



JOMORO

RURAL BANK LTD.

THE DYNAMIC BANK



2022
ANNUAL
REPORT

JOMORO RURAL BANK LTD

25TH ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD AT THE CONFERENCE ROOM OF THE BANK'S
HEAD OFFICE BUILDING ON SATURDAY, 22ND JULY, 2023

PROGRAMME

09.30 am	Arrival of Shareholders and Invited Guests
10.00 am	Opening Prayer – Mr. Nti Acheampong
10.05 am	Introduction of Chairman – Mr. Adormah Mawunyo (CEO)
10.10 am	Chairman's Opening Remarks
10.20 am	Introduction of Board Members and Invited Guests – Mr. Adormah Mawunyo

MAIN BUSINESS

10.30 am	Reading of Notice Convening the Meeting –
10.35 am	Board Chairman's Report – Prof. Cosmas Cobbold
11.00 am	Directors' Report – Mr. Samuel Alex Bervell
11.10 am	Auditor's Report – External Auditors
11.20 am	Motion for acceptance of reports – Shareholder
11.25 am	To consider and Pass Resolutions to:
	i. Elect Directors
	ii. Authorize the Directors to fix the remuneration of the Auditors
	iii. Determine the remuneration of the Directors – Prof. Cosmas Cobbold
12.00 am	Addresses
12.50 pm	Open forum
1.15 pm	Vote of Thanks – Mr. Adormah Mawunyo
1.20 pm	Closing Prayer – Mr. Nti Acheampong
1.25 pm	Refreshment

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

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JOMORO RURAL BANK LIMITED

NOTICE AND AGENDA OF 25TH ANNUAL GENERAL MEETING

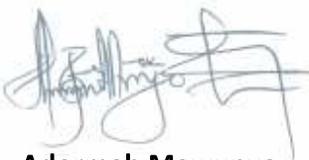
Notice is hereby given that the 25th Annual General Meeting of Shareholders of Jomoro Rural Bank Limited will be held at the Conference Room of the Bank's Head Office, Tikobo No. 1, **on Saturday, 22nd July, 2023, at 10:00 am, and streamed live on Zoom**, for the following purpose:

1. To read the Notice convening the meeting;
2. To receive the Chairman's report;
3. To receive the reports of the Board of Directors and Auditors and approve the Financial Statements for the year ended 31st December, 2022;
4. To authorize the Directors to negotiate the Auditor's Remuneration;
5. To elect Directors in place of those retiring;
6. To approve Directors' remuneration;
7. To transact any other business that may be transacted at an Annual General Meeting.

Note: A member of the Bank entitled to attend and vote can appoint a Proxy to attend and vote instead of him/her. A proxy need not be a member of the Bank. All completed proxy forms should be deposited at the Bank's Head Office, Tikobo No. 1, not less than 48 hours before the meeting. Copies of the Directors Report and the Accounts are available for collection at the Bank's Head Office, and branches. Enquiries about the AGM should be directed to the Board Secretary on 0501257627.

Dated 20th June, 2023.

By order of the Board



Adormah Mawunyo
(Board Secretary)

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

BASIC INFORMATION

DATE OF INCORPORATION:	DATE OF INCORPORATION:	20-Jan-81
CERTIFICATE NUMBER:	CERTIFICATE NUMBER:	CS209792017
DATE OF COMMENCEMENT	DATE OF COMMENCEMENT	12-Mar-81
DATE LICENCE WAS ISSUED:	DATE LICENCE WAS ISSUED:	10-Jan-84
BANK OF GHANA LICENCE NUMBER	BANK OF GHANA LICENCE NUMBER	44
OLD TIN	OLD TIN	163B000002
NEW TIN	NEW TIN	C0009062300

BOARD OF DIRECTORS:

		Period	
		From	To
CHAIRMAN:	PROF. COSMAS COBBOLD	1-Jan-22	31-Dec-22
VICE CHAIRMAN:	MR. SAMUEL ALEX BERVELL	1-Jan-22	31-Dec-22
MEMBER:	MRS. GIFTY ERZOA-BEBODU	1-Jan-22	30-Apr-22
MEMBER:	MR. NTI ACHEAMPONG	1-Jan-22	31-Dec-22
MEMBER:	MR. DANIEL B. NDEDE	1-Jan-22	30-Apr-22
MEMBER:	MR. ERNEST KOFIE	1-Jan-22	31-Dec-22
MEMBER:	MR. COLLINS EHWIE	1-Jan-22	31-Dec-22

SECRETARY: MR. ADORMAH MAWUNYO 1-Jan-22 31-Dec-22

CHIEF EXECUTIVE OFFICER: MR. ADORMAH MAWUNYO 1-Jan-22 31-Dec-22

BRANCH NETWORK
TIKOBO NO. 1
HALF ASSINI
ELUBO
TIKOBO NO. 2
AIYINASI
JEMA
BOINSO

CLEARING BANK: ARB APEX BANK, TAKORADI

REGISTERED OFFICE: JOMORO RURAL BANK LIMITED PREMISES
WJ-1728-0757
P. O. BOX 21
TIKOBO NO. 1, WESTERN REGION

EMAIL ADDRESS info@jomororuralbank.com

WEBSITE www.jomororuralbank.com

AUDITORS: SOFTWIND OA CONSULT
(CHARTERED ACCOUNTANTS)
DANSOA HOUSE, SWANLAKE, NORTH KANESHIE
ACCRA
P. O. BOX AN-6891
ACCRA-NORTH

SOLICITORS CANN, QUARSHIE & CO.
MBRANAN CHAMBERS
P. O. BOX MC 0108, TAKORADI

BOARD OF DIRECTORS



**Prof. Cosmas Cobbold
(Board Chairman)**



**Mr. Samuel Alex Bervell
(Vice Chairman)**



**Mr. Ernest Kofie
(Director)**



**Mr. Nti Acheampong
(Director)**



**Mr. Collins Ehwie
(Director)**

MANAGEMENT TEAM



Mr. Adormah Mawunyo
(Chief Executive Officer)



Mr. Kwame-Arhin Obed Anthony
(Head, Banking Operations)



Mrs Mary Ackah Andoh
(Head, HR)



Mr. Gideon Abbey
(Ag. Head, Audit.)



Mr. Isaac Anglow
(Head, Risk and Compliance)



Mr. Daniel Adonle Ackah
(Head, Credit)



Mr. Francis Ayekpah
(Head, Microfinance.)



Mr. Caesar Julius Komla
(Head, IT)

JOMORO RURAL BANK LTD

CHAIRMAN’S REPORT TO THE 25TH ANNUAL GENERAL MEETING OF SHAREHOLDERS HELD ON 22ND JULY, 2023.

