loans and Advances to Customers	(11,768,571)	(806,514)
Change in Receivables and Other Assets	2,859,072	(501,398)
Change in Deposits from Customers	71,599,286	39,363,734
Change in Creditors & Accruals	2,507,963	1,895,630
Cash generated from Operating Activities	**78,079,577**	**46,247,588**
Income Tax paid	(3,351,024)	(2,983,275)
Net Cash generated from operating Activities	**74,728,553**	**43,264,313**
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(6,075,004)	(673,548)
Purchase of Treasury Bills and Other Eligible Bills	(62,967,197)	(39,789,096)
Change in Subsidiary	1,000	
Purchase of Securities	(57,540)	-
Net Cash used in Investing Activities	**(69,098,741)**	**(40,462,644)**
Cash flows from financing Activities		
Change in Borrowings	(276,333)	(381,298)
Additional Shares Issued	480,891	347,512
Dividend Paid	-	(385,633)
Net Cash used in Financing Activities	**204,558**	**(419,419)**
Net (decrease)/Increase in Cash and Cash Equivalent	**5,834,370**	**2,382,250**
Cash and Cash Equivalent at beginning of period	30,840,747	28,458,497
Cash and Cash Equivalent at end of the year	**36,675,117**	**30,840,747**

1.0 REPORTING ENTITY

Odotobri Rural Bank PLC is a public Limited Liability Company incorporated and domiciled in Ghana. The Registered office is located at Jacobu , Ashanti Region.

The Bank is licensed by the Bank of Ghana (BOG) to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator.

2.0 Basis of preparation

The financial statements have been prepared in accordance with the International Financial Reporting Standards with the IAS 29 directive issued by the Institute of Chartered Accountants Ghana and the requirements of the Companies Act, 2019 (Act 992)

2.1 Statement of Compliance

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) 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 Specialized Deposits - Taking Institutions Act, 2016 (Act 930).

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost basis, except for the following items, which are measured on the following alternative basis on each reporting date

i. Financial instruments at fair value

ii. Leasehold land and buildings carried at their revalued amounts

2.3 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GH¢) which is the bank's functional and presentation currency. All amounts have been rounded to the nearest cedis, unless otherwise stated.

2.4 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgment, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis.
Revisions to accounting estimates are recognised prospectively.

3 ACCOUNTING POLICIES

The accounting policies adopted by the Bank are consistent with those of the previous financial year.

3.1 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Bank and which have been applied in preparing these financial statements are stated below:

3.1.1 Recognition of interest income

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.

3.1.2 Interest Income

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortized cost, financial instruments designated at FVPL. Interest income on interest bearing financial assets measured at FVOCI under IFRS 9.

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 amortized 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 recognizes 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 amortized through Interest and similar income in the statement of comprehensive income.

3.1.3 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 amortized 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 recognized using the contractual interest rate in net trading income.

3.1.4 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 recognized 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.

3.1.5 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.

3.1.6 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 .

3.1.7 Income tax expense

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

3.1.8 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 Current tax assets and liabilities are offset when the Bank intends to settle on net basis and the legal right to set off exists.

Corporate income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

3.1.9 Deferred Taxation

Deferred tax is recognized 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 recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. 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 realized.

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 realized 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 recognized 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.

3.1.10 Growth and Sustainability Levy

In accordance with the Growth and sustainability Act, 2023 all companies in Banking, Non Bank Financial Institutions, Insurance, Brewery and Communication etc are supposed to pay a levy of 5% of profit before tax towards revenue growth, fiscal sustainability and to provide for related matters. It came into effect on 1 May, 2023 to replace the National Stabilization Levy.

3.2 Classification and subsequent measurement of financial assets and liabilities

3.2.1 Recognition and initial measurement

The Bank on the date of origination or purchase recognizes loans, debt and equity securities, deposits and subordinated debentures at the fair value of the consideration paid.

Regular-way purchases and sales of financial assets are recognised on the settlement date.

All other financial assets and liabilities, including derivatives, are initially recognized when the Bank becomes a party to the contractual provision of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction cost are recognised immediately in profit or loss.

Financial assets include both debt and equity instruments.

3.2.2 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.

Debt instruments, including loans and debt securities are classified into one of the following measurement categories:

- Amortized cost;
- Fair value through other comprehensive income (FVOCI); or
- Fair value through profit or loss (FVTPL) for trading related assets

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) Amortized 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 amortized cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognized 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 amortized cost which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized 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 amortized 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 recognized 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 group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to 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.

3.2.3 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 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 recognized 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 recognized in profit or loss as other income when the Bank's right to receive payments is established.

3.2.4 Expected credit loss impairment model

The Bank's allowance for credit losses calculations are outputs of models with a number of underlying underlying assumptions regarding the choice of variable inputs and their interdependencies.

The expected credit loss impairment model reflects the present value of all cash shortfalls related to default events either (i) over the following twelve months or (ii) over the expected life of a financial instrument depending on credit deterioration from inception. The allowance for credit losses reflects reflects an unbiased, probability-weighted outcome which considers multiple scenarios based on reasonables and supportable forecasts.

This impairment model measures credit loss allowances using a three-stage approach based on the extent of credit deterioration since origination:

• Stage 1 – Where there has not been a significant increase in credit risk (SIR) since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to remaining term to maturity is used.

• Stage 2 – When a financial instrument experiences a SIR subsequent to origination but is not considered to be in default, it is included in Stage 2. This requires the computation of expected credit loss based on the probability of default over the remaining estimated life of the financial instrument.

• Stage 3 – Financial instruments that are considered to be in default are included in this stage. Similar to Stage 2, the allowance for credit losses captures the lifetime expected credit losses.

1 Computation of the probability of default (PD):
STAGE 1
The calculation of the probability of default requires reconstructing the histories of default downgrades of Stage 1 portfolio at different specific dates in numbers with the 12th month (1year) used as the focal point.

2 Computation of the probability of default (PD):
STAGE 2
The calculation of the probability of default requires reconstructing the histories of default downgrades of Stage 2 portfolio at different specific dates in numbers with the 60th month (5years) used as the focal point.

3 LGD : Loss Given Default. The LGD calibration is based on the provisioning rate at entry in default.
LGD = 1 - Recovery Rate
This is an adjustment to the ECL calculation for post - default recoveries. This is based on an analysis of historical past default recoveries.

