



# AHANTAMAN RURAL BANK LTD.



WE SERVE YOU  
BETTER ALWAYS

# 2017

ANNUAL REPORT



**AHANTAMAN RURAL BANK LTD**  
**30TH ANNUAL GENERAL MEETING PROGRAMME**

1. Arrival and Registration of Shareholders
2. Opening Prayer
3. Presentation of Chairman
4. Chairman's Response
5. Introduction of Board Members and Invited Guests
6. Main Business
  - a. Reading of Notice convening the meeting.
  - b. Chairman's Report.
  - c. Report of Directors and Auditors
  - d. Resolutions:
7. Addresses:
  - i. ARB Apex Bank Ltd
  - ii. President, WERBA
  - iii. Other Guests
8. Presentation of Awards
9. Chairman's Remarks
10. Vote of Thanks
11. Closing Prayer
12. Refreshment

**AHANTAMAN RURAL BANK LTD**  
**2017 ANNUAL REPORT**

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**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**BASIC INFORMATION**

DATE OF INCORPORATION:	3-Oct-83		
CERTIFICATE NUMBER:	23018		
DATE OF COMMENCEMENT	23-Nov-84		
DATE LICENCE WAS ISSUED:	12-Mar-85		
BANK OF GHANA LICENCE NUMBER	110		
OLD TIN	365B000002		
NEW TIN	C0009043063		
BOARD OF DIRECTORS:			
CHAIRMAN:	MR. VINCENT BLAYCHIE ESSIEN		
VICE CHAIRMAN:	MR. ERIC DANING		
MEMBER/SECRETARY:	HON. EBENEZER KOJO KUM		
MEMBER:	DR. DOLF KOFI BADU SUTHERLAND		
MEMBER:	MS. ELIZABETH OBENG		
MEMBER:	HON. SAMUEL JOHNFIAH		
MEMBER:	MR. ANTHONY PETER AMISSAH		
MEMBER:	MR. JOHN PAPA EKOW MENSAH-WOODE		
MEMBER:	MR. ALEXANDER KWAKU KRAH		
CHIEF EXECUTIVE OFFICER	MR. BENJAMIN AFFUL-ESHUN		
BRANCH NETWORK	AGONA	KOJOKROM	AGONA MARKET
	ABURA	HOLY CHILD	ACCRA STATION (TKDI)
	APOWA	NSUAEM	EFFIA
	ANAJI	SEKONDI	ADUM BANSO
	AXIM	TAKORADI	TWIFO PRASO
	KWESIMINTIM	TARKWA	AIYINASE
	WASSA BENSO		
CLEARING BANK:	ARB APEX BANK, TAKORADI		
REGISTERED OFFICE:	AHANTAMAN RURAL BANK LIMITED PREMISES UNN PLT P. O. BOX AA 41 AGONA AHANTA-TAKORADI ROAD		
EMAIL ADDRESS	info@ahantamanbank.com.gh		
WEBSITE	www.ahantamanbank.com.gh		
AUDITORS:	ASAMOA BONSU & CO, CHARTERED ACCOUNTANTS, 56 (e146/10) ORGLE ROAD, KANESHIE. P. O. BOX AN-7751, ACCRA.		
SOLICITORS	KENDICKS LAW FIRM (LAWYERS, CONSULTANTS & NOTARY PUBLIC) 22/8 OLD JOHN SARBAH ROAD P. O. BOX 1656, TAKORADI		

## **AHANTAMAN RURAL BANK LTD**

### **VISION, MISSION & CORE VALUES**

#### **Vision Statement**

To become the most preferred financial institution in the rural banking industry, offering utmost satisfaction to all its stakeholders.

#### **Mission Statement**

‘The Mission of Ahantaman Rural Bank is to provide easy access to banking services to the people of its catchment area through effective and efficient customer care. In this regard the Bank will strengthen stakeholder relationships by providing the right solutions that combine technologies, expertise and financial strength. We will create customer loyalty, shareholder value and employee satisfaction’.

#### **Corporate Values**

- **Teamwork**  
We believe in the strengths of all and will work together to achieve corporate objectives. We will support each other to succeed together.
- **Integrity**  
We will demonstrate good faith in all our dealings with clients, regulators, staff, shareholders and the community.
- **Result Oriented**  
We will keep our eyes on the targets we have set and ensure efficiency in service delivery.
- **Customer Satisfaction**  
We have enthusiasm for serving our customers and will demonstrate this through customer responsiveness.
- **Confidentiality**  
We will maintain high sense of responsibility in handling client information and information will be provided only on need to know basis.
- **Innovation**  
We anticipate change and respond with innovation. We are responsive to the changing needs of stakeholders and we encourage staff initiatives which will lead to continuous improvement in service delivery standards.

## **BOARD OF DIRECTORS**



**VINCENT BLAYCHIE ESSIEN**  
(Chartered Banker)  
**CHAIRMAN**



**HIS WORSHIP ERIC DANING**  
(Lawyer/Magistrate)  
**VICE CHAIRMAN**



**HON. EBENEZER KOJO KUM**  
(Lawyer/MP)  
**MEMBER/SECRETARY**



**ELIZABETH OBENG**  
(Chartered Accountant)  
**MEMBER**



**DR. DOLF K. B. SUTHERLAND**  
(Medical Officer)  
**MEMBER**



**HON. SAMUEL JOHNFAH**  
(Retired Banker/Formal MP)  
**MEMBER**



**EKOW MENSAH-WOODE**  
(Accountant/Businessman)  
**MEMBER**



**ANTHONY PETER AMISSAH**  
(Retired Educationist)  
**MEMBER**



**ALEXANDER K. KRAH**  
(Management Practitioner)  
**MEMBER**

## MANAGEMENT TEAM



**BENJAMIN AFFUL-ESHUN**  
(CHIEF EXECUTIVE OFFICER)



**SAMUEL YALLEY**  
(HEAD, FINANCE)



**SAMUEL AKOTO-YEBOAH**  
(HEAD, HUMAN RESOURCE)



**CHRISTOPHER K. DENTU**  
(HEAD, BANKING OPERATIONS)



**AUGUSTINE N. BEAKANA**  
(HEAD, CREDIT & RISK)



**SAMUEL NYANZU ACKAH**  
(HEAD, INT. AUDIT & COMPLIANCE)



**JOSEPH ATO HAIZEL**  
(HEAD, ICT)

## **AHANTAMAN RURAL BANK LTD**

### **NOTICE OF ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 30th Annual General Meeting (AGM) of Shareholders of Ahantaman Rural Bank Limited will be held at the Assembly Hall of Baidoo Bonsoe Senior High/Technical School, Agona Nkwanta, on Saturday, 21st July, 2018 at 10:00am prompt to transact the following business:

#### **AGENDA**

1. To read the Notice convening the meeting.
2. To receive Chairman's Report.
3. To receive and consider the Accounts for the year ended 31st December 2017 together with the Report of the Directors and the Auditors thereon.
4. To authorize Directors to fix remuneration of the External Auditors.
5. To declare dividend.
6. To re-elect Directors retiring by rotation.
7. To fix the remuneration of Directors.
8. To pass a resolution to transfer GH¢2,477,374 from Income Surplus to Stated Capital as Bonus Shares.

#### **NOTE:**

A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not to be a member of the company.

Copies of proxy forms have been annexed to the report.

Shareholders can access soft copies of the Annual Report from the Bank's website ([www.ahantamanbank.com.gh/media/annual-report/](http://www.ahantamanbank.com.gh/media/annual-report/)).