1. INTRODUCTION

Distinguished Shareholders, Invited Guests, Ladies and Gentlemen. I welcome you all on behalf of the Board and Management to the 25th Annual General Meeting of the Bank. I deem it a great privilege, once again, to present to you the annual report for the year ended 31st December, 2022.

2. ECONOMIC ENVIRONMENT

Economic activities moderated in 2022. Data released by the Ghana Statistical Service showed that real GDP expanded at an annual rate of 3.7% in 2022 relative to 5.4% during the corresponding period in 2021. The agriculture sector recorded the highest growth of 4.5%, followed by the services sector with a growth of 3.9% and the industry sector with a 0.09% growth rate. Headline inflation increased sharply from 12.6% in December 2021 to 54.10% in December 2022, occasioned mainly by the sharp depreciation in the cedi and increase in fuel prices. Food and non-food inflation went up considerably to 59.7% and 49.9% respectively. On the foreign exchange front, the Ghana cedi came under severe pressure against all the major international currencies. The cedi depreciated by 77.08% to the US Dollar, 59.71% to the Pound Sterling, and 64.84% to the Euro in 2022, ending the year at GHS11.28 to the Dollar, GHS13.32 to the Pound, and GHS11.77 to the Euro. There was a significant increase in interest rates on money market instruments in 2022. Interest rates on the 91-day, 182-day, one-year notes and 3-year bonds saw a remarkable increase from 12.49%, 13.19%, 16.46% and 19% in December 2021 to 35.48%, 36.23%, 36.06% and 29.85% respectively in December 2022. Ladies and gentlemen, developments in the macroeconomic environment affected the operations of the Bank in the year under review.

3. OPERATIONAL RESULTS

Distinguished shareholders, your Bank recorded significant improvements on almost all the key performance indicators as summarised below:

Financial performance for 2022

Fin. Indicator	2022 (GHS)	2021 (GHS)	Change (GHS)	% Change
Total Deposits	44,273,513.00	37,462,460.00	6,811,053.00	18.18
Cash & Short-term Funds	6,249,809.00	5,160,458.00	1,089,351.00	21.11
Investments	28,635,681.00	23,693,381.00	4,942,300.00	20.86
Advances (Net)	14,046,677.00	10,727,997.00	3,318,680.00	30.93
Total Income	9,925,509.00	7,799,340.00	2,126,169.00	27.26
Total Expenditure	8,642,653.00	6,795,379.00	1,847,274.00	27.18
Profit Before Tax	1,282,855.00	1,003,960.00	278,895.00	27.78
Profit After Tax	745,290.00	828,874.00	-83,584.00	-10.08
Paid-up Capital	1,182,055.00	1,171,180.00	10,875.00	0.93
Shareholders Fund	3,565,006.00	2,808,841.00	756,165.00	26.92
PPE (Net)	823,511.00	872,452.00	-48,941.00	-5.61
Other Assets	436,630.00	368,308.00	68,322.00	18.55
Total Assets	50,660,526.00	41,265,970.00	9,394,556.00	22.77

4. DIVIDEND

Distinguished shareholders, the Bank of Ghana on 8th December, 2022, issued a directive to rural and community banks (RCBs) which participated fully in the Domestic Debt Exchange Programme

to suspend the declaration and payment of dividends and other distributions to shareholders forthwith. In line with the directive, the Directors did not declare dividend for the year 2022.

5. SHARE CAPITAL

Developments on the international and domestic fronts such as the outbreak of the deadly coronavirus pandemic, banking sector clean up, government's default on debt repayment, high inflation, etc have, more than ever before, heightened the need for increased and unimpaired capital for business growth and sustainability. Our ability to undertake high ticket businesses, expand, embark on capital expenditure, and remain competitive depends largely on the level of our capital. Distinguished shareholders, our share capital as at the end of 2022 was only GHS182,055.00 more than the minimum GHS1,000,000.00 required by the Bank of Ghana. Given recent developments, the Bank of Ghana is expected to announce an increase in the minimum capital for RCBs in the not too distant future. In view of the above reasons, I wish to appeal to each and every one of us to increase our shares by not less than 20% by the end of 2023.

6. DIRECTORS

Distinguished shareholders, you elected Brig. General Albert K. Adu (Rtd) to the Board at the last AGM. I am happy to inform you that he has gone through the necessary processes and has been approved by the Bank of Ghana as a Director of the Bank. In line with the Corporate Governance Directive for RCBs, the vice chairman, Mr. Samuel Alex Bervell and Mr. Nti Acheampong will be retiring at this AGM having served for almost 12 years. May I, on behalf of the Board, express my heartfelt thanks to the two Directors for their meritorious service to the Bank. As per the Board succession plan, Messrs Ernest Kofie and Collins Ehwie will be retiring at the next AGM and I will also retire in 2025. My retirement will mark the exit of all Directors in office before the coming into force of the Corporate Governance Directive. It is our expectation that you will put together a formidable team of Directors to take up the mantle of directing the affairs of the Bank.

7. ENCROACHMENT ON ELUBO LAND

Ladies and gentleman, as I indicated at the last AGM, the Elubo land case went all the way to the Supreme Court where a motion for stay of execution filed by the then chief of Elubo was dismissed by a 5-member panel of the Apex Court as having no merit whatsoever. Having now come to accept the Bank as their landlord, the squatters have reached an agreement with the Bank to pay rent. Let me assure you that the Board of Directors will continue to protect the interest of the Bank at all times.

8. DOMESTIC DEBT EXCHANGE

The government of Ghana, through the Ministry of Finance, announced the Domestic Debt Exchange Programme (DDEP) on 5th December, 2022. Under the programme, domestic bondholders were invited to voluntarily exchange their existing bonds for new ones. Following the government's announcement, the Bank of Ghana in a notice dated 8th December, 2022, encouraged RCBs to participate in the DDEP. Given the consequences of abstaining, your Board gave approval to management to participate in the programme.

9. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Distinguished shareholders, your Bank supported various communities and institutions through its CSR programmes. An amount of GHS61,479.50 was spend on CSR activities in 2022 as compared to

GHS76,572.00 in 2021. The following were the beneficiaries:

Health support	39,362.50
Farmers' Day support	8,800.00
Furniture donated to Half Assini District Court	6,215.00
Orientation of newly trained teachers in Jomoro	2,000.00
10 buckets of paint to Bonyere Cath. Primary	1,900.00
Enstoolment of Tikobo No.1 Chief	1,902.00
Ellembele GES Menstrual Hygiene Day celebration	500.00
Annor Adjaye SHS SRC week celebration	500.00
Tikobo No 1 Dress Makers Association	300.00
Total	<u>61,479.50</u>

10. HUMAN CAPITAL DEVELOPMENT

Distinguish shareholders, the Board considers Human Capital as the most valuable resource of the Bank. Being mindful of the need to build the capacity of Management and Staff to keep them abreast of developments in the ever-changing operational environment, the Board, Management, and Staff took active part in various training programmes organised by the Bank of Ghana, the Association of Rural Banks, the ARB Apex Bank, and other relevant bodies in the year under review. Management and Staff were also trained internally, whilst some staff members were given the opportunity to upgrade themselves in various institutions of higher learning.

11. OUTLOOK FOR 2023 AND BEYOND

Distinguished shareholders, the Ghanaian economy has been plagued with very challenging economic conditions ranging from unsustainable debt levels, high inflation, exchange rate depreciation, etc. In its bid to address the economic challenges, government introduced a raft of measures including seeking IMF support, engaging in a Domestic Debt Exchange Programme, introducing additional taxes, among others. These measures are, no doubt, going to affect operations in the year 2023 and beyond. Mindful of this, the Board is determined to make the Bank remain resilient and competitive through operational efficiency, a culture of service excellence, diligent risk management, and harnessing of the skills and talents of our Management and Staff. We are hopeful, ladies and gentlemen, of very positive outturns in the year 2023 and beyond.

12. CONCLUSION

In conclusion, I would like to thank Management and Staff for their commitment to duty and sterling performance in the year 2022. To our cherished shareholders, customers, and business partners, I say thank you for continuing to do business with us. We could not have come this far without you. Finally, I would like to thank you, colleague Directors, especially Messrs Samauel Alex Bervell and Nti Acheampong, for your unwavering commitment, support, and valuable contributions over the years. May the good Lord bless us all.

Prof. Cosmas Cobbold
Board Chairman
July, 2023.

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the audited Financial Statements of the Bank for the year ended 31st December, 2022 and report thereon as follows:

DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of the Financial Statements, comprising the Statement of Financial Position as at 31st December, 2022, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of 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 (IFRS) and in the manner required by the Companies' Act, 2019 (Act 992) and the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act, 2020, (Act 1044) (AML).

The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, making accounting estimates that are reasonable in the circumstances.

The Directors have assessed the Bank's ability to continue as a going concern and have no reason to believe that the business will not be a going concern in the year ahead.

FINANCIAL STATEMENTS AND DIVIDEND

	2022	2021
	GH¢	GH¢
Profit for Year, after Taxation, ended 31st December,	745,290	828,874
Opening Retained Earnings Account brought forward of	755,408	133,753
Prior Year Error	-	-
Adjusted Opening Retained Earnings Account brought forward of	1,500,698	962,627
Transfers From/(to)/Dividend Payable		
Transfer to Stated Capital	-	-
Reserve Fund	(186,322)	(207,219)
Credit Risk Reserve	-	-
Dividend	-	-
	(186,322)	(207,219)
Leaving the balance Income Retained Earnings Account carried forward of	1,314,376	755,408
TOTAL ASSETS	50,660,526	41,265,970

In accordance with Section 139 of the Companies Act, 2019, (Act 992), the Auditors, Messrs' Softwind OA Consult continue in office as auditors of the Bank.

In view of the Directive from Bank of Ghana, the The Directors are unable to recommend the payment of dividend in respect of the year ended 31st December, 2022; (2021: Nil).

NATURE OF BUSINESS

The Bank is registered to carry out the business of banking.
There was no change in the activities of the Bank.

APPROVAL OF THE FINANCIAL STATEMENTS

The Financial Statements of the Bank as indicated above were approved by the Board of Directors on the date stated below.

Directors' Assessment of the State of the Bank's Affairs

The Directors consider the Bank's State of Affairs to be satisfactory and have a reasonable expectation that the Bank will continue in operational existence into the foreseeable future and have therefore used the Going Concern basis in preparing these Financial Statements.

Particulars of Entries in the Interests Register

There were no entries in the Interests Register.

Corporate Social Responsibility

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

	2022	2021
	GHC	GHC
Education Support	4,900	6,450
Farmers' Day Celebration	8,800	4,200
Sundry Support	2,202	1,400
Health Support	39,363	48,622
Cost of Furniture Donated to Half Assini Magistrate Court	6,215	-
	61,480	60,672

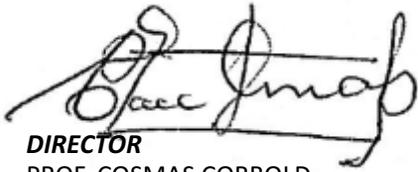
Audit Fees

Audit fees payable amounts to Thirty Thousand Ghana Cedis exclusive of VAT (GH¢30,000).

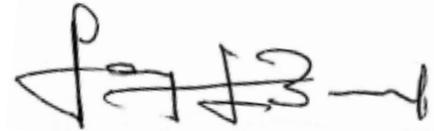
Steps Taken to Build the Capacity of Directors

The Directors were taken through the following training programs during the year:

- a) Corporate Governance
- b) Cyber Security and Fraud Management



DIRECTOR
PROF. COSMAS COBBOLD
TIKOBNO. 1



DIRECTOR
MR. SAMUEL ALEX BERVELL
30-Mar-23

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Report on the Audit of the Financial Statements

We have audited the Financial Statements of Jomoro Rural Bank Limited, which comprise the Statement of Financial Position as at 31st December, 2022, and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, which include a summary of significant accounting policies as set from page 12.

Opinion

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the Financial Position of the Bank as at 31st December, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and the requirements of the Companies' Act, 2019 (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, Act 930 and Anti-Money Laundering Act, 2020, (Act 1044) (AML).

Basis of 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 communicated 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 identified during our audit.

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

Key Audit Matters

The Bank is engaged in training to ensure full compliance with Bank of Ghana Guide for Financial Publication for Banks and Bank of Ghana Licensed Financial Institutions.