3.2.5 Measurement of expected credit loss

The probability of default (PD), exposure at default (EAD), and loss given default (LGD) inputs used to estimate expected credit losses are modelled based on macroeconomic variables that are most closely related with credit losses in the relevant portfolio. The bank's portfolios have been segmented to ensure that they are consistent in terms of risk characteristics and to ensure better correlation with local macroeconomic variables. This segmentation factors in all specific characteristics associated with the bank's activities.

Details of these statistical parameters/inputs are as follows:
• PD – The probability of default is an estimate of the likelihood of default over a given time horizon.
A default may only happen at a certain time over the remaining estimated life, if the facility has not been previously derecognized and is still in the portfolio.

• EAD – The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.

• LGD – The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

3.2.6 Forward-looking information

The forward looking refers to the integration of prospective information in the IFRS9 Expected Credit Loss (ECL), which is a compulsory feature of IFRS 9 accounting norm on non defaulted customers (S1 and S2).

In order to fulfill the IFRS9 objectives, the fundamental principle is to identify the set of Risk drivers to which provisions, provision rates (or PD/LGD when available) appear to be sensitive:
try to identify historically observed trends on the provisioning rate (or on PD and LGD when available)

The Risk Drivers can include different components: a) Quantitative variables (eligible to statistical analysis), mainly economic conditions such as GDP growth, inflation, BOG policy rates, exchange rates, etc. b) Qualitative variables, such as (i) External Changes in the regulatory and legal environment: definition of default, laws (on consumer loans for instance) or (ii) Internal Changes in processes: granting credit rating, recovery processes.

In addition, the risk driver impacts should be considered with relevant Risk segmentation of portfolio; Two different segments may be sensitive to different macro-economic factors, A same macroeconomic situation may have different impacts on two different segments.

3.2.7 Expected life

When measuring expected credit loss, the Bank considers the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms are considered when determining the expected life, including prepayment, and extension and rollover options. For certain revolving credit facilities, the expected life is estimated based on the period over which the Bank is exposed to credit risk and how the credit losses are mitigated by management actions.

Presentation of allowance for credit losses in the Statement of Financial Position
• Financial assets measured at amortized cost: as a deduction from the gross carrying amount of the financial assets;

• Debt instruments measured at fair value through other comprehensive income: no allowance is recognized in the Statement of Financial Position because the carrying value of these assets is their fair value. However, the allowance determined is presented in the accumulated other comprehensive income.

3.2.8 Modified financial assets

If the terms of a financial asset are modified or an existing financial asset is replaced with a new one, an assessment is made to determine if the financial asset should be derecognised. Where the modification does not result in derecognition, the date of origination continues to be used to determine SIR. Where modification results in derecognition, the modified financial asset is considered to be a new asset.

3.2.9 Originated credit-impaired financial assets

Originated credit-impaired financial asset is an asset for which, on initial recognition, "one or more events that have a detrimental impact on the estimated future cash flows of that financial asset," such as significant financial difficulty, default, and additional events, have occurred. The new bonds under the GDDEP falls under this category. For POCI financial assets, an entity only recognizes the cumulative changes in lifetime expected credit losses since initial recognition as a loss allowance.

Impairment gains are recognized as a direct adjustment to the gross carrying amount, to the extent they exceed the loss allowance estimated at initial recognition.
The bank uses the discount rate which is the rate that discounts estimated (rather than contractual) future cash payments and receipts through the expected life of the asset to its amortized cost (net of the allowance).

3.2.10 Definition of default

The Bank considers a financial instrument to be in default as a result of one or more loss events that occurred after the date of initial recognition of the instrument and the loss event has a negative impact on the estimated future cash flows of the instrument that can be reliably estimated. This includes events that indicate:

• significant financial difficulty of the borrower;
• default or delinquency in interest or principal payments;
• high probability of the borrower entering a phase of bankruptcy or a financial reorganization;
• measurable decrease in the estimated future cash flows from the loan or the underlying assets that back the loan.

The Bank considers that default has occurred and classifies the financial asset as impaired when it is more than 90 days past due unless reasonable and supportable information demonstrates that a more lagging default criterion is appropriate.

3.2.11 Write-off policy

The Bank writes off an impaired financial asset (and the related impairment allowance), either partially or in full, when there is no realistic prospect of recovery. Where financial assets are secured, write-off is generally after receipt of any proceeds from the realization of security. In circumstances where the net realizable value of any collateral has been determined and there is no reasonable expectation of further recovery, write-off may be earlier. In subsequent periods, any recoveries of amounts previously written off are credited to the provision for credit losses in the profit or loss statement.

3.2.12 Regulatory credit reserve

To cater for any excess of Bank of Ghana's credit loss provision requirements over loans and advances impairments based on IFRS principles, a transfer is made from the income surplus (distributable reserves) to a non- distributable reserve in the statement of changes in equity, being the Regulatory Credit Reserve.
The non-distributable Regulatory Credit Reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained.

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

iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or 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 and the difference in the respective carrying amounts is recognized in profit or loss.

3.4 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 available, the Bank measures the fair value of an instrument using the quoted price in an 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 uses valuation techniques that maximize the use of relevant observable inputs and minimize 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 recognized 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 recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.5 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.

3.6 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 amortized 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 recognized in the Bank's financial statements.

3.7 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.

3.8 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.

3.9 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 realize 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.

3.10 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.

3.11 Other Assets

Other current assets is a default classification for assets which cannot be classified under any of the major assets classification on the face of the account, or are immaterial and need to be aggregated for presentation in a single line item in the Statement of Financial position. Accounts included in the other current assets classification may include inventory of consumables, prepayments and sundry debtors.

3.12 Property, plant and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes 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 capitalized borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalized 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 recognized 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 recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognized 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 must closely reflect 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:

Land & Building	5%
Motor Vehicles	33%
Office Equipment	25%
Furniture & Fittings	20%
Computers & Accessories	33%

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

(IV) Capital Work In Progress

Property , Plant & Equipment under construction is measured at initial cost and depreciated from the date the asset is made available for use over its estimated life or the relevant rate. Assets are transferred from working capital in progress to an appropriate category of property, plant and equipment when commissioned and ready for its intended use.

3.13 Leasehold property

Leasehold property is initially recognized at cost. Subsequent to initial recognition, leasehold property is amortized over the lease term of the property. The amortization is recognized in profit or loss.