DATED THIS 22ND DAY OF JUNE, 2018

BY ORDER OF THE BOARD



BENJAMIN AFFUL-ESHUN  
(Chief Executive Officer)

## AHANTAMAN RURAL BANK LTD

### CHAIRMAN'S REPORT



VINCENT BLAYCHIE ESSIEN  
BOARD CHAIRMAN

#### Introduction

Nananom, Hon. Ebenezer Kojo Kum (MP for Ahanta West), Municipal Chief Executive, Distinguished Invited Guests, Fellow Directors, Distinguished Shareholders, Friends from the Media, Ladies and Gentlemen. It is a great honour to welcome you all to the 30th Annual General Meeting of Shareholders of Ahantaman Rural Bank Ltd and to present to you the performance of your bank for the financial year ended 31st December 2017.

#### Economic Environment

The peaceful transition and stable political environment provided the needed confidence in the Ghanaian economy, resulting in some stability in the economic environment. The key economic indicators for the period are summarised in the following table:

INDICATOR	31 DEC. 2016	31 DEC. 2017
Prime Rate	25.5%	20.0%
Inflation	15.4%	11.8%
Exchange Rate (USD)	4.202	4.418
91-Day T/bill	16.4%	13.3%
182-Day T/bill	17.6%	13.9%
1 -Year Note	22.0%	15.0%

Distinguished Shareholders, in spite of the above moderate economic indicators, cost of funds to banks remain relatively high as customers continue to demand high interest on their deposits. In 2017 the banking sector witnessed a major takeover of two banks. This together with the collapse of some other financial institutions somehow created uncertainties and nearly led to decline of public confidence in the banking sector. The negative effect of these happenings on deposit mobilization in the financial markets is obvious.

#### New Reporting Format

Ladies and Gentlemen, the Bank of Ghana in 2017, issued a Guide for Financial Publication for Banks and BOG Licensed Financial Institutions in a manner required by the Companies Act, 1963 (Act 179), the Banks and Specialised Deposit-Taking Institutions Act, 2016 (ACT 930), the NBFi Act, 2008 (Act 774) and all other relevant directives, notices and letters of the BOG, and in accordance with International Financial Reporting Standards (IFRS) as adopted by the Institute of Chartered Accountants (Ghana) mandated by the ICAG Act, 1963 (Act 170).

This Annual Report has been prepared to largely comply with the new reporting format.

## AHANTAMAN RURAL BANK LTD CHAIRMAN'S REPORT CONT.

### Operating Results

Nananom, Distinguished Shareholders, your bank posted yet another impressive performance in spite of some challenges that befell the banking industry. The table below gives a summary of the performance for the reporting period.

NO.	INDICATOR	THE BANK			THE GROUP		
		2017	2016	% CHANGE	2017	2016	% CHANGE
1	Total Income	26,714,976	21,226,713	25.9%	27,887,020	22,257,700	25.3%
2	Total Operating Cost	22,203,693	17,715,387	25.3%	23,257,734	18,643,912	24.7%
3	Deposits	67,228,617	54,445,543	23.5%	67,192,125	54,427,748	23.5%
4	Investments	23,012,003	22,563,016	2.0%	23,012,003	22,563,016	2.0%
5	Advances (Net)	41,528,582	28,137,505	47.6%	41,528,582	28,137,505	47.6%
6	Shareholders' Funds	11,397,341	7,844,427	45.3%	11,741,680	8,107,004	44.8%
7	Paid-up Capital	2,163,929	1,630,846	32.7%	2,163,929	1,630,846	32.7%
8	Profit Before Tax	4,511,282	3,511,326	28.5%	4,629,286	3,613,788	28.1%
9	Profit After Tax	2,973,372	2,213,177	34.3%	3,061,357	2,290,023	33.7%
10	Total Assets	87,801,696	67,721,028	29.7%	88,273,443	68,221,868	29.4%
11	NPL Ratio	2.64%	1.31%	101.5%	2.64%	1.31%	101.5%
12	Capital Adequacy Ratio	12.74%	11.21%	13.6%	12.75%	11.03%	15.6%

### Share Register Management

We reported the automation of the Bank's Shares Register last year, and this has helped in the management of the register. However, we still have a large number of shareholders who have not updated their personal records. We therefore entreat all shareholders to visit the Bank to update their records and, to ensure that their various shareholdings are merged under one customer number.

### Branch Infrastructure Development

The Bank continues to strategically give facelift to its branch premises so as to provide convenience to customers. During the period under review, the Tarkwa Branch premises was renovated and expanded. Plots of land were also acquired at Axim and Adum Bansa for future development.

Distinguished Shareholders, We are happy to announce that we have also put up an ultra-modern edifice for the Tanokrom Branch of the Bank.

### Human Capital

The Board recognizes that the staff represent its most valuable assets and therefore attaches more importance to staff motivation, team building, training and development as important ingredients for the success of the Bank.

We continue to encourage our staff in their pursuit of various academic and professional qualifications through both internal and external training programmes.

### Corporate Social Responsibility:

Distinguished Shareholders, In line with the policy to give a portion of our profit back to society, the Bank supported a number of social interventions within its catchment area during the period under review. A total amount of GH¢106,827 was spent during the period. The beneficiaries included

- The Security Services
- Radio Ahanta
- Educational Institutions

## **AHANTAMAN RURAL BANK LTD**

### **CHAIRMAN'S REPORT CONT.**

- Various Metropolitan, Municipal and District Assemblies
- Otumfuo Baidoo Bonsoe Challenge Cup
- Various Traditional Councils (Kundum festivals).

Under the Bank's Scholarship Scheme a total amount of GH¢91,200 was disbursed to 102 beneficiaries distributed as follows:

	FEMALES	MALES	TOTAL
SECONDARY	16	11	27
TERTIARY	27	48	75
TOTAL	43	59	102

#### **Awards and Other Achievements**

Nananom, Distinguished Guests, Ladies and Gentlemen. During the year under review your bank received some awards and recognitions from reputable institutions as follows:

- i. A Gold Award in the Rural Banking Category during the 4th Western Regional Business And Financial Excellence Awards organised under the auspices of the Western Regional Co-ordinating Council and the Western Regional House of Chiefs to mark Ghana's Diamond Jubilee.
- ii. Ghana Club 100: The Bank improved on its position from 60 in 2016 to 49 in 2017 in the prestigious Club 100 Awards organised by the Ghana Investments Promotions Centre (GIPC).
- iii. EMU Rankings: The Bank continues to maintain its strong position in the Efficiency Monitoring Unit (EMU) Rankings undertaken by ARB Apex Bank. Out of the 142 RCBs in the country, your bank was ranked 9th and the 1st in Western Region for the last Quarter ending 31st December, 2017.

#### **Dividend to Shareholders**

The Bank is committed to staying on course in paying shareholders their due. The Directors recommend the payment of dividend of GH¢0.065 per share, totalling GH¢1,514,827 in respect of the year ended 31st December, 2017 as follows:

- A cash dividend of GH¢0.050 per share, and
- A share dividend of GH¢0.015 per share.

The total dividend represents an increase of 30% over that of the previous year.

Distinguished Shareholders, it is exciting to note that the current dividend of GH¢0.065 per share is 19.12% return on the share price of GH¢0.34.