Independence

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the Financial Statements in accordance with Companies Act, 2019, (Act 992), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), and Anti-Money Laundering Act, 2020, (Act 1044) (AML) and the International Financial Reporting Standards (IFRS), and for such internal control as management determines 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, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Bank's Financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material 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 an aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a Going Concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a Going Concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Bank 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 Management and Board of 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 those charged with governance with a Statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

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

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

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

- i) The Financial Statements give a true and fair view of the state of affairs of the Bank and its results for the year under review;
- ii) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;

* The Bank has complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Anti-Money Laundering Act, 2020, Act 1044 (AML) and Anti-Terrorism Act, 2008, (Act 762).

osei yaw asamoah (ICAG/P/1179)

ACCRA
30-Mar-23

softwind OA Consult

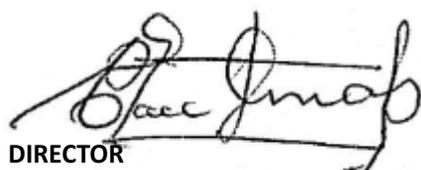
softwind OA consult (ICAG/F/2022/260)
(chartered accountants)

dansoa house, swanlake, north kaneshie
p. o. box an 6891, accra-north

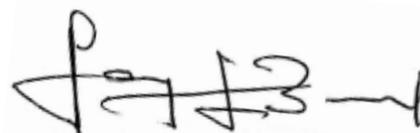
JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>NOTES</u>	<u>2022</u>	<u>2021</u>
<u>CURRENT ASSETS</u>		<u>GH¢</u>	<u>GH¢</u>
Cash and Short-Term Funds	13	6,249,809	5,160,458
Short-Term Investments	14	9,150,000	1,839,000
Advances	15	14,046,677	10,727,997
Inventories	16	39,892	55,773
Investment Securities	18	223,206	223,206
Deferred Taxation	19	92,197	-
Other Assets	17	436,630	368,308
		30,238,412	18,374,741
 <u>NON CURRENT ASSETS</u>			
Long-Term Investments	14	19,485,681	21,854,381
Intangibles	27	112,922	164,396
Property, Plant and Equipment	28	823,511	872,452
		20,422,114	22,891,228
 TOTAL ASSETS		50,660,526	41,265,970
 <u>LIABILITIES AND SHAREHOLDERS FUNDS</u>			
Deposits and Current Accounts	20	44,273,513	37,462,460
Other Liabilities	21	1,353,402	938,567
Taxation	19	236,857	17,258
Deferred Taxation	19	231,748	38,844
Borrowing	22	1,000,000	-
		47,095,520	38,457,129
 FINANCED AS FOLLOWS:			
Stated Capital	23	1,182,055	1,171,180
Revaluation Surplus		43,070	43,070
Retained Earnings		1,314,376	755,408
Credit Risk Reserve		40,000	40,000
Statutory Reserve		985,505	799,182
Shareholders Fund		3,565,006	2,808,841
 TOTAL LIABILITIES AND SHAREHOLDERS FUND		50,660,526	41,265,970

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



DIRECTOR
PROF. COSMAS COBBOLD
TIKOB0 NO. 1



DIRECTOR
MR. SAMUEL ALEX BERVELL
30-Mar-23

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

STATEMENT OF COMPREHENSIVE INCOME

	<u>NOTES</u>	2022 Bank GH¢	2021 Bank GH¢
Interest Income	8	8,485,791	6,632,682
Interest Expenses	9	(1,381,406)	(1,297,240)
Net Interest Income		7,104,385	5,335,442
Commission and Fees Income	10	1,242,196	990,843
Commission and Fees Expense	11	-	-
Net Fees and Commission		1,242,196	990,843
Net Trading Income		8,346,580	6,326,285
Other Operating Income	12	197,522	175,815
Operating Income		8,544,103	6,502,099
Net Impairment Loss on Financial Assets	29	(413,922)	(413,919)
Personnel Expenses	26.1	(3,297,365)	(2,437,772)
Depreciation and Amortisation	26.2	(202,480)	(179,558)
Operating Cost	26.3	(3,347,480)	(2,466,890)
		(7,261,247)	(5,498,139)
Profit Before Taxation		1,282,855	1,003,960
Tax Expense	19	(537,565)	(175,086)
Net Profit for the Year		745,290	828,874
OTHER COMPREHENSIVE INCOME			
Revaluation of Property, Plant and Equipment		-	-
Defined Benefit Plan Actuarial Gain/(Loss)		-	-
Other Comprehensive Inc. for the Year (Net of Tax)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Profit attributable to:			
Controlling Equity Holders of the Bank		745,290	828,874
Non-Controlling Interest		-	-
Profit for the Year		745,290	828,874
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
Basic Earnings per Share		-	-
Total Comprehensive Income for the year		745,290	828,874
Earnings per Share GH¢		0.0267	0.0023
Diluted Earnings per Share GH¢		0.0267	0.0023

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

STATEMENT OF CHANGES IN EQUITY

BANK

2022

	Stated Capital	Reserve Fund	Revaluation Surplus	Retained Earnings	Credit Risk Reserves	TOTAL
	GHC	GHC	GHC	GHC	GHC	
Balance b/f	1,171,180	799,182	43,070	755,408	40,000	2,808,840
Total Comp. Profit	-	-	-	745,290	-	745,290
	1,171,180	799,182	43,070	1,500,698	40,000	3,554,130
Dividend	-	-	-	-	-	-
	1,171,180	799,182	43,070	1,500,698	40,000	3,554,130
Transfers						
Reserve Fund	-	186,322	-	(186,322)	-	-
Credit Risk Reserve	-	-	-	-	-	-
	-	186,322	-	(186,322)	-	-
Share Acquisition	10,875	-	-	-	-	10,875
	1,182,055	985,505	43,070	1,314,376	40,000	3,565,006

BANK

2021

	Stated Capital	Reserve Fund	Revaluation Surplus	Retained Earnings	Credit Risk Reserves	TOTAL
	GHC	GHC	GHC	GHC	GHC	GHC
Balance b/f	1,156,060	591,963	43,070	133,753	40,000	1,964,846
Total Comp. Income	-	-	-	828,874	-	828,874
	1,156,060	591,963	43,070	962,627	40,000	2,793,720
Dividend	-	-	-	-	-	-
	1,156,060	591,963	43,070	962,627	40,000	2,793,720
Transfers						
Reserve Fund	-	207,219	-	(207,219)	-	-
Credit Risk Reserve	-	-	-	-	-	-
	-	207,219	-	(207,219)	-	-
Sale of Shares	15,120	-	-	-	-	15,120
	1,171,180	799,182	43,070	755,408	40,000	2,808,841