3.14 Intangible assets

Computer software

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

Intangible assets with indefinite useful lives are not amortized. Amortization is recognized in profit or loss on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is Three years.

Amortization methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.15 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 recognized 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 recognized in profit or loss.

Impairment losses recognized 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 (Bank of units) 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 their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognized 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 amortization, if no impairment loss had been recognized.

3.16 Deposits and borrowings

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

3.17 Provisions

The Bank recognizes 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 recognized 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 recognized as Borrowing Cost.

3.18 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 recognized 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 s result of past service provided by the employee and the obligation can be estimated reliably.

b. Post Employment Benefits

Defined Contribution Plans

I. Social Security and National Insurance Trust (SSNIT)

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

II. Provident Fund

The Bank has a Provident Fund Scheme for regular employees Employees contribute 4.5% of their basic salary to the Fund whilst the Bank contributes 7%.

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).

3.19 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.

3.20 Dividend

Dividend on ordinary shares is recognized on 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, 2023.

The Directors do recommend the payment of dividend for the year ended 31 December, 2023.

3.21 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.

3.22 RISK MANAGEMENT

Risk in a Banking organization is the possibility that the outcome of an action or event could bring about 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 a 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 activities 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 ORB'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 and operating risks.

a. Risk Management Structure
The Board of Directors have overall oversight responsibility for the Bank's risk management framework. The Board's Audit Committee gives direction for overall risk monitoring and control and it is assisted in its functions by the Internal Control 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, ORB 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 commensurate with the size and nature of ORB's operations needs to be in place at all times.

As a means of enhancing corporate governance of 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.

ODOTOBRI Rural Bank PLC has the following types of Risk exposures:

Operational Risk	Liquidity Risk	Reputational Risk
Market Risk	Credit Risk	Write-of Policy

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 products, 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 mitigation 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 & 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.

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) – 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 optimizing 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 review and approval by ALCO) and for the day-to-day review of their implementation.

3.23 Write-off Policy
The Bank writes off a loan when the Credit Committee determines that the loan is non-recoverable. Upon the recommendation of the Credit Committee, write -offs are referred to the Board and then to the Bank of Ghana for ratification.

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 & Regulatory Requirements.

The Business Development and Marketing Department continue to monitor and manage reputational risk of 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, ensures 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 Responsibilities.
- Adequate annual budgetary allocation for donation and sponsorship.

3.24 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 ability 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 a Credit Department that ensure 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 of the performance of the Loans and Overdrafts and takes appropriate action for recovery. Credit facilities are also closely monitored to uncover early warning signal or non-performance. The maximum amount of credit risk emanating from these sources is as follows:

	2023 Ghc	2022 Ghc
Loans and Advances to customers	63,790,508	49,991,852
	63,790,508	**49,991,852**

The Bank's loans and advances were categorized by the Bank of Ghana prudential guidelines as follows:
I. Exposures that are neither past due nor impaired;
II. Exposures that are past due but not impaired; and
III. Individually impaired facilities

	2023	2022
Maximum exposures to credit risk		
Carrying amount	**56,840,612**	**45,072,041**
Grade 1-3: Low - fair risk - Current	58,292,576	45,151,116
Grade 4-5: Low - watch list	270,076	198,531
Grade 6: Substandard	243,736	196,146
Grade 7: Doubtful	631,375	364,828
Grade 8: Loss	4,352,745	4,081,231
Total Gross Amount	63,790,508	49,991,852
Allowance for impairment	(6,949,896)	(4,919,811)
Net Carrying Amount	**56,840,612**	**45,072,041**
	Ghc	**Ghc**
Neither past due nor impaired		
Grade 1-3: Low - fair risk	58,292,576	45,151,116
Past due but not impaired		
Grade 4-5: watch list	270,076	198,531
Impaired classified by number of days due		
90-180 days	243,736	196,146
180-360 days	631,375	364,828
360 day +	4,352,745	4,081,231
	5,227,856	**4,642,205**
Individually Impaired		
Substandard	243,736	196,146
Doubtful	631,375	364,828
Loss	4,352,745	4,081,231
	5,227,856	**4,642,205**
Stage 1		
Grade 1-3: Low - fair risk	**58,292,576**	**45,151,116**
Stage 2		
Grade 4-5: watch list	**270,076**	**198,531**
stage 3		
Grade 6-8	**5,227,856**	**4,642,205**

Neither past due nor impaired

The quality of credit exposure to customers and other institutions that were neither past due nor impaired were assessed with reference to the Bank of Ghana prudential guidelines adopted by the Bank for its internal grading purposes.

This category is made up as follows:

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Current	44,310,825	8,834,975	5,146,776	58,292,576
December 2022	**Term Loans**	**Overdrafts**	**Staff loans**	**Total**
Grade:				-
Current	38,154,846	3,757,748	3,238,522	45,151,116

Loans and advances past due but not impaired

Loans and advances graded internally as current and OLEM may be past due but are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired	243,705	-	26,371	270,076
December 2022	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired	181,618	15,833	1,080	198,531

Individually impaired loans - Stage 3

The breakdown of the gross loans and advances individually impaired by class, along with the fair value of related collateral held by the Bank as security, are as follows:

December 2023	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans	3,472,174	1,745,250	10,432	5,227,856
Fair Value of Collateral	-	-		-
December 2022	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans	2,833,042	1,795,716	13,447	4,642,205
Fair Value of Collateral	-	-	-	-

At 31st December 2023, the Bank's loans and Advances were categorized under IFRS 9 as follows:
Stage 1 - At initial recognition - Performing
Stage 2 - Significant increase in credit risk since initial recognition - Underperforming
Stage 3 - Credit Impaired - Non-performing

2023	Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	36,675,117	-	-	36,675,117
Non - Pledged Trading Assets	74,964,096	136,939,302	28,546,968	240,450,366
Investment other than Securities	84,384	-	-	84,384
Loans & Advances to Customers	58,292,576	270,076	5,227,856	63,790,508
Other assets (less Prepayments)	1,362,361	-	-	1,362,361
Gross carrying amount	171,378,534	137,209,378	33,774,824	342,362,736
Loss allowances	(2,292,446)	(3,595,210)	(11,972,469)	(17,860,125)
Carrying amount	**169,086,088**	**133,614,168**	**21,802,355**	**324,502,611**

2022	Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	30,840,747	-	-	30,840,747
Non - Pledged Trading Assets	55,921,164	83,588,599	43,960,782	183,470,545
Investment other than Securities	26,844	-	-	26,844
Loans & Advances to Customers	44,731,336	372,901	4,887,615	49,991,852
Other assets (less Prepayments)	4,221,433	-	-	4,221,433.00
Gross carrying amount	135,741,524	83,961,500	48,848,397	268,551,421
Loss allowances	(809,071)	(5,581,614)	(4,516,503)	(10,907,187)
Carrying amount	**134,932,453**	**78,379,886**	**44,331,894**	**257,644,234**

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 a 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:

I. Mortgages over residential properties.
II. Charges over business / personal assets such as premises, Vehicle.
III. 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 minimize 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.