#### **Bonus Shares Issue**

Nananom, Ladies and Gentlemen. As a strategy to help boost the bank's stated capital, and also to provide return to shareholders whose investments have helped in building the Bank to the current status, the Board in accordance with Section 66 (1) of the Companies Code 1963, Act 179, will be seeking your approval at this AGM to transfer an amount of GH¢2,477,374 from Income Surplus to Stated Capital as Bonus Shares to shareholders who were on the share register as at 31st December, 2016.

This proposal, if approved, will result in shareholders getting one (1) additional share for every three (3) existing shares. This will bring the stated capital to GH¢4,641,303.

We have proven track record of consistent strategy execution, which has led to growth in all sides of your Bank. We wish to assure you that the Board will continue to make decisions in your best interest.

#### **Directorship**

Nananom, Distinguished Shareholders, in compliance with the provision of section 298(a) of the Companies

## AHANTAMAN RURAL BANK LTD CHAIRMAN'S REPORT CONT.

Code 1963, Act 179, three of your directors, namely Dr Dolf Kofi Badu Sutherland, His Worship Eric Daning, and Hon. Lawyer Ebenezer Kojo Kum, being due for retirement by rotation, have offered themselves for re-election. We recommend that you re-appoint them to continue the good work they are doing for our bank.

### **Directors Share Qualification**

Distinguished Shareholders, in order to ensure that individuals who serve on the Board show some commitment in contributing to improvement in stated capital, the directors have resolved that the minimum shareholding of 40,000 for directors should be increased to 50,000 shares. The Board requires your endorsement of this proposal.

### **Appointment of Auditors**

Following the mandate given at the 29th AGM, the Board of Directors, after careful consideration, appointed Messrs Asamoah Bonsu & Co as auditors for your Bank.

### **Outlook**

Distinguished shareholders, the Board and Management wish to assure you that your bank is strategically positioned to compete favourably in the industry.

The focus of our growth strategy in the ensuing year include, but not limited to the following:

- Leverage on the Bank's ICT infrastructure to drive growth and introduce new products such as Mobile App and USSD Short Code.
- To improve on branch network to include branchless banking.
- To improve upon the Bank's capitalization.
- To increase the Corporate and SME Clientele base.
- To improve on service delivery to ensure customer loyalty and satisfaction.

Ladies and Gentlemen, we hope that the reduction in the BoG Policy Rate, and the downwards trend of the Government of Ghana Treasury Bill rate will lead to reduction in the cost of funds and lending rates to customers. This is expected to stimulate business growth and lead to reduction in rural poverty.

### **Acknowledgement**

Nananom, Distinguished Shareholders, Ladies and Gentlemen. The successes chalked over the past years have been achieved by the visionary leadership of the Board and Management, the hard work of staff, and the loyalty of our shareholders and customers.

I wish to express my sincere gratitude to my fellow Board Members for their commitment and invaluable support in steering the affairs of the Bank.

To the Management Team and the Staff I say 'Ayekoo' for your hard work and commitment throughout the years.

To you our Cherished Shareholders, we owe you deep gratitude for the support, and confidence reposed in us.

To our dear customers, we say thank you. We will continue to count on your loyalty, and we pledge to work hard to satisfy your financial needs.

Finally, I wish to extend my profound appreciation to Nananom for their continuous support and good counsel.

THANK YOU ALL FOR YOUR ATTENTION AND MAY THE GOOD LORD BLESS US ALL.

# AHANTAMAN RURAL BANK LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST DECEMBER, 2017

#### DIRECTORS' REPORT TO THE MEMBERS

The Directors present herewith the audited Consolidated Financial Statements of the Bank for the year ended 31st December, 2017 and report thereon as follows:

#### DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of the Consolidated Financial Statements, comprising the Statement of Financial Position as at 31st December, 2017, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows for the year then ended and the Notes to the Consolidated 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, 1963, (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835) and the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930) and Anti-Money Laundering Act, 2008, (Act 749) (AML).

The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of Consolidated 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 the business will not be a going concern in the year ahead.

#### CONSOLIDATED FINANCIAL STATEMENTS AND DIVIDEND

	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
The results are summarised as follows:				
Profit for Year ended 31st December, 2017 after Taxation	2,973,372	3,061,357	2,213,177	2,290,023
Opening Income Surplus Account brought forward of	2,483,825	2,746,402	2,173,561	2,366,126
Prior Period Error	46,459	40,235	(172,984)	(179,818)
	<u>2,530,284</u>	<u>2,786,637</u>	<u>2,000,577</u>	<u>2,186,308</u>
<b>Transfers From/(to)/Dividend Payable</b>				
Dividend Paid	-	-	(1,093,282)	(1,093,282)
Other Reserves	1,690,544	1,690,544	(360,000)	(360,000)
Statutory Reserves	(371,671)	(371,671)	(276,647)	(276,647)
	<u>1,318,873</u>	<u>1,318,873</u>	<u>(1,729,929)</u>	<u>(1,729,929)</u>
Leaving the balance Income Surplus Account carried forward of	<u>6,822,528</u>	<u>7,166,867</u>	<u>2,483,825</u>	<u>2,746,402</u>
<b>TOTAL ASSETS</b>	<u>87,801,696</u>	<u>88,273,443</u>	<u>67,721,028</u>	<u>68,221,868</u>

In accordance with Section 134 of the Companies Act, 1963, (Act 179), the Auditors, Messrs' Asamoah Bonsu & Co. continue in office as auditors of the Bank.

The Directors recommend the payment of dividend of GH¢0.065 per share totalling GH¢1,514,827 in respect of the year ended 31st December, 2017 (2016: GH¢0.050: GH¢1,093,282).

#### 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 CONSOLIDATED FINANCIAL STATEMENTS

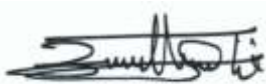
The Consolidated Financial Statements of the Bank as indicated above were approved by the Board of Directors on the date stated below.

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

**Directors' Assessment of the State of the Group's Affairs**

The Bank has put in place strategies to meet the Financial Reporting Guidelines on Bank's Financial Statement ending December 31, 2018. This is a requirement as directed and published in the 'Guide for Financial Publication for Banks & BOG Licensed Financial Institutions for all Financial Statements ending December 31, 2016.

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



DIRECTOR  
VINCENT BLAYCHIE ESSIEN  
AGONA-NKWANTA

MAY 25, 2018



DIRECTOR  
HON. EBENEZER KOJO KUM

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**Report on the Audit of the Consolidated Financial Statements**

We have audited the Consolidated Financial Statements of Ahantaman Rural Bank Limited, which comprise the Statement of Financial Position as at 31st December, 2017, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and Notes to the Consolidated Financial Statements, which include a summary of significant accounting policies as set on pages 16 to 41

**Modified Opinion**

In our opinion, except for few compliance issues regarding the Bank of Ghana Guidelines for Financial Publication for Banks & Other Licensed Financial Institutions, the accompanying Consolidated Financial Statements present fairly, in all material respects, the Consolidated Financial Position of the Group as at 31st December, 2017, and of its financial performance and its cash flows for the year ended in accordance with International Financial Reporting Standards and the requirements of the Companies' Act, 1963 (Act 179) as amended by the Companies (Amendment) Act, 2012, (Act 835) and Anti-Money Laundering Act, 2008, (Act 749) (AML).

**Basis of Modified 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 Consolidated 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 Consolidated Financial Statements**

The Directors are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with Companies Act, 1963, (Act 179) as amended by Companies (Amendment) Act, 2012, (Act 835), Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), and Anti-Money Laundering Act, 2008, (Act 749) (AML) and the International Financial Reporting Standards (IFRS), and for such internal control as management determines is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error. In preparing the Consolidated 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.