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022
STATEMENT OF CASH FLOWS

	2022	2021
	GH¢	GH¢
Cash Flow from Operating Activities		
Net Profit Before Tax	1,282,855	1,003,960
Bad Debt Written Off	-	(460,834)
Impairment Loss	413,922	413,919
Depreciation	181,811	158,889
Amortisation	20,669	20,669
	1,899,257	1,136,604
(Increase)/Decrease in Advances	(3,732,602)	(2,440,129)
(Increase)/Decrease in Inventories	15,881	(9,028)
(Increase)/Decrease in Other Assets Account	(68,323)	(121,012)
Increase/(Decrease) in Deposits & Current Accounts.	6,811,053	6,267,418
Increase/(Decrease) in Other Liabilities	414,835	94,190
Net Changes in Working Capital	3,440,844	3,791,439
Cash Flow from Operating Activities	5,340,101	4,928,042
Tax Paid	(217,258)	(100,000)
Net Cash Flow from Operating Activities	5,122,843	4,828,042
Cash Flow from Investing Activities		
Additions		
Intangibles	33,705	(7,005)
Purchase of Fixed Assets	(135,770)	(66,853)
	(102,065)	(73,858)
	5,020,777	4,754,185
Financing Activities		
Stated Capital	10,875	15,120
Borrowings	1,000,000	-
Dividends Paid	-	-
	1,010,875	15,120
Net Inc./(Dec.) in Cash and Cash Equivalent	6,031,652	4,769,305
Opening Cash and Cash Equivalent	28,853,838	24,084,533
Net Inc./(Dec.) in Cash and Cash Equivalent	6,031,652	4,769,305
Closing Cash and Cash Equivalent	34,885,491	28,853,838
Represented by Cash and Cash Equivalents	34,885,491	28,853,838

JOMORO RURAL BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 2022

NOTES TO THE FINANCIAL STATEMENTS

1 NATURE OF OWNERSHIP AND OPERATIONS

The Bank was incorporated as a Public Limited Liability Company on 20th January, 1981 with Registration No. C0009062300 under the Companies' Act 2019 (Act 992) in Ghana. The Bank was issued with a licence on 13th November, 1981, with Licence No. 044 by Bank of Ghana to operate a business of Banking. The registered address of the Bank is JOMORO Rural Bank Premises, P. O. Box 21, Tikobo No. 1 referred to as the "Bank"). The Bank primarily is involved in Rural Banking being Corporate and Retail.

1.1 Functional and Presentational Currency and Level of Approximation

The Financial Statements are presented in Ghana Cedis (GH¢) which is the Company's functional currency. The level of approximation is to the nearest Ghana Cedi.

2 ACCOUNTING POLICIES

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

2.1 Basis of Accounting

These Financial Statements have been prepared under the historical cost convention but modified in appropriate areas by the adoption of Fair Value measurement basis. The Bank of Ghana Guideline 'Guide for Financial Publication for Banks and BOG Licensed Financial Institutions' for 2018 require certain disclosures to be completely complied with in applicable areas.

2.2 Revenue Recognition

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

2.2.1 Interest Income and Expense

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

2.2.2 Non-Interest Income

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

2.3 Income Tax

Income Tax comprises Current Tax and Deferred Tax.

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

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

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

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

2.4 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement

2.4.1 Categorisation

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

2.4.2 Date of Recognition

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

2.4.3 Initial Recognition of Financial Instruments

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

2.4.4 Subsequent Measurement of Financial Instruments

(a) Financial Assets at Fair Value Through Profit or Loss

A Financial Asset at fair value through Profit or Loss is that which meets either of the following conditions.

Held for Trading

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

Designated at Fair Value through Profit or Loss

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

All equity instruments are measured at fair value.

(b) Financial Assets Measured at Amortised Cost

A Financial Asset is measured at amortised cost if the following conditions are met:

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

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

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

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

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

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

(d) Financial Liabilities

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

2.5 Determination of Fair Value of Financial Instruments

2.5.1 Availability of Active Market

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

2.5.2 Non-Availability of Active Market

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

2.5.3 Short-Term Receivables

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

2.5.4 Offsetting of Financial Instruments

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

2.5.5 Derecognition of Financial Assets and Liabilities

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

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

2.5.6 Impairment of Financial Assets

(a) Framework for measuring impairment of Financial Assets .

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

Evidence of impairment may include indications that the borrower or a group of borrowers is/are experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

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

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortised cost, the Bank first assesses individually whether objective evidence of impairment exists individually for Financial Assets that are individually significant, or collectively for Financial Assets that are not individually significant. If the Bank determines that no objective evidence of impairment exists for an individually assessed Financial Asset, whether significant or not, it includes the asset in a group of Financial Assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognized, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an Allowance Account and the amount of the loss is recognised in the Profit or Loss.

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

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

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

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

(c) Other Financial Assets

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

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

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

(d) Derecognition of Financial Assets and Liabilities

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

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

2.6 Derecognition of Financial Assets and Liabilities

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

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

3 Regulatory Credit Risk Reserve

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

4 Property, Plant and Equipment

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

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

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

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

Buildings	5.0%
Branch Development	20.0%
Bungalow Furniture & Fittings	15.0%
Computers	25.0%
Office Equipment	25.0%
Motor Vehicles	33.3%
Office Furniture & Fittings	15.0%
Plant and Machinery	25.0%

**Branch Development is for a useful life of 5 years, that is, 20% or the lease period which ever is earliest.

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

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

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

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

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

5 Use of Estimates and Judgement

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

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

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

6 RISK MANAGEMENT

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

6.1 Credit Risk

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

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

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

6.2 Market Risk

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

6.3 Liquidity Risk

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

6.4 Operational Risk

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

7 CAPITAL

7.1 The Objectives of Capital Management

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

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

7.2 Capital Description

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

7.3 Regulatory Capital

The Bank's Regulatory Capital consists of both Tier 1 and Tier 2 capital.

Tier 1 Capital consists of Stated Capital, Statutory Reserves and Income Surplus, after deductions of Intangible Assets and Other Regulatory Adjustments relating to items that are included in equity but are treated differently for Capital Adequacy purposes.

Tier 2 Capital consists of Convertible Debentures and Revaluation Surpluses. Total Tier 2 Capital is limited to 100% of the Net Tier 1 Capital.