Loans and advances to customers

	2023	2022
Carrying amount		
Concentration by product:		
Term loans	48,026,702	41,169,506
Overdraft	10,580,226	5,569,297
Staff loans	5,183,580	3,253,049
Gross loans and advances	**63,790,508**	**49,991,852**
Less: Impairment	(6,949,896)	(4,919,811)
Net loans and advances	**56,840,612**	**45,072,041**
Concentration by industry:		
Agricultural	985,165	1,078,388
Trading	22,963,878	9,450,372
Personal	-	22,155,094
Staff Loans	-	3,253,049
Micro Finance	101,040	-
Others	39,740,424	14,054,949
Gross loans and advances	**63,790,508**	**49,991,852**
Less: Impairment	(6,949,896)	(4,919,811)
Net loans and advances	**56,840,612**	**45,072,041**

Key ratios on loans and advances

I. Loan loss provision is 10.89% (2022 : 9.84%)

ii. Gross non-performing loans and advances is 8.20% (2022 : 9.29%)

3.24 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, Bank of Ghana and the overall liquidity has always been within the regulatory limit of 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 banks 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 is submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on monthly basis.

3.25 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 anytime, 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 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 analyzed 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.

c. The Level of Capital Adequacy

	2023 Ghc	2022 Ghc
Paid Capital	3,823,852	3,342,961
Disclosed Reserves	40,110,306	19,084,828
Permanent Preference Shares	13	13
Sub-Total	43,934,170	22,427,801
Investments in the capital of other Banks	(84,384)	(26,844)
Tier 1 Capital	43,849,786	22,400,957
Tier 2 Capital	-	-
Regulatory Capital	43,849,786	22,400,957
Required Regulatory Capital	25,536,957	1,744,098
Surplus Capital	**18,312,828**	**11,114,972**

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 recognized and the Bank recognizes 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.

		2023 GH¢	2022 GH¢
4	**INTEREST INCOME**		
	Advances	20,923,096	17,527,537
	Investments	43,812,068	25,333,442
		64,735,164	**42,860,979**
5	**INTEREST EXPENSE**		
	Interest on Borrowing	508,917	482,974
	Savings Account & Fixed Deposits	7,692,936	6,090,556
		8,201,853	**6,573,530**
6	**NET FEES AND COMMISSION INCOME**		
a	**FEES AND COMMISSION INCOME**		
	Commission & Other Income	2,849,859	2,186,154
	Commitment Fees	2,142,680	1,476,301
	Cheque Clearing Fees	121,012	102,895
		5,113,551	**3,765,350**
b	**FEES AND COMMISSION EXPENSES**		
	SMA Commission	2,495,200	2,338,743
		2,495,200	**2,338,743**
C	**NET FEES AND COMMISSION INCOME**	**2,618,351**	**1,426,607**

		2023 GH¢	2022 GH¢
7	**PERSONNEL EXPENSES**		
	Staff Salaries ,Wages & Allowances	15,189,122	12,054,121
	Employer's Pension Cont.	1,414,653	1,288,634
	Employer's Provident Cont.	637,560	530,888
	Welfare Expenses	151,571	36,600
	Staff Training Expenses	638,587	318,876
	Medical Expenses	118,864	77,511
	ESB. Expenses	849,999	804,137
		19,000,356	**15,110,766**
8	**OCCUPANCY COSTS**		
	Bungalow Expenses	3,079	2,355
	Rent Expenses	200,420	579,604
	Rates	71,878	64,115
	Light & Water	950,515	718,232
	Insurance	291,763	254,687
	Write off: Hired Premises	-	376,826
		1,517,655	**1,995,819**

9 OPERATING EXPENSES

	2023 GH¢	2022 GH¢
Directors Emoluments	126,675	51,150
Specie Movement	100,347	58,902
Entertainment	270	981
Travelling & Transport	601,732	397,644
Audit Expenses	4,850	22,773
Repairs & Maintenance	246,650	229,383
Motor Vehicle Expenses	1,984,779	1,079,533
Audit Fees & VAT	54,855	45,000
ICT Expenses	1,179,228	594,505
Directors Serminar and Conference	165,254	-
Mobilization Expenses	307,132	193,666
Legal Fees	79,862	456,582
Printing & Stationery	867,328	752,911
Security/Police Guard	155,124	109,192
Board Meeting Expenses	789,852	583,405
Subscription & Periodicals	128,760	156,736
Postages & Telecommunications	160,524	102,968
Generator Expenses	336,323	203,207
Donations & Charitable Contributions	43,980	91,211
Retainers Fees	4,865	36,000
Bank Charges	87,186	82,089
Loan Recovery Expenses	109,708	63,646
Promotional Expenses	282,200	195,500
Advertising & Publicity	118,389	39,834
Payment Order Expenses	5,763	3,338
Corporate & Social Responsibilities	147,450	191,358
Sundry Expenses	158,508	254,205
Anniversary Expenses	889,069	293,147
Protocol Expenses	40,333	53,427
Cleaning & Sanitation	118,965	88,893
Fire Expenses	29,700	42,006
GDPC Insurance	715,074	595,492
Right of Use write Off (Licence)	-	41,714
Investment-Written off	2,604,839	-
Hotel Accomodation	67,170	-
Funeral Expenses	71,592	-
ATM Expenses	-	2,250
	12,784,336	**7,112,648**

10 IMPAIRMENT CHARGE

Financial Assets;	2023 GH¢	2022 GH¢
Impairment Charge on Loans	2,030,085	1,146,545
Impairment Charge on Investment Securities	6,361,659	6,470,684
Impairment Charge on Other Assets	1,314,483	-
	9,706,227	**7,617,229**

11 CASH AND BANK BALANCES

	2023 GH¢	2022 GH¢
Cash - In - Hand	6,026,822	4,575,683
APEX - 5% Deposit Account	15,282,503	11,030,615
APEX Clearing Account	2,729,571	4,375,217
Cal Bank	1,912,480	847,653
Fidelity Bank	20,258	145,749
Republic Bank	90,000	98,690
Zenith Bank	368,728	37,058
UBA	6,204,919	7,440,511
CBG	934,648	2,289,569
Access Bank	3,105,188	-
	36,675,117	**30,840,747**

The Balances held with ARB Apex Bank includes a mandatory 5% reserve deposit of GHS 15,282,503 (2022: 11,030,615) which is not available for use in the Banks day to day operations. Cash on Hand and Balances with ARB Apex Bank and other Banks are non-interest bearing.