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

**Auditor's responsibilities for the audit of the Consolidated Financial Statements**

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

**Report on other Legal and Regulatory Requirements**

The Companies Act, 1963 (Act 179) as amended by the Companies (Amendment) Act, 2012, (Act 835) 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.

**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 Consolidated 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;
- iii) The Bank's and its subsidiary's transactions were within its powers; and
- iv) The Bank has complied with the provisions in the Banks and Specialised Deposit-Taking Institutions Act, 2016, (Act 930), Anti-Money Laundering Act, 2008, Act 749 (AML) and Anti-Terrorism Act, 2008, (Act 762).

KOFI KUSI ASAMOA-BONSU (ICAG/P/1479)

ACCRA  
25<sup>th</sup> May, 2018

*Asamoah Bonsu & Co.*  
asamoah bonsu & co. (ICAG/F/2018/155)  
chartered accountants  
56 (e146/10) orile road,  
north kaneshie  
p. o. box an 7751  
accra

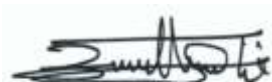
**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**STATEMENT OF COMPREHENSIVE INCOME**

	NOTES	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
Interest Income	8	22,536,446	22,536,446	18,234,920	18,234,920
Interest Expenses	9	(3,326,667)	(3,326,667)	(2,600,612)	(2,600,612)
<b>Net Interest Income</b>		<b>19,209,779</b>	<b>19,209,779</b>	<b>15,634,308</b>	<b>15,634,308</b>
Fees and Commission Income		3,088,056	3,087,866	2,196,978	2,189,728
Fees and Commission Expense	10	-	-	-	-
<b>Net Fees and Commission</b>		<b>3,088,056</b>	<b>3,087,866</b>	<b>2,196,978</b>	<b>2,189,728</b>
Net Trading Income		-	-	-	-
Other Operating Income		1,090,474	2,262,708	794,815	1,833,052
		1,090,474	2,262,708	794,815	1,833,052
<b>Operating Income</b>		<b>23,388,309</b>	<b>24,560,353</b>	<b>18,626,101</b>	<b>19,657,088</b>
Net Impairment Loss on Financial Assets	29	(1,102,618)	(1,102,618)	(1,022,443)	(1,022,443)
Personnel Expenses	26.1	(9,211,702)	(9,273,663)	(7,639,899)	(7,690,329)
Depreciation and Amortisation	26.2	(725,248)	(728,507)	(587,276)	(593,374)
Other Expenses	26.3	(7,837,458)	(8,826,279)	(5,865,157)	(6,737,154)
		<b>(18,877,026)</b>	<b>(19,931,067)</b>	<b>(15,114,775)</b>	<b>(16,043,300)</b>
Profit Before Taxation		<b>4,511,282</b>	<b>4,629,286</b>	<b>3,511,326</b>	<b>3,613,788</b>
Tax Expense		(1,537,910)	(1,567,929)	(1,298,149)	(1,323,765)
Net Profit for the Year	11	<b>2,973,372</b>	<b>3,061,357</b>	<b>2,213,177</b>	<b>2,290,023</b>
<b>OTHER COMPREHENSIVE INCOME</b>					
Revaluation of Property, Plant and Equipment		-	-	-	-
Defined Benefit Plan Actuarial Gain/(Loss)		-	-	-	-
Other Comprehensive Inc. for the Year (Net of Tax)		-	-	-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>					
Profit attributable to:					
Controlling Equity Holders of the Bank		2,973,372	3,061,357	2,213,177	2,290,023
Non-Controlling Interest		-	-	-	-
Profit for the Year		<b>2,973,372</b>	<b>3,061,357</b>	<b>2,213,177</b>	<b>2,290,023</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>					
Basic Earnings per Share		-	-	-	-
Total Comprehensive Income for the year		<b>2,973,372</b>	<b>3,061,357</b>	<b>2,213,177</b>	<b>2,290,023</b>
Earnings per Share GH¢		0.12759	0.13136	0.10122	0.1047
Diluted Earnings per Share GH¢		0.12759	0.13136	0.10122	0.10473

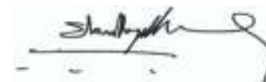
**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**STATEMENT OF FINANCIAL POSITION**

ASSETS	NOTES	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
<b>CURRENT ASSETS</b>					
Cash and Short-Term Funds	12	12,562,058	12,562,058	9,823,242	9,823,242
Short-Term Investments	13	23,012,003	23,012,003	22,563,016	22,563,016
Advances	14	41,528,582	41,528,582	28,137,505	28,137,505
Inventories	15	126,815	259,548	133,715	275,955
Investment Securities		394,952	284,952	394,952	284,952
Taxation	19	-	-	-	-
Deferred Taxation		-	-	-	-
Other Assets	16	3,213,640	3,661,877	2,022,730	2,484,651
		<b>80,838,050</b>	<b>81,309,020</b>	<b>63,075,160</b>	<b>63,569,321</b>
<b>NON CURRENT ASSETS</b>					
Intangibles		32,240	32,241	32,605	34,569
Property, Plant and Equipment	28	6,931,406	6,932,182	4,613,263	4,617,978
<b>TOTAL ASSETS</b>		<b>87,801,696</b>	<b>88,273,443</b>	<b>67,721,028</b>	<b>68,221,868</b>
<b>LIABILITIES AND SHAREHOLDERS FUNDS</b>					
Deposits and Current Accounts	20	67,228,617	67,192,125	54,445,543	54,427,748
Other Liabilities	21	4,139,954	4,243,956	3,580,307	3,775,984
Taxation		599,808	659,513	462,064	522,445
Deferred Taxation		108,076	108,270	151,682	151,682
Borrowings	18	4,327,899	4,327,899	1,237,005	1,237,005
		<b>76,404,355</b>	<b>76,531,764</b>	<b>59,876,601</b>	<b>60,114,864</b>
<b>FINANCED AS FOLLOWS:</b>					
Stated Capital	22	2,163,929	2,163,929	1,630,846	1,630,846
Revaluation Surplus		42,590	42,590	42,590	42,590
Other Reserves		-	-	1,690,544	1,690,544
Income Surplus		6,623,640	6,967,979	2,483,825	2,746,402
Credit Risk Reserve		198,888	198,888	-	-
Statutory Reserve		2,368,294	2,368,294	1,996,622	1,996,622
Shareholders Fund		<b>11,397,341</b>	<b>11,741,680</b>	<b>7,844,427</b>	<b>8,107,004</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS FUND</b>		<b>87,801,696</b>	<b>88,273,443</b>	<b>67,721,028</b>	<b>68,221,868</b>