The Bank's Regulatory Capital position as at 31st December, is summarised below:

7.4 The Level of Capital Adequacy

Tier 1 Capital

	2022 Bank GH¢	2021 Bank GH¢
Ordinary Share Capital	1,182,055	1,171,180
Disclosed Reserves	2,382,950	1,637,661
Less Intangible Assets	(549,552)	(532,703)
Other Regulatory Adjustments	(223,206)	(223,206)
Total	2,792,248	2,052,931

Tier 2 Capital

Fair Value Reserve for Available for Sale Equity Securities		
Revaluation Reserve	43,070	43,070
Qualifying Subordinated Liabilities	-	-
Total	43,070	43,070
Total Regulatory Capital	2,835,318	2,096,002

Risk Weighted Assets

Total Adjusted Assets	25,133,465	19,827,215
Net Contingent Liabilities	-	-
Operational Risk	-	-
Market Risk	-	-
Total Risk Weighted Assets	25,133,465	19,827,215

Capital Ratios

Total Regulatory Capital Expressed as a Percentage of Total Risk Weighted Assets	11.28%	10.57%
Total Tier 1 Capital Expressed as a Percentage of Risk Weighted Assets.	11.11%	10.35%

l) Dividend

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

	2022 Bank GH¢	2021 Bank GH¢
8 INTEREST INCOME		
Advances - Loans	4,388,156	3,882,704
Advances - Overdrafts	482,184	94,979
Investment	3,615,450	2,654,999
	8,485,791	6,632,682
9 INTEREST EXPENSES		
Savings Deposits	244,879	187,555
Time Deposits	1,121,527	1,109,685
Interest on Borrowing	15,000	-
	1,381,406	1,297,240
10 COMMISSIONS AND FEES		
Commissions on Turnover	701,524	531,812
Commitment & Processing Fees	540,671	458,327
Cheque Clearing/Domestic Money Transfer Fee	-	705
	1,242,196	990,843
11 COMMISSIONS AND FEES EXPENSE	-	-
12 OTHER INCOME		
Bad Debts Recovered	75,462	81,596
Sundry Income	122,061	94,219
	197,522	175,815

13 CASH AND SHORT TERM FUNDS

Cash on Hand	2,208,749	2,126,407
ARB Apex Bank - ACOD 7	1,050,000	700,000
ARB Apex Bank - Current	692,276	335,390
ARB Apex Bank - Reserve (5% Placement)	1,990,298	1,856,453
Momo	232,872	92,208
GCB Bank	75,614	50,000
	6,249,809	5,160,458

14 LONG-TERM INVESTMENTS

Amal Fund Gh Ltd.	5,220,581	5,220,581
GOG Bonds	13,849,659	16,149,539
	19,070,240	21,370,119
Interest Receivable on Investment	415,442	484,262
	19,485,681	21,854,381

14b SHORT-TERM INVESTMENTS

Treasury Bills 91 Days	9,150,000	1,839,000
	9,150,000	1,839,000

15 LOANS AND ADVANCES

	2022	2021
	GHC	GHC
Loans	14,694,229	11,220,020
Overdraft	389,979	131,636
	15,084,208	11,351,656
Impairment Loss	-	-
	15,084,258	11,351,656
Impairment Loss Brought Forward	(623,659)	(670,574)
Bad Debts Writen-Off	-	460,834
Current Year Provision	(413,922)	(413,919)
	(1,037,582)	(623,659)
	14,046,677	10,727,997

16 INVENTORIES

Stationery	39,892	37,307
Other Stores	-	18,466
	39,892	55,773

17 OTHER ASSETS

Prepaid Rent	26,217	43,015
Insurance prepaid	2,920	57,908
Office Account	-	1,500
E-zwich	8,918	7,881
Unassigned Lines	101,990	-
Interest Receivable	290,439	258,004
Interest In Arrears	6,146	-
	436,630	368,308

18 INVESTMENT SECURITIES

ARB Apex Bank	151,928	151,928
ARB - WERBA	71,278	71,278
	223,206	223,206

19 TAXATION**19a BANK**

Tax Years	Balance 1-Jan-22 GH¢	Charges for Year GH¢	Payments GH¢	Balance 31-Dec-22 GH¢
Up to 2020	(57,829)	-	-	(57,829)
2021	75,086	-	(17,258)	57,828
	17,258	-	(17,258)	-
2022	-	436,857	(200,000)	236,857
	17,258	436,857	(217,258)	236,857
Def. Tax Asset	-	(92,197)		(92,197)
Def. Tax Liability	38,844	192,905	-	231,748
	56,101	537,565	(217,258)	376,408

RECONCILIATION/COMPUTATION OF EFFECTIVE TAX RATE

	2022 GH¢	2021 GH¢
Chargeable income	1,747,427	1,003,960
Income Tax Using Applicable Tax Rate 25%	436,857	175,086
Deferred Tax		
Balance 31-Dec	38,844	38,844
Adjustment to Prior Years	-	-
Balance 31-Dec	38,844	38,844
Profit Before Tax Expense		
Deferred Tax	-	-
Total	-	-
Effective Tax Rate %	-	-

20 DEPOSIT AND CURRENT ACCOUNT

	2022 GH¢	2021 GH¢
Current Accounts	5,701,316	5,759,162
Savings Accounts	20,747,406	15,652,331
Time	8,672,525	9,077,495
Susu Deposits and Others	8,675,377	6,628,169
Others	476,889	345,304
	44,273,513	37,462,460

20.1 CURRENT ACCOUNTS

Individuals	3,785,408	3,622,434
Private Enterprises	246,670	415,503
Public Enterprises	210,111	99,694
Other Financial Institutions	704,002	183,259
Current Dormant	245,588	850,507
Others	509,536	587,765
	5,701,316	5,759,162

20.2 SAVINGS ACCOUNTS

Individuals	14,821,364	11,140,034
Private Enterprises	843,752	670,881
Public Enterprises	828,991	660,917
Group	1,999,688	987,071
Savings Dormant	498,432	837,933
Others	1,755,178	1,355,495
	20,747,406	15,652,331

20.3 TIME DEPOSIT ACCOUNTS

Individuals	7,307,193	7,898,248
Private Enterprises	176,080	177,050
Public Enterprises	268,611	326,247
Group	40,000	55,500
Other Financial Institutions	600,000	170,000
Others	280,641	450,450
	8,672,525	9,077,495

20.4 SUSU ACCOUNTS	2022	2021
	GH¢	GH¢
Individuals	8,675,377	6,628,169

20.5 OTHER DEPOSITS		
E-Zwich & Ghana Pay	476,889	345,304

21 OTHER LIABILITIES		
Sundry Creditors	28,025	13,179
Dividend Payable	-	-
Audit Fees	30,000	22,000
Bills Payable	66,656	49,637
Accrued Interest	345,150	353,249
Provision for AGM	-	60,000
Unearned Discount on Bills	425,417	33,602
Managed Fund	215,741	221,855
T24 Licence Fee	-	46,795
Office Account	242,412	138,251
	1,353,402	938,567

22 LONG-TERM BORROWING	2022	2021
	GH¢	GH¢
RDF Loan	1,000,000	-
Repayment during the year	-	-
	1,000,000	-

The Bank contracted a Working Capital Loan Facility in an aggregate amount of GH¢1,000,000 from RDF Ghana LBG, solely and exclusively for On-Lending to beneficiaries. The principal plus interest shall be repaid over a maximum tenor of 36 months. The Bank has invested GH¢1,000,000 in trust for RDF Ghana LBG as security for the loan.