12 INVESTMENTS SECURITIES

	2023 GH¢	2022 GH¢
These are made up of:		
ACOD	8,900,000	7,500,000
Money Placements with Discount Houses	136,734,462	105,988,166
Write-off	(2,604,839)	(2,138,933)
Impairment Charges	(3,576,574)	(5,505,359)
	139,453,048	**105,843,874**
Government Treasury Bills	79,867,381	43,688,408
Impairment Charges	(592,043)	-
	79,275,339	**43,688,408**
Government of Ghana Bonds	28,432,904	28,432,904
Modification Gain	114,064	-
Cash Interest Capitalised	514,553	-
	29,061,521	**28,432,904**
Interest Receivable	840,876	-
	29,902,397	**28,432,904**
Less:Impairment Charges	(8,180,418)	(482,018)
	21,721,979	**27,950,886**
GRAND TOTAL	**240,450,366**	**177,483,169**
ARB Apex Bank Limited	79,275,339	43,688,408
Fixed Deposit	131,941,224	94,223,716
Bonds	21,721,979	27,950,886
Fixed Deposit-Locked	7,511,824	11,620,158
	240,450,366	**177,483,169**
Analysis of investment securities by tenor		
Maturing within 91 days of acquisition	115,857,773	51,134,654
Maturing after 91 days but within 182 days of acquisition	81,907,259	61,619,257
Maturing after 182 days of acquisition	16,190,537	56,062,537
Maturing after 1 year of acquisition	37,405,026	14,654,098
Gross total	**251,360,595**	**183,470,546**
Impairment loss on investment securities	(10,910,229)	(5,987,376)
At 31 December	**240,450,366**	**177,483,169**

During the year, the Bank successfully exchanged GHS 28.4 million Government of Ghana Cedi bonds for a series of new bonds with maturity dates commencing from 2027 - 2038, through the Ghana Debt Exchange Programme.

A modification gain of GHS 114,064 was recognised as a result of the exchange of bonds.

b MOVEMENT IN EXPECTED CREDIT LOSS INVESTMENTS

	2023 GH¢	2022 GH¢
Balance at 1 January	5,987,376	1,655,626
Prior- year provision - written off	(1,438,806)	(1,655,626)
Impairment Charge	6,361,659	5,987,376
Balance at 31 December	**10,910,229**	**5,987,376**

13 LOANS AND ADVANCES TO CUSTOMERS

	2023 GH¢	2022 GH¢
Term Loan	53,210,282	44,422,555
Overdraft	10,580,226	5,569,297
	63,790,508	49,991,852
Less: Impairment Charges	(6,949,896)	(4,919,811)
	56,840,612	**45,072,041**

(b) Analysis by Business Segment

	2023 GH¢	2022 GH¢
Agriculture	985,165	1,082,470
Trading	22,963,879	14,447,100
Transport	101,040	237,411
Others	39,740,424	34,224,871
Less:Loans Impairment Charge	(6,949,896)	(4,919,811)
	56,840,612	**45,072,041**

Analysis by Type of Customer

	2023 GH¢	2022 GH¢
Individuals	40,039,433	29,866,951
Others	23,751,074	20,124,901
	63,790,508	**49,991,852**
Less:Loans Impairment Charge	(6,949,896)	(4,919,811)
	56,840,612	**45,072,041**

(c) IFRS Impairment for Loans & Advances

	2023 GH¢	2022 GH¢
Balance at 1 January	4,919,811	3,773,266
Loan Impairment Charge	2,030,085	1,146,545
Balance at 31 December	**6,949,896**	**4,919,811**

Bank of Ghana Provisions

	2023 GH¢	2022 GH¢
Balance at 1 January	4,919,811	3,773,266
Loan Impairment Charge	419,489	1,146,545
Balance at 31 December	**5,339,300**	**4,919,811**

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

However, when the credit loss provision calculated under IFRS principles is less than what is required under the Bank of Ghana, transfers are made from the income surplus account to the non-distributable regulatory credit reserves.

	2023 GH¢	2022 GH¢
Provisions per Bank of Ghana Guidelines	5,339,300	4,919,811
Provisions per IFRS	6,949,896	4,919,811
Regulatory Credit Reserve	-	-

14 INVESTMENT IN EQUITY

	2023 GH¢	2022 GH¢
At 1 January	26,844	26,844
Change in the fair value	57,540	-
At 31 December	**84,384**	**26,844**

This represents investment in the ordinary shares of ARB Apex Bank limited.

15 OTHER ASSETS ACCOUNT

	2023	2022
Rent Prepaid	221,956	3,151,688
Stationery Stock	976,709	729,710
Prepaid Insurance	112,045	37,611
Office Account (DR)	51,651	256,668
Clothing Suspense	-	45,756
	1,362,361	**4,221,433**

16 INVESTMENT IN SUBSIDIARY

This represents 100% equity investment in Adu Darko Community Center Ltd, an event organising Company based at Jacobu, Ashanti Region, however, it has been donated to the Community.

17 (a) INCOME TAX EXPENSE

Current Income Tax (16b)	3,594,000	2,563,524
Growth and Sustainability levy (16c)	454,162	-
Deferred Income Tax (17a)	399,974	(1,758,190)
	4,448,136	**805,334**

(b) CURRENT TAXATION

Year of Assessment - 2023	Balance at 1/1/2023 GH¢	Payments GH¢	Charge for the year GH¢	Balance at 31/12 2023 GH¢
	1,051,023	(3,351,024)	3,594,000	1,293,999
	1,051,023	**(3,351,024)**	**3,594,000**	**1,293,999**

All tax liabilities are subject to the agreement with Ghana Revenue Authority.