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



DIRECTOR  
VINCENT BLAYCHIE ESSIEN  
AGONA-NKWANTA



DIRECTOR  
HON. EBENEZER KOJO KUM

MAY 25, 2018

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

**BANK**

<b>2017</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Revaluation Surplus</b>	<b>Income Surplus</b>	<b>Credit Risk Reserve</b>	<b>Other Reserves</b>	<b>Shareholders' Fund</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance b/f	1,630,846	1,996,622	42,590	2,483,825	-	1,690,544	7,844,427
Prior Period Error	-	-	-	46,459	-	-	46,459
Total Comp. Profit	-	-	-	2,973,372	-	-	2,973,372
	1,630,846	1,996,622	42,590	5,503,656	-	1,690,544	10,864,258
Dividend Paid	-	-	-	-	-	-	-
	<b>1,630,846</b>	<b>1,996,622</b>	<b>42,590</b>	<b>5,503,656</b>	<b>-</b>	<b>1,690,544</b>	<b>10,864,258</b>
<b>Transfers</b>							
Reversal	-	-	-	1,690,544	-	(1,690,544)	-
Statutory Reserve	-	371,671	-	(371,671)	-	-	-
Credit Risk Reserve	-	-	-	(198,888)	198,888	-	-
	-	371,671	-	1,119,985	198,888	(1,690,544)	-
Share Acquisition	533,083	-	-	-	-	-	533,083
	<b>2,163,929</b>	<b>2,368,294</b>	<b>42,590</b>	<b>6,623,640</b>	<b>198,888</b>	<b>-</b>	<b>11,397,341</b>
<b>2016</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Revaluation Surplus</b>	<b>Income Surplus</b>	<b>Credit Risk Reserve</b>	<b>Other Reserves</b>	<b>Shareholders' Fund</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance b/f	1,520,744	1,719,975	42,590	2,173,561	-	1,412,744	6,869,614
Prior Period Error	-	-	-	(172,984)	-	(80,000)	(252,984)
Total Comp. Income	-	-	-	2,213,177	-	-	2,213,177
	1,520,744	1,719,975	42,590	4,213,754	-	1,332,744	8,829,807
Dividend	-	-	-	(1,093,282)	-	-	(1,093,282)
	<b>1,520,744</b>	<b>1,719,975</b>	<b>42,590</b>	<b>3,120,472</b>	<b>-</b>	<b>1,332,744</b>	<b>7,736,525</b>
<b>Transfers</b>							
Stat. Reserve	-	276,647	-	(276,647)	-	-	-
Scholarship Fund	-	-	-	(80,000)	-	80,000	-
Social Resp.	-	-	-	(80,000)	-	77,800	(2,200)
Pension Fund	-	-	-	(200,000)	-	200,000	-
Credit Risk Reserve	-	-	-	-	-	-	-
	-	276,647	-	(636,647)	-	357,800	(2,200)
Sale of Shares	110,102	-	-	-	-	-	110,102
	<b>1,630,846</b>	<b>1,996,622</b>	<b>42,590</b>	<b>2,483,825</b>	<b>-</b>	<b>1,690,544</b>	<b>7,844,427</b>

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**STATEMENT OF CHANGES IN EQUITY**

**GROUP**

<b>2017</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Revaluation Surplus</b>	<b>Income Surplus</b>	<b>Credit Risk Reserve</b>	<b>Other Reserves</b>	<b>Shareholders' Fund</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance b/f	1,630,846	1,996,622	42,590	2,746,402	-	1,690,544	8,107,004
Prior Period Error	-	-	-	40,235	-	-	40,235
Total Comp. Profit	-	-	-	3,061,357	-	-	3,061,357
	<b>1,630,846</b>	<b>1,996,622</b>	<b>42,590</b>	<b>5,847,995</b>	<b>-</b>	<b>1,690,544</b>	<b>11,208,597</b>

**Transfers**

Dividend Paid	-	-	-	-	-	-	-
Reversal	-	-	-	1,690,544	-	(1,690,544)	-
Statutory Reserve	-	371,671	-	(371,671)	-	-	-
Credit Risk Reserve	-	-	-	(198,888)	198,888	-	-
	<b>1,630,846</b>	<b>2,368,294</b>	<b>42,590</b>	<b>6,967,979</b>	<b>198,888</b>	<b>-</b>	<b>11,208,597</b>
Share Acquisition	533,083	-	-	-	-	-	533,083
	<b>2,163,929</b>	<b>2,368,294</b>	<b>42,590</b>	<b>6,967,979</b>	<b>198,888</b>	<b>-</b>	<b>11,741,680</b>

<b>2016</b>	<b>Stated Capital</b>	<b>Statutory Reserve</b>	<b>Revaluation Surplus</b>	<b>Income Surplus</b>	<b>Credit Risk Reserve</b>	<b>Other Reserves</b>	<b>Shareholders' Fund</b>
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
Balance b/f	1,520,744	1,719,975	42,590	2,366,126	-	1,412,744	7,062,179
Prior Period Error	-	-	-	(179,818)	-	(80,000)	(259,818)
Total Comp. Income	-	-	-	2,290,023	-	-	2,290,023
	<b>1,520,744</b>	<b>1,719,975</b>	<b>42,590</b>	<b>4,476,331</b>	<b>-</b>	<b>1,332,744</b>	<b>9,092,384</b>
Dividend	-	-	-	(1,093,282)	-	-	(1,093,282)
	<b>1,520,744</b>	<b>1,719,975</b>	<b>42,590</b>	<b>3,383,049</b>	<b>-</b>	<b>1,332,744</b>	<b>7,999,102</b>
<b>Transfers</b>							
Stat. Reserve	-	276,647	-	(276,647)	-	-	-
Scholarship Fund	-	-	-	(80,000)	-	80,000	-
Social Resp.	-	-	-	(80,000)	-	77,800	(2,200)
Pension Fund	-	-	-	(200,000)	-	200,000	-
Trfer to Dev't Fund	-	-	-	-	-	-	-
	<b>-</b>	<b>276,647</b>	<b>-</b>	<b>(636,647)</b>	<b>-</b>	<b>357,800</b>	<b>(2,200)</b>
Sale of Shares	<b>110,102</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,102</b>
	<b>1,630,846</b>	<b>1,996,622</b>	<b>42,590</b>	<b>2,746,402</b>	<b>-</b>	<b>1,690,544</b>	<b>8,107,004</b>