23 STATED CAPITAL		
Authorised:		
Ordinary Share of no par value		40,000,000
Preference Share of no par value		10,000,000

DETAILS	NO. OF SHARES	Amount	NO. OF SHARES	Amount
	2022	GH¢	2021	GH¢
NO. OF SHARES CONSIDERATION	Number		Number	
Opening Ordinary	27,902,977	1,171,167	27,872,737	1,156,047
Additions				
Cash	21,750	10,875	30,240	15,120
Bonus	-	-	-	-
	27,924,727	1,182,042	27,902,977	1,171,167
Opening Ordinary	-	-	-	-
Transfer from Surplus	-	-	-	-
	27,924,727	1,182,042	27,902,977	1,171,167
Total Opening Balance	27,902,977	1,171,167	27,872,737	1,156,047
Additions	21,750	10,875	30,240	15,120
Closing Balance	27,924,727	1,182,042	27,902,977	1,171,167
Preference Shares	125,000	13	125,000	13
	28,049,727	1,182,055	28,027,977	1,171,180

There is no liability on any share and there is no share in treasury.

24 OCCUPANCY	31,138	34,605
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25	DEPRECIATION AND AMORTISATION		202,480	179,558
26	OTHER OPERATING EXPENSES			
26.1	Staff Costs			
	Salaries, Wages & Allowances		2,160,816	1,990,137
	Medical Expenses		12,452	7,350
	Staff Training		79,181	90,348
	Others		1,044,915	349,936
			3,297,365	2,437,772
26.2	Depreciation & Amortisation		2022	2021
			GH¢	GH¢
	Depreciation		181,811	158,889
	Amortisation		20,669	20,669
			202,480	179,558
26.3	Operating Costs			
	Repairs & Maintenance		151,185	74,672
	Rent and Rates		31,138	34,605
	Insurance		67,537	60,892
	Donations		72,349	71,293
	Police Guard		172,182	161,723
	Generator Expenses		123,511	71,217
	Electricity & Water		171,127	175,365
	Audit Fees		30,000	22,000
	Administrative		2,528,452	1,795,124
			3,347,480	2,466,890
26.4	Directors Remuneration			
	Included in the Administrative Cost under Operating Costs were the following:			
	Directors Fees		80,742	67,416
27	INTANGIBLE ASSETS	Developed	Additions/	Developed
27.1	BANK	Software	Deletions	Software
26.1.1	Cost	GH¢		GH¢
	Balance at 1 January, 2021	202,739		202,739
	Acquisitions	7,005		7,005
	Balance at 31 December, 2021	209,744	-	209,744
	Balance at 1 January, 2022	209,744	-	209,744
	Acquisitions/Disposals	(30,805)		(30,805)
	Balance at 31 December, 2022	178,939	-	178,939
26.1.2	Amortisation and Impairment			
	Balance at 1 January, 2021	24,680	-	24,680
	Amortisation for the Year	20,669	-	20,669
	Impairment Loss	-	-	-
		45,349	-	45,349
	Balance at 31 December, 2021	164,396	-	164,396
	Balance at 1 January, 2022	45,349	-	45,349
	Amortisation for the Year	20,669	-	20,669
	Impairment Loss	-	-	-
	Balance at 31 December, 2022	66,018	-	66,018
26.1.3	Carrying Amounts			
	Balance at 1 January, 2021	178,059	-	178,059
	Balance at 31 December, 2021	164,396	-	164,396
	Balance at 31 December, 2022	112,922	-	112,922

28 PROPERTY, PLANT & EQUIP.**28.1 2022****27.1.1 COST**

	GH¢	GH¢	GH¢	GH¢
	BALANCE		ADJUSTMENT/	BALANCE
	1-Jan-22	ADDITIONS	DISPOSAL	31-Dec-22
Land	31,879	-	-	31,879
Buildings	848,482	8,508	-	856,990
Branch Development	31,000	-	-	31,000
Office Furn. & Fittings	135,363	34,930	-	170,292
Computers	218,813	22,822	-	241,635
Motor Cycle	44,495	13,832	-	58,327
Office Equipment	128,432	13,519	-	141,951
Motor Vehicles	215,168	42,160	-	257,328
	1,653,632	135,770	-	1,789,403

2022**27.1.2 DEPRECIATION**

	BALANCE	CHARGED	ADJUSTMENT/	BALANCE
	1-Jan-22	FOR YEAR	DISPOSAL	31-Dec-22
Land	-	-	-	-
Buildings	306,801	42,566	(642)	348,725
Office Furn. & Fittings	54,492	23,665	(420)	77,737
Computers	105,755	56,277	1	162,033
Motor Cycle	23,827	14,269	(146)	37,951
Bungalow Fittings and Furniture	14	-	(14)	-
Office Equipment	75,127	34,494	4,119	113,740
Motor Vehicles	215,164	10,540	2	225,706
	781,181	181,811	2,900	965,892

27.1.3 NET BOOK VALUE

872,452	823,511
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2021**28.2 PROPERTY, PLANT & EQUIP.****27.2.1 COST**

	GH¢	GH¢	GH¢	GH¢
	BALANCE			BALANCE
	1-Jan-21	ADDITIONS	DISPOSAL	31-Dec-21
Land	20,879	11,000	-	31,879
Buildings	846,282	2,200	-	848,482
Branch Development	31,000	-	-	31,000
Office Furn. & Fittings	186,985	2,500	(54,123)	135,363
Computers	244,442	28,482	(54,110)	218,813
Motor Cycle	48,745	16,800	(21,050)	44,495
Bungalow Fittings and Furniture	5,278	-	(5,278)	-
Office Equipment	220,554	5,871	(97,993)	128,432
Motor Vehicles	215,168	-	-	215,168
	1,819,333	66,853	(232,554)	1,653,632

27.2.2 DEPRECIATION

	BALANCE	CHARGED	DISPOSAL	BALANCE
	1-Jan-21	FOR YEAR	DISPOSAL	31-Dec-21
Land	-	-	-	-
Buildings	264,487	42,314	-	306,801
Office Furn. & Fittings	86,642	21,973	(54,123)	54,492
Computers	109,867	49,998	(54,110)	105,755
Motor Cycle	34,301	10,576	(21,050)	23,827
Bungalow Fittings and Furniture	5,292	-	(5,278)	14
Office Equipment	139,092	34,028	(97,993)	75,127
Motor Vehicles	215,164	-	-	215,164
	854,845	158,889	(232,554)	781,181

27.2.3 NET BOOK VALUE

964,489	872,452
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29 IMPAIRMENT/CHARGES