(c) GROWTH AND SUSTAINABILITY LEVY: Assets/(Liabilities)

	2023 GH¢	2022 GH¢
Balance as at 1 January	-	-
Charge to statement of comprehensive income	454,162	-
Payment during the year	-	-
Balance as at 31 December	**454,162**	**-**

The levy charged on the profit is based on a rate of 5%

In accordance with the Growth and sustainability Act, 2023 all companies in Banking, Non Bank Financial Institutions, Insurance, Brewery and Communication etc are supposed to pay a levy of 5% of profit before tax towards revenue growth, fiscal sustainability and to provide for related matters. It came into effect on 1st May, 2023 to replace the National Stabilization Levy.

(d) RECONCILIATION OF EFFECTIVE TAX RATE

Profit before tax	13,624,874
Tax at applicable tax rate at 25%	3,406,219
Tax impact of non-deductible expenses	1,137,075
Tax impact of capital allowances	(589,592)
Prior year adjustment	(359,701)
Growth & Sustainability Levy	454,162
Deferred tax	399,974
Current tax charges	**4,448,136**
Effective tax rate (%)	**33%**

18 (a) DEFERRED TAXATION

Charge / (Credit) to Income Statement	Balance at 1/1/23	Movements	Balance at 31/12/23
Historical Cost- NCA	(2,726,797)	5,159,884	2,433,087
Loan Impairment	697,527	(4,759,910)	(4,062,382)
	(2,029,269)	**399,974**	**(1,629,296)**

(b) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributes to the following :

	Temporary Difference GH¢	Tax Rate GH¢	Deferred Tax GH¢
Deferred Tax Asset - Loan Impairment	(16,249,530)	25%	(4,062,382)
Deferred Tax Asset - NCA	9,732,348	25%	2,433,087
Net deferred Tax (Assets)/Liabilities	**(6,517,182)**		**(1,629,296)**

Deferred tax expense relates to the origination and reversals of temporary differences.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER, 2023. (Cont)

19 PROPERTY, PLANT AND EQUIPMENT

a COST / VALUATION

	Land & & Building GH¢	Motor Vehicle GH¢	Furniture & Fittings GH¢	Office Equipment GH¢	Capital Work in Progress GH¢	Right of Use Assets GH¢	Computer & Accessories GH¢	Total GH¢
Balance at 1/1/2023	11,701,278	1,175,667	3,372,096	5,587,859	450,175	4,754,229	2,669,849	**29,711,153**
Additions	338,490	2,440,730	179,233	654,147	2,313,825		148,579	**6,075,004**
Transfer:								
From other assets to ROUA	-	-	-	-	-	3,310,258	-	**3,310,258**
Transfer	2,362,199	-	102,964	146,262	(2,686,825)		75,400	**-**
Balance at 31/12/2023	**14,401,967**	**3,616,397**	**3,654,293**	**6,388,268**	**77,175**	**8,064,487**	**2,893,828**	**39,096,415**
DEPRECIATION								
Balance at 1/1/2023	2,477,033	1,004,064	2,842,486	5,069,726	-	1,804,834	2,522,148	**15,720,291**
Transfer:								
Accumulated Depreciation	-	-	-	-	-	48,997	-	**48,997**
Charge for the year	815,040	411,284	294,951	346,127	-	488,380	126,377	**2,482,159**
Balance at 31/12/2023	**3,292,073**	**1,415,348**	**3,137,437**	**5,415,853**	**-**	**2,342,211**	**2,648,525**	**18,251,447**

CARRYING AMOUNT AT 31 DECEMBER, 2023	**11,109,894**	**2,201,049**	**516,856**	**972,415**	**77,175**	**5,722,276**	**245,303**	**20,844,968**

b. COST / VALUATION

	Land & & Building GH¢	Motor Vehicle GH¢	Furniture & Fittings GH¢	Office Equipment GH¢	Capital Work in Progress GH¢	Right of Use Assets GH¢	Computer & Accessories GH¢	Total GH¢
Balance at 1/1/2022	11,492,943	1,175,667	3,336,165	5,244,626	425,175	4,754,229	2,608,799	**29,037,605**
Additions	208,335	-	35,930	343,232	25,000	-	61,050	**673,548**
Balance at 31/12/2022	**11,701,278**	**1,175,667**	**3,372,096**	**5,587,859**	**450,175**	**4,754,229**	**2,669,849**	**29,711,153**
DEPRECIATION								
Balance at 1/1/2022	2,115,632	914,532	2,509,496	4,788,694	-	1,386,293	2,386,960	**14,101,606**
Charge for the year	361,402	89,532	332,990	281,032	-	418,541	135,188	**1,618,685**
Balance at 31/12/2022	**2,477,033**	**1,004,064**	**2,842,486**	**5,069,726**	**-**	**1,804,834**	**2,522,148**	**15,720,291**
CARRYING AMOUNT AT 31 DECEMBER, 2022	**9,224,245**	**171,604**	**529,609**	**518,133**	**450,175**	**2,949,395**	**147,701**	**13,990,862**

20 INTANGIBLE ASSETS

COST/VALUATION	AT 1/1/23 GH¢	ADDITIONS GH¢	AT 31/12/2023 GH¢
Cost	1,224,786	-	1,224,786
	1,224,786	-	1,224,786

DEPRECIATION	AT 1/1/2023 GH¢	CHARGE FOR THE YEAR GH¢	AT 31/12/2023 GH¢
Accumulated Depreciation	1,082,036	36,055	1,118,091
	1,082,036	36,055	1,118,091
NET BOOK VALUE AS AT 31 DECEMBER,2023			**106,695**

21 DEPOSITS FROM CUSTOMERS

Savings Account	129,524,475	97,256,192
Current Account	58,547,195	46,797,382
Fixed Deposit	68,056,209	55,723,995
Susu/Micro Finance	58,244,868	42,995,892
	314,372,747	**242,773,461**

22 CREDITORS AND ACCRUALS

Audit Fees	54,855	54,855
Retainer Fees	-	18,000
Office Account	4,740,475	189,467
ESB	675,065	502,341
Bills Payable	16,402	-
Provision for Savings & Fixed Deposit	2,037,042	1,514,861
Provision for Annual Bonus	706,317	-
Uncleared Effect	-	98,193
SSF & Other fund Management	-	129,446
Payment Order	-	749,636
Income Tax Suspense		421,400
Sundry Creditors	-	743,154
Loan Insurance	-	7,944
Ezwich Suspense	-	1,280,508
GHLink Suspense Account	-	12,390
	8,230,156	**5,722,193**