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**STATEMENT OF CASH FLOWS**

	<b>2017 Bank GH¢</b>	<b>2017 Group GH¢</b>	<b>2016 Bank GH¢</b>	<b>2016 Group GH¢</b>
<b>Cash Flow from Operating Activities</b>				
Net Profit Before Tax	4,511,282	4,629,286	3,511,326	3,613,788
Prior Period Error	46,459	40,235	(172,984)	(179,818)
Credit Risk Reserve	198,888	198,888	-	-
Profit on Disposal of Motor Vehicle	-	-	(45,000)	(45,000)
Impairment Loss	1,102,618	1,102,618	1,022,443	1,022,443
Depreciation	713,959	717,898	578,631	582,765
Amortisation	11,290	10,609	8,645	10,609
	<b>6,584,496</b>	<b>6,699,534</b>	<b>4,903,061</b>	<b>5,004,787</b>
(Increase)/Decrease in Advances	(13,391,077)	(13,391,077)	(6,923,127)	(6,923,127)
(Increase)/Decrease in Inventories	6,900	16,407	(42,340)	(275,955)
(Increase)/Decrease in Other Assets Account	(1,565,329)	(1,358,617)	976,711	765,018
Increase/(Decrease) in Deposits & Current Acct.	12,783,074	12,764,377	12,712,715	12,694,920
Increase/(Decrease) in Other Liabilities	559,648	470,616	316,032	511,709
Net Changes in Working Capital	<b>(1,606,784)</b>	<b>(1,498,293)</b>	<b>7,039,992</b>	<b>6,772,566</b>
<b>Cash Flow from Operating Activities</b>	<b>4,977,712</b>	<b>5,201,241</b>	<b>11,943,053</b>	<b>11,777,353</b>
Tax Paid	(1,443,772)	(1,474,273)	(561,593)	(586,593)
Net Cash Flow from Operating Activities	<b>3,533,940</b>	<b>3,726,968</b>	<b>11,381,460</b>	<b>11,190,760</b>
<b>Cash Flow from Investing Activities</b>				
<b>Additions</b>				
Work-In-Progress	(2,414,577)	(2,414,577)	(271,653)	(271,653)
Intangibles	(10,925)	(13,253)	(25,800)	(25,800)
Proceeds from Disposal of Motor Vehicle	-	-	45,000	45,000
Purchase of Fixed Assets	(617,524)	(808,224)	(2,951,148)	(2,760,448)
	<b>(3,043,026)</b>	<b>(3,236,055)</b>	<b>(3,203,601)</b>	<b>(3,012,901)</b>
	<b>490,914</b>	<b>490,913</b>	<b>8,177,858</b>	<b>8,177,859</b>
<b>Financing Activities</b>				
Stated Capital	533,083	533,083	110,102	110,102
Dividends Paid	(927,088)	(927,088)	(525,994)	(525,994)
Borrowings	3,090,894	3,090,894	(177,993)	(177,993)
	<b>2,696,889</b>	<b>2,696,890</b>	<b>(593,885)</b>	<b>(593,885)</b>
<b>Net Inc./ (Dec.) in Cash and Cash Equivalent</b>	<b>3,187,803</b>	<b>3,187,803</b>	<b>7,583,974</b>	<b>7,583,974</b>
Opening Cash and Cash Equivalent	32,386,258	32,386,258	24,802,284	24,802,284
Net Inc./ (Dec.) in Cash and Cash Equivalent	3,187,803	3,187,803	7,583,974	7,583,974
<b>Closing Cash and Cash Equivalent</b>	<b>35,574,061</b>	<b>35,574,061</b>	<b>32,386,258</b>	<b>32,386,258</b>
<b>Represented by Cash and Cash Equivalents</b>	<b>35,574,061</b>	<b>35,574,061</b>	<b>32,386,258</b>	<b>32,386,258</b>

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2017**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**1 NATURE OF OWNERSHIP AND OPERATIONS**

The Bank was incorporated as a Public Limited Liability Company on 3rd October, 1983 with Registration No. 23018 under the Companies' Act 1963 (Act 179) in Ghana. The Bank was issued with a licence on 12th March, 1985, with Licence No. 110 by Bank of Ghana to operate a business of Banking. The registered address of the Bank is Ahantaman Rural Bank Premises, P. O. Box 41, Agona Nkwanta. The Consolidated Financial Statements of the Group as of year ended 31 December, 2017 comprise the Bank and its subsidiary, Ahantaman Trading Company Limited, referred to as the "Group". The Group primarily is involved in Rural Banking being Corporate and Retail. and the subsidiary engaged in Trading.

**1.1 Functional and Presentational Currency**

The Consolidated Financial Statements are presented in Ghana Cedis (GH¢) which is the Company's functional currency.

**2.0 ACCOUNTING POLICIES**

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

**2.01 Basis of Accounting**

These Consolidated 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 2016 and 2017 require certain disclosures to be completely complied with in applicable areas. These guidelines have not been so completely complied with and to this extent, the Consolidated Financial Statements are not in compliance with International Financial Reporting Standards, IFRS.

**2.02 Revenue Recognition**

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

**2.03 Interest Income and Expense**

Interest income and expense are recognised in the Consolidated 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.

**2.031 Non-Interest Income**

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

**2.04 Income Tax**

Income Tax comprises Current Tax and Deferred Tax.

Current Tax relates to determination of expected payable tax from the Profits of the Consolidated 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.

# **AHANTAMAN RURAL BANK LIMITED** **CONSOLIDATED FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31ST DECEMBER, 2017**

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.

## **2.05 Financial Instruments Categorisation, Initial Recognition and Subsequent Measurement**

### **2.051 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.

### **2.052 Date of Recognition**

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

### **2.053 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.

### **2.054 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.

#### **© 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 Consolidated Statement of Financial Position at their fair value. Other Financial Assets that are neither cash nor categorised under any

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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 Consolidated 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 Consolidated Statement of Financial Position are non-trading liabilities.

**2.055 Determination of Fair Value of Financial Instruments**

**i. 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.

**ii. 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.

**iii. Short-Term Receivables**

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

**2.056 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 Consolidated 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.

**2.057 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.

**2.058 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.

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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.

**2.059 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.

**2.060 Impairment of Financial Assets**

**(a) Basis 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.

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Evidence of impairment may include indications that the borrower or a group of borrowers is 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.

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.

**(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 recognised, are not included in a collective assessment of impairment.

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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.

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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.

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(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.

**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%
Bungalow Furniture & Fittings	20.0%
Office Equipment	25.0%
Motor Vehicles	20.0%
Office Furniture & Fittings	20.0%
Plant and Machinery	25.0%

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

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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 Consolidated 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 Consolidated 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

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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 Group'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 Group's Regulatory Capital position as at 31st December 2017 is summarised below:

### **7.4 The Level of Capital Adequacy**

#### **Tier 1 Capital**

	<b>2017 Bank GH¢</b>	<b>2017 Group GH¢</b>	<b>2016 Bank GH¢</b>	<b>2016 Group GH¢</b>
Ordinary Share Capital	2,163,929	2,163,929	1,630,846	1,630,846
Disclosed Reserves	9,034,524	9,378,863	6,213,581	6,476,158
Less Intangible Assets	(3,245,880)	(3,694,118)	(2,055,335)	(2,519,220)
Other Regulatory Adjustments	(394,952)	(284,952)	(394,952)	(284,952)
<b>Total</b>	<b>7,557,621</b>	<b>7,563,722</b>	<b>5,394,140</b>	<b>5,302,833</b>
<b>Tier 2 Capital</b>				
Fair Value Reserve for Available for Sale Equity Securities				
Revaluation Reserve	42,590	42,590	42,590	42,590
Qualifying Subordinated Liabilities	-	-	-	-
<b>Total</b>	<b>42,590</b>	<b>42,590</b>	<b>42,590</b>	<b>42,590</b>
<b>Total Regulatory Capital</b>	<b>7,600,211</b>	<b>7,606,312</b>	<b>5,436,730</b>	<b>5,345,423</b>