	2022	2021
	GH¢	GH¢
Loan Impairment Charges	(413,922)	(413,919)
	(413,922)	(413,919)

30 DIVIDEND

Balance 01 January	-	-
Approved Dividend	-	-
Dividend Paid	-	-
Balance 31 December	-	-
Dividend per Share	-	-

32 RELATED PARTIES**a. Transactions with Key Management Personnel**

32.1 Key Management Personnel and their immediate relatives have transacted with the Bank during the year as follows:

	2022	2021
	Max. Balance	Max. Balance
	GH¢	GH¢
Mortgage Lending and Other Secured Loans	-	-
Other Loans	141,600	105,216
	141,600	105,216

32.2 Key management personnel compensation for the year comprised

	2022	2021
	GH¢	GH¢
Short-Term Employee Benefits	605,665	299,815

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

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

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

32.3 **Loans and Advances to Employees**

	2022	2021
	GH¢	GH¢
Balance at 1 January	478,143	364,304
Loans Advanced during the Year	525,600	423,500
Loans Repayments Received	(367,349)	(309,662)
Balance at 31 December	636,393	478,143

32.4 **Loans and Advances to Directors and their Associates**

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

	2022	2021
	GH¢	GH¢
Gross Amount at 1 January	-	-
Interest Charged	-	-
Loans Disbursed	-	-
Cash Received	-	-
Net Movement in Overdraft Balances	-	-
Net Amount at 31 December	-	-

Included in Loans and Advances is nil (2021: GH¢0) advanced to the Board of Directors.

There is no subsidiary in which some of the Board of Directors have interest therefore no deposit due to subsidiary companies in which some of the Board of Directors have interest.

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

The related interest income in 2022 was nil (2021:GH¢).

32.5 List of Related Parties	Designation	Period	
		From	To
Prof. Cosmas Cobbold	Director	1-Jan-22	31-Dec-22
Mr. Samuel Alex Bervell	Director	1-Jan-22	31-Dec-22
Mrs. Gifty Erzoa-Bebodu	Director	1-Jan-22	31-Dec-22
Mr. Nti Acheampong	Director	1-Jan-22	31-Dec-22
Mr. Daniel B. Ndede	Director	1-Jan-22	31-Dec-22
Mr. Ernest Kofie	Director	1-Jan-22	31-Dec-22
Mr. Collins Ehwi	Director	1-Jan-22	31-Dec-22

32.6 Key Management Personnel	Name	Designation	Period	
			From	To
	ADORMAH MAWUNYO	CHIEF EXECUTIVE OFFICER	1-Jan-22	31-Dec-22
	OBED ANTHONY KWAME ARHIN	HEAD OF OPERATIONS	1-Jan-22	31-Dec-22
	RICHARD KUSI DUAH	HEAD OF INTERNAL AUDIT	1-Jan-22	30-Mar-22
	FRANCIS AYEKPA	HEAD OF INTERNAL AUDIT	30-Mar-22	31-Dec-22
	DANIEL ADONLE ACKAH	HEAD OF CREDIT	1-Jan-22	31-Dec-22
	ISAAC ANGLAW	HEAD OF RISK & COMPLIANCE	1-Jan-22	31-Dec-22
	MARY MAGDALENE ADEBAH	HEAD OF MICRO-FINANCE	1-Jan-22	21-Jun-22
	GIDEON ABBEY	HEAD OF MICRO-FINANCE	21-Jun-22	31-Dec-22
	JULIUS CAESAR	HEAD OF ICT	1-Jan-22	31-Dec-22

32.7 a. Number of Shareholders	2022	2021
	Bank	Bank
	5,673	5,588

b. Twenty Largest Shareholders	2022		2021		
	Name	No. of Shares	%Percentage	No. of Shares	%Percentage
	SEME JOHN	995,215	3.56	995,215	3.57
	EWULLEY EKONIA AUGUSTINE	497,611	1.78	497,611	1.78
	EHOMAH PATRICK SOMIAH	375,694	1.35	248,805	0.89
	MIEZAH KOFI	248,805	0.89	248,805	0.89
	AYEKPAH PAUL KINGSLEY	248,805	0.89	248,805	0.89
	CUDJOE JOHN A.	248,805	0.89	248,805	0.89
	ANDOH SAMUEL BLAY	248,805	0.89	248,805	0.89
	BLAY LAWRENCE K.	248,805	0.89	248,805	0.89
	SENE JOHN	248,805	0.89	248,805	0.89
	YANKEY M.B.N.	228,898	0.82	228,898	0.82
	ANDOH M.B.	227,658	0.82	227,658	0.82
	ARMAH ALBERT A.	170,432	0.61	170,432	0.61
	BLAY / KAKU FRANK TANOE / GEORGE	124,402	0.45	124,402	0.45
	EHOMAH PATRICK SOMIAH	124,402	0.45	124,402	0.45
	ASSAMOAH JOHN E.	124,402	0.45	124,402	0.45
	ANDOH ISHAMEL BINEY	124,402	0.45	124,402	0.45
	AMPOH JERONE	124,402	0.45	124,402	0.45
	ENWUNLI B.W.	111,963	0.40	111,963	0.40
	AMOAKAH EDWARD KWAME	99,520	0.36	99,520	0.36
	BLAY JOHN NDA	99,520	0.36	99,520	0.36
		4,921,351	17.62	4,794,462	17.18

32.8 Number of Employees	2022	2021
	98	96

JOMORO RURAL BANK LIMITED

PROXY NOTE

I/Weof.....

being a member.....

hereby appoint.....of.....or failing him/her

.....of

.....as

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

Signed.....thisday of

.....2023

Please cut along this line

AMERA SUKULU

CHILD EDUCATION



JOMORO RURAL BANK LTD.

PRODUCTS AND SERVICES

- Current Account
- Savings Account
- Fixed Deposit
- Susu Savings
- Commercial Loans & ODs
- Emergency Loans
- Treasury Bills
- E-Zwich
- Salary Loans
- Salary Advances
- Susu Loans
- Micro Finance Loans
- Cocoa Bofo Loans
- Western Union Money Transfer
- RIA Money Transfer
- Apex Link Money Transfer

OTHER SERVICES

- MTN Mobile Money
- Vodafone Cash
- Airtel-Tigo Cash

HEAD OFFICE

050 125 7639 050 125 7627
050 125 7637

AGENCIES

Tikobo 1 - 050 125 7637
Elubo - 050 125 7638
Half Assini - 050 125 7640
Tikobo 2 - 050 125 7641
Aiyinasi - 050 125 7642
Boinso - 050 125 7643