23 LONG TERM BORROWINGS

	2023 GH¢	2022 GH¢
ARB Apex Bank NIA Device Loan	194,228	-
Commercial Banks-CBG Loan	1,363,075	1,833,636
	1,557,303	**1,833,636**

24 CORPORATE TAX: Assets/(Liabilities)

	2023 GH¢	2022 GH¢
Corporate tax (note 23a)	(1,294,000)	(1,051,024)
Growth and sustainability levy (note 23b)	(454,162)	-
	(1,748,162)	**(1,051,024)**

24a Corporate tax: Assets/(liabilities)

	2023 GH¢	2022 GH¢
Balance as at 1 January	(1,051,024)	-
Charge to statement of comprehensive income	(3,594,000)	(2,563,524)
Payment during the year	3,351,024	1,512,500
Balance as at 31 December	**(1,294,000)**	**(1,051,024)**

24b Growth and sustainability levy: assets/(liabilities)

Balance as at 1 January				
Charge to statement of comprehensive income	(454,162)		-	
Payment during the year	-		-	
Balance as at 31 December	**(454,162)**		**-**	

25 STATED CAPITAL

	No. of Shares 2023	No. of Shares 2022	Proceeds 2023 GH¢	Proceeds 2022 GH¢
Authorized Shares:				
Ordinary Shares of no par Value	**500,000,000**	**500,000,000**		
Issued Shares				
Ordinary Shares of no par Value	318,609,550	313,800,515	3,823,852	3,342,960
Preference Shares of no par Value	125,000	125,000	12.50	12.50
	318,734,550	**313,925,515**	**3,823,864**	**3,342,973**

All ordinary shares rank equal with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Bank.

Stated Capital

The Bank classifies capital and equity instruments in accordance with the contractual terms of the instrument. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes. There is no share in Treasury and no call or instalment unpaid on any share.

26 RETAINED EARNINGS

This represents the residual of cumulative annual profits that are available for distribution to shareholders

27 STATUTORY RESERVES

Statutory reserves are based on the requirements of section 34 of the Banks and Specialized Deposits-Taking Institutions Act (ACT 930). Transfers into Statutory Reserves are made in accordance with the relationship between the Bank's Reserve fund and its paid up capital, which determines the proportion of profit for the period that should be transferred.

(I) Where the reserve fund is less than fifty percent of the stated capital, an amount not less than 50% of net profit for the year is transferred to the reserve fund.

(ii) Where the reserve fund is more than 50% but less than 100% of the stated capital, an amount not less than 25% of net profit is transferred to the reserve fund.

(iii) Where the reserve is equal to 100% of the Stated Capital, an amount not less than 12.5% of the net profit for the year is transferred to the reserve fund.

28 CAPITAL SURPLUS

This represents marked to market unrealised gains/loss on investment securities-available for sale.

29 EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2023 was based on the profit attributable to ordinary shareholders of GH¢ 9,176,738 (2022: GH¢ 3,858,080) and a weighted average number of ordinary shares outstanding of 318,609,550 (2022: 313,800,515) calculated as follows:

Net profit for the year attributable to equity holders of the Bank	9,176,738	3,858,080
Weighted average number of ordinary shares	318,609,550	313,800,515
Basic and diluted earnings per share	**0.029**	**0.012**

30 RELATED PARTY TRANSACTIONS

Advances due from Directors and Employees of the Bank amounted to GHS 5,282,162; (2022 - GHS 2,989,358) Detail is as follows:

	2023 GH¢	2022 GH¢
Directors	98,583	112,107
Officers and Employees	5,183,579	2,877,252
	5,282,162	**2,989,358**

31 SHAREHOLDERS' INFORMATION

Analysis of shareholding as at the year - end 31 December 2023

	No. of Shareholders	Holders %	No.of Shares	% of Holding
1 - 1,000	491	7%	266,033	0.08%
1001 - 5,000	2,942	43%	9,838,424	3.09%
5001 - 10,000	1,241	18%	10,128,503	3.18%
above 10,000	2,232	32%	298,376,590	93.65%
	6,906	**100%**	**318,609,550**	**100%**

Directors' Shareholdings

The Director's named below held the following number of shares in the Bank as at 31st December 2023:

NO.	NAMES	No.of Shares	% of Holding
1	DANIEL ANNING	1,800,000	0.57
2	PRINCE OSEI OWUSU	724,780	0.23
3	BENEDICT BOADI	52,321	0.02
4	SAMUEL KOJO HAMMOND	100,000	0.03
5	MS. SHIRLEY AMENGOR	761,589	0.24

a. Analysis of shareholding as at the year-end 2023

No.	NAMES	No.of Shares	% of Holding
1	Mr. Kwaku Mensa Bonsu	26,636,469	8.36
2	Siaka Baba Ahmed	21,107,990	6.63
3	Solomon Sambo Zangu	10,500,000	3.30
4	Steve Brathwaite	9,132,800	2.87
5	Rema Jason Venture	9,083,666	2.86
6	Ernest Owusu Dapaa	7,729,800	2.43
7	Samuel Dadzie	6,100,069	1.92
8	Mr Bernard Asamoah Boateng	5,087,344	1.59
9	Adu Gyamfi Thomas	4,027,000	1.26
10	Philip O A Kumah ITO Kamiel Odame Kumah	4,000,000	1.26
11	Georgina Addai	3,536,554	1.11
12	Joseph Appiah Kubi	3,176,632	0.99
13	Francis Agyei Bekoe	3,000,000	0.94
14	Kwame Baah-Acheamfour	2,753,000	0.86
15	Desmond Afutu	2,072,585	0.65
16	Patience Baaba Kwofie	2,000,000	0.63
17	Nurudeen Issah	2,000,000	0.63
18	Alagiplunsa gurushie ITO Abadagmeapulinsa	2,000,000	0.63
19	Abraham Coffie	1,938,980	0.61
20	Emmanuel Osei Owusu	1,883,400	0.59
Total Top 20	**Total Top 20**	**127,766,289**	**40.83**
Others	Others	190,843,261	59.17
Grand Total		**318,609,550**	**100.00**