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<b>Risk Weighted Assets</b>					
Total Adjusted Assets	59,666,908	59,666,908	48,477,873	48,477,873	
Net Contingent Liabilities					
Operational Risk					
Market Risk					
<b>Total Risk Weighted Assets</b>	<b>59,666,908</b>	<b>59,666,908</b>	<b>48,477,873</b>	<b>48,477,873</b>	
<b>Capital Ratios</b>					
Total Regulatory Capital Expressed as a Percentage of Total Risk Weighted Assets	<b>12.74%</b>	<b>12.75%</b>	<b>11.21%</b>	<b>11.03%</b>	
Total Tier 1 Capital Expressed as a Percentage of Risk Weighted Assets.	<b>12.67%</b>	<b>12.68%</b>	<b>11.13%</b>	<b>10.94%</b>	
<b>I) Dividend</b>					
Dividend payable is recognised as a liability in the period in which they are approved at the AGM.					
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	
	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	
<b>8 INTEREST INCOME</b>					
Advances - Loans	12,835,267	12,835,267	9,551,379	9,551,379	
Advances - Overdrafts	4,057,356	4,057,356	3,316,856	3,316,856	
Investment	5,643,823	5,643,823	5,366,685	5,366,685	
	<b>22,536,446</b>	<b>22,536,446</b>	<b>18,234,920</b>	<b>18,234,920</b>	
<b>9 INTEREST EXPENSES</b>					
Savings Deposits	702,673	702,673	796,661	796,661	
Time Deposits	1,936,046	1,936,046	1,442,188	1,442,188	
Borrowings	687,948	687,948	361,763	361,763	
	<b>3,326,667</b>	<b>3,326,667</b>	<b>2,600,612</b>	<b>2,600,612</b>	
<b>10 COMMISSIONS AND FEES</b>					
Commissions on Turnover	1,192,991	1,192,801	857,452	850,202	
Commitment Fees	1,851,601	1,851,601	1,303,229	1,303,229	
Cheque Clearing/Domestic Money Transfer Fee	43,464	43,464	36,297	36,297	
	<b>3,088,056</b>	<b>3,087,866</b>	<b>2,196,978</b>	<b>2,189,728</b>	
<b>11 OTHER INCOME</b>					
Overs in Till	3,277	3,277	309	309	
Bad Debts Recovered	105,258	105,258	102,438	102,438	
Sundry Income	981,939	2,154,173	692,068	1,730,305	
	<b>1,090,474</b>	<b>2,262,708</b>	<b>794,815</b>	<b>1,833,052</b>	
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	
	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>	
	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	
<b>12 CASH AND SHORT TERM FUNDS</b>					
Cash on Hand	3,629,088	3,629,088	2,930,809	2,930,809	
GT Bank	245,175	245,175	161,713	161,713	
Ecobank	541,660	541,660	163,613	163,613	
CAL Bank	869,262	869,262	1,128,401	1,128,401	
ARB Apex Bank - ACOD	-	-	1,000,000	1,000,000	
ARB Apex Bank - Current	2,420,866	2,420,866	1,538,346	1,538,346	

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	ARB Apex Bank - Reserve (5% Placement)	3,233,104	3,233,104	2,583,556	2,583,556
	Items in Terms of Collection	1,503,328	1,503,328	309,174	309,174
	UNIBANK	119,542	119,542	7,597	7,597
	Money At Call	33	33	33	33
		<b>12,562,058</b>	<b>12,562,058</b>	<b>9,823,242</b>	<b>9,823,242</b>
<b>13</b>	<b><u>SHORT-TERM INVESTMENTS</u></b>				
	Fixed Deposit				
	Unibank	-	-	1,210,373	1,210,373
	Gold Coast Securities	7,757,414	7,757,414	8,433,765	8,433,765
	Omni Bank	4,055,978	4,055,978	3,190,076	3,190,076
	Ivory Finance - CDH	5,834,215	5,834,215	3,535,619	3,535,619
	Beige Capital	1,157,242	1,157,242	-	-
	One-Year Treasury Note	210,000	210,000	410,000	410,000
	Treasury Bills 91 Days	4,027,490	4,027,490	5,817,490	5,817,490
		23,042,339	23,042,339	22,597,322	22,597,322
	Interest Receivable on Investment	(30,336)	(30,336)	(34,306)	(34,306)
		<b>23,012,003</b>	<b>23,012,003</b>	<b>22,563,016</b>	<b>22,563,016</b>
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>
		<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
<b>14</b>	<b><u>LOANS AND ADVANCES</u></b>				
	Loans	39,387,522	39,387,522	26,407,223	26,407,223
	Overdraft	3,258,814	3,258,814	2,852,197	2,852,197
		42,646,336	42,646,336	29,259,420	29,259,420
	Impairment Loss	(1,117,754)	(1,117,754)	(1,121,915)	(1,121,915)
		<b>41,528,582</b>	<b>41,528,582</b>	<b>28,137,505</b>	<b>28,137,505</b>
	<b>Impairment Provision</b>				
	Opening Balance	1,121,915	1,121,915	371,601	371,601
	Bad Debts Reversed	(1,106,779)	(1,106,779)	(209,686)	(209,686)
	Loan Impairment Charges	1,102,618	1,102,618	960,000	960,000
	Closing Balance	<b>1,117,754</b>	<b>1,117,754</b>	<b>1,121,915</b>	<b>1,121,915</b>
<b>15</b>	<b><u>INVENTORIES</u></b>				
	Stationery	70,663	70,663	59,316	59,316
	Other Stores	56,153	188,886	74,399	216,639
		<b>126,815</b>	<b>259,548</b>	<b>133,715</b>	<b>275,955</b>
<b>16</b>	<b><u>OTHER ASSETS</u></b>				
		<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
		<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>
		<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
	Prepaid Rent	457,478	457,478	269,613	269,613
	Sundry Payments	47,000	47,000	-	-
	Western Union Money	6,599	6,599	5,839	5,839
	Agency Mobilisation	-	-	69,746	69,746
	Share Promotion	-	-	30,901	30,901
	Subscription	-	-	2,596	2,596
	Inter-Agency	143,810	143,810	39,264	39,264
	Interest on 1-Year Treasury Note	45,000	45,000	76,400	76,400
	Anti-Virus	7,523	7,523	17,553	17,553
	Tanokrom/Axim Building	-	-	-	-
	Defalcation	-	-	10,655	10,655

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	GL Difference	-	-	5,837	5,837
	Fire Certificate	-	-	9,115	9,115
	Deposit for Bankmill Software	37,013	37,013	-	-
	Cocoa Purchases Suspense	35,220	35,220	-	-
	Interest In Arrears	1,348,811	1,348,811	581,402	581,402
	Business Promotion	382,487	382,487	903,807	903,807
	Others	702,699	1,150,936	-	461,921
		<b>3,213,640</b>	<b>3,661,877</b>	<b>2,022,730</b>	<b>2,484,651</b>
<b>17</b>	<b><u>INVESTMENT SECURITIES</u></b>				
	Ahantaman Trading Co. Ltd 100% Owned	110,000	-	110,000	-
	ARB Apex Bank	169,659	169,659	169,659	169,659
	ARB - WERBA	115,293	115,293	115,293	115,293
		<b>394,952</b>	<b>284,952</b>	<b>394,952</b>	<b>284,952</b>
<b>18</b>	<b><u>BORROWINGS</u></b>				
	ARB APEX BANK LOAN	770,768	770,768	1,237,005	1,237,005
	OTHER FIN. INST. - S I F	497,732	497,732	-	-
	CYRANO LOAN	3,059,400	3,059,400	-	-
		<b>4,327,899</b>	<b>4,327,899</b>	<b>1,237,005</b>	<b>1,237,005</b>

**18a ARB APEX BANK LTD 770,768 (2016:GH¢1,237,005)**

This loan was contracted on February 05, 2015 for GH¢1,000,000 with a tenor of 60 months and a moratorium of 6 months giving a repayment covering 54 months.

The loan is secured on a lien of Treasury Bills up to same amount of loan (with interest) outstanding at any given time.

**18b ARB APEX BANK LTD 770,768 (2017:GH¢483,858)**

This loan was contracted on March 10, 2017 for GH¢483,858 with a tenor of 24 months and a moratorium of 4 months with instalment repayments commencing in the fifth month from the date of the disbursement of the first tranche of GH¢373,858.

The facility could be recalled without notice to Ahantaman Rural Bank Limited if it was established that the loan had been diverted from its original purpose of 'on-lending' to various micro and medium scale farmers in both animal and crop farming activities.

The loan is collateralised on a lien placed on Bank's Treasury Bills with the lender up to same quantum of loan amount (with interest) outstanding at any given time.