CAPITAL ALLOWANCES COMPUTATION

YEAR OF ASSESSMENT, 2023
BASIS: 1/1/23 - 31/12/23

ASSETS CLASS	W.D.V. B/F	ADDITIONS	DISPOSAL	TOTAL	RATE	DEPRN.	W.D.V. C/F
CLASS 1 POOL	260,764	223,979	-	484,743	40%	193,897	290,846
CLASS 2 POOL	371,599	939,733	-	1,311,332	30%	393,400	917,932
CLASS 3 POOL	2,407,177	1,082,606	-	3,489,783	20%	697,957	2,791,827
	3,039,540	2,246,318	-	5,285,858		**1,285,254**	4,000,605

ASSETS CLASS	W.D.V. B/F	ADDITIONS	TOTAL	RATE	DEPRN.	W.D.V. C/F
CLASS 4 POOL A	155,451	-	155,451	20%	35,330	120,121
CLASS 4 POOL B	404,961		404,961	20%	76,408	328,553
CLASS 4 POOL C	198,749		198,749	20%	37,831	160,918
CLASS 4 POOL D	2,037,940		2,037,940	10%	291,134	1,746,806
CLASS 4 POOL E	1,828,822		1,828,822	10%	261,260	1,567,562
CLASS 4 POOL F	27,602		27,602	10%	3,450	24,151
CLASS 4 POOL G	187,502		187,502	10%	20,834	166,668
CLASS 4 POOL H		3,310,258	3,310,258	10%	331,026	2,979,232
	4,841,027	**3,310,258**	**8,151,285**		**1,057,273**	**7,094,012**

ASSETS CLASS	W.D.V. B/F	ADDITIONS	TOTAL	RATE	DEPRN.	W.D.V. C/F
CLASS 5 POOL B	63,365	-	63,365	10%	15,841	47,524
	63,365	-	63,365		**15,841**	**47,524**

SUMMARY

Reducing Balance	1,285,254
Straight Line	1,073,114
	2,358,369

TAX COMPUTATION

YEAR OF ASSESSMENT - 2023

			GH¢
Profit before tax			13,624,874
Add Back:	Depreciation & Amortisation		2,518,214
	Impairment Charges		2,030,085
Less :	Prior year provision dissallowed -Written off		(1,438,806)
	Adjusted Profit		16,734,368
Less:	Capital Allowances		(2,358,369)
	Chargeable Income		14,376,000
	Tax thereon @	25%	**3,594,000**

This is subject to agreement by the Ghana Revenue Authorities.

VALUE ADDED STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 2023.

	NOTES	2023	2022
		GH¢	GH¢
Interest earned and other operating income		67,230,364	46,626,329
Direct cost of services and other costs		(21,298,912)	(17,386,186)
Value added by banking services		45,931,452	29,240,144
Non-banking income		-	-
Impairments		(9,706,227)	(7,617,229)
Value added		**36,225,225**	**21,622,915**
Distributed as follows:			
To employees			
Directors		(1,081,781)	(634,555)
Other Employees		(19,000,356)	(15,110,766)
		(20,082,137)	**(15,745,321)**
To Government			
Income Tax		**(4,448,136)**	**(805,334)**
To providers of capital			
Dividends to shareholders		-	-
To expansion and growth			
Depreciation and amortisation		**(2,518,214)**	**(1,214,180)**
Retained Earnings		**9,176,738**	**3,858,080**

ODOTOBRI RURAL BANK PLC
JACOBU - ASHANTI

CUT HERE

PROXY AUTHORISATION FORM

ANNUAL GENERAL MEETING (AGM) of Odotobri Rural Bank Plc
to be held on Saturday, 26th October , 2024 at the Nana Adu Darko Community Centre, Jacobu-Ashanti at 10am prompt.

I/We.. being member(s) of Odotobri Rural Bank Plc

hereby appoint Dr./Hon./Mr./Mrs./Ms./Rev... with a duly sealed proxy form to attend and vote for me/us and on my/our behalf at the Annual General Meeting of the Bank to be held on Saturday, 26th October, 2024.

Dated this.............................. day of 2024

....
Signature

RESOLUTION FROM THE BOARD	FOR	AGAINST
To receive the Chairman's statements and Director's report for the year ended 31st December, 2023		
To consider and adopt the Financial Statements of the Company for the year ended 31st December, 2023 together with the report of the Directors and Auditors thereon		
To authorise the Directors to fix the remumeration of the External Auditors		
To fix the remuneration of Directors		
To pass special resolution to use 5%, 10% and 15% of Profit After Tax (PAT) for Corporate Social Responsibility, Building Fund and Human Capital Development respectively.		

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

NOTE:
Complete Proxy Form should reach the Secretary, Odotobri Rural Bank Plc not less than Forty eight (48) hours prior to the time of the meeting
A member appointing a proxy to attend and vote must attach a Ghana card and telephone number.
.

ODOTOBRI
RURAL BANK PLC
Where Business Grows!!!

Newly Opened Tutuka Branch

PRODUCTS AND SERVICES

- SAVINGS ACCOUNT
- CURRENT ACCOUNT
- SALARY ACCOUNT
- SUSU ACCOUNT
- FIXED DEPOSIT
- CASH COLLECTION SERVICES
- ORB WEALTH MASTER
- ORB CHILD EDUCATION
- ORB HOME CALL (FUNERAL POLICY)
- WESTERN UNION MONEY TRANSFER
- MONEYGRAM
- MOBILE MONEY SERVICES
- ORDINARY SHARES
- SUSU LOANS
- BUSINESS LOANS AND OVERDRAFT
- SALARY LOANS
- FUNERAL AND SOCIAL LOANS
- MICRO FINANCE LOANS
- GBU LOANS
- TRANSPORT LOANS
- SAWAH LOAN
- FAST TRACK LOAN
- COCOA LOAN

ODOTOBRI
RURAL BANK PLC

HEAD OFFICE: P.O. BOX 9, JACOBU - ASHANTI
TEL: 0322-091454

OBUASI ASHANTI	0503716890	MAAKRO-KSI	0322048840/2048841
TUTUKA	0503716890	ROMAN HILL-KSI	0322025828/0202209225
ASAWASI-KSI	0322030462/0322040712	OLD TAFO-KSI	0506166009/054355287
KROFROM-KSI	032203334/2033340	AYIGYA	0502561295/0502561218
AGRIC NZEMA	020-6492602	BANTAMA	0508567277/0508567278
BEKWAI-ASHANTI	0322420299/2420500	SANTASI	0203978984/0547065106
ABUAKWA	0501013110		

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