**18a WHOLESALE MICROFINANCE FACILITY, (CYRANO), (2017:GH¢3,000,000)**

This loan was contracted on May 26, 2017 for GH¢3,000,000 with a tenor of 36 months and fully repaid in three tranches of GH¢1,000,000 with the following repayment (due) dates:

Months from Date of First Disbursement	Due Date	Amount GH¢
24	29-May-19	1,000,000
30	29-Nov-19	1,000,000
36	29-May-20	1,000,000

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So long as any amount of principal or interest on the loan due is outstanding, this agreement ranks at least pari passu without any preference among themselves, with all other outstanding secured or unsecured and unsubordinated obligations of the Bank, existing and future, save for those preferred by mandatory provisions of law or otherwise agreed to in writing from time to time between the parties.

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**TAXATION**

<b>BANK Tax Years</b>	<b>Balance 1-Jan-17 GH¢</b>	<b>Charges for Year GH¢</b>	<b>Payments GH¢</b>	<b>Balance 31-Dec-16 GH¢</b>	<b>Charge for year GH¢</b>	<b>Payments GH¢</b>	<b>Balance 31-Dec-17 GH¢</b>
Up to 2012	-	-	-	-	(37,561)	-	(37,561)
2013	-	-	-	-	(37,732)	-	(37,732)
2014	(106,826)	-	-	(106,826)	78,913	-	(27,913)
2015	(15,984)	-	(285,513)	(301,497)	288,380	-	(13,117)
2016	-	1,146,467	(276,080)	870,387	53,620	(899,259)	24,748
	(122,810)	1,146,467	(561,593)	462,064	345,620	(899,259)	(91,575)
2017	-	-	-	-	1,235,896	(544,513)	691,383
	(122,810)	1,146,467	(561,593)	462,064	1,581,516	(1,443,772)	599,808
Deferred Tax	-	151,682	-	151,682	(43,606)	-	108,076
	(122,810)	1,298,149	(561,593)	613,746	1,537,910	(1,443,772)	707,884

<b>GROUP Tax Years</b>	<b>Balance 1-Jan-17 GH¢</b>	<b>Charges for Year GH¢</b>	<b>Payments GH¢</b>	<b>Balance 31-Dec-16 GH¢</b>	<b>Charge for year GH¢</b>	<b>Payments GH¢</b>	<b>Balance 31-Dec-17 GH¢</b>
Up to 2012	-	-	-	-	(37,561)	-	(37,561)
2013	-	-	-	-	(37,732)	-	(37,732)
2014	(106,826)	-	-	(106,826)	78,913	-	(27,913)
2015	43,781	-	(285,513)	(241,732)	288,380	-	46,648
2016	-	1,172,083	(301,080)	871,003	53,620	(899,259)	25,364
	(63,045)	1,172,083	(586,593)	522,445	345,620	(899,259)	(31,194)
2017	-	-	-	-	1,265,721	(575,014)	690,707
	(63,045)	1,172,083	(586,593)	522,445	1,611,341	(1,474,273)	659,513
Deferred Tax	-	151,682	-	151,682	(43,412)	-	108,270
	(63,045)	1,323,765	(586,593)	674,127	1,567,929	(1,474,273)	767,783

<b>RECONCILIATION/COMPUTATION OF EFFECTIVE TAX RATE</b>	<b>BANK 2017 GH¢</b>	<b>GROUP 2017 GH¢</b>	<b>BANK 2016 GH¢</b>	<b>GROUP 2016 GH¢</b>
<b>Profit Before Tax</b>	<b>4,511,282</b>	<b>4,629,286</b>	<b>3,511,326</b>	<b>3,613,788</b>
Income Tax Using Applicable Tax Rate 25%	1,127,821	1,157,322	877,832	903,447
<b>Deferred Tax</b>				
Balance 31-Dec	151,682	151,682	-	-
Adjustment to Prior Years	(43,606)	(43,606)	151,682	151,682
<b>Balance 31-Dec</b>	<b>108,076</b>	<b>108,076</b>	<b>151,682</b>	<b>151,682</b>
<b>Profit Before Tax Expense</b>	<b>1,235,896</b>	<b>1,266,212</b>	<b>1,146,467</b>	<b>1,172,083</b>
<b>Deferred Tax</b>	<b>(43,606)</b>	<b>(43,606)</b>	<b>151,682</b>	<b>151,682</b>
<b>Total</b>	<b>1,192,290</b>	<b>1,222,606</b>	<b>1,298,149</b>	<b>1,323,765</b>
<b>Effective Tax Rate %</b>	<b>26.43</b>	<b>26.41</b>	<b>36.97</b>	<b>36.63</b>

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**DEPOSIT AND CURRENT ACCOUNT**

	<b>2017 Bank GH¢</b>	<b>2017 Group GH¢</b>	<b>2016 Bank GH¢</b>	<b>2016 Group GH¢</b>
Current Accounts	15,415,508	15,379,016	13,219,652	13,201,857

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	Savings Accounts	30,543,449	30,543,449	23,620,047	23,620,047
	Time	12,045,270	12,045,270	9,466,026	9,466,026
	Susu Deposits and Others	9,074,174	9,074,174	8,139,818	8,139,818
	Others	150,216	150,216	-	-
		67,228,617	67,192,125	54,445,543	54,427,748
<b>20.1</b>	<b><u>SAVINGS ACCOUNTS</u></b>				
	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢	
	Individuals	25,689,869	25,689,869	20,544,487	20,544,487
	Private Enterprises	4,071,777	4,071,777	2,832,534	2,832,534
	Public Enterprises	781,803	781,803	243,026	243,026
		30,543,449	30,543,449	23,620,047	23,620,047
<b>20.2</b>	<b><u>TIME DEPOSIT ACCOUNTS</u></b>				
	Individuals	12,045,270	12,045,270	9,466,026	9,466,026
<b>20.3</b>	<b><u>SUSU ACCOUNTS</u></b>				
	Individuals	9,074,174	9,074,174	8,139,818	8,139,818
<b>20.4</b>	<b><u>OTHER DEPOSITS</u></b>				
	E-Zwich	150,216	150,216	-	-
<b>21</b>	<b><u>OTHER LIABILITIES</u></b>				
	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢	
	Sundry Creditors	1,843,321	1,943,144	666,501	858,678
	Dividend Payable	593,284	593,284	1,520,372	1,520,372
	Audit Fees	15,527	19,706	22,500	26,000
	Bills Payable	446,657	446,657	358,896	358,896
	Staff Ex-Gratia/Provident Fund	321,687	321,687	593	593
	Discount on Treasury Bills	55,749		188,224	
	Loan Insurance	51,264		83,652	
	Legal Fees	-		24,568	
	NLA Control	3,774		15,267	
	AGM	359,840		223,710	
	Office Account	42,598		82,746	
	Communication	323,442		303,641	
	Uncleared Effect	82,811		89,637	
		4,139,954		3,580,307	
<b>22</b>	<b><u>STATED CAPITAL</u></b>				
	<b>Authorised:</b>				<b>Number</b>
	Ordinary Share of no par value				100,000,000
	Preference Share of no par value				125,000
	<b><u>DETAILS</u></b>	<b>NO. OF SHARES</b>	<b>Value</b>	<b>NO. OF SHARES</b>	<b>Value</b>
		<b>2017</b>		<b>2016</b>	
	<b>NO. OF SHARES</b>	<b>CONSIDERATION</b>	<b>Number</b>	<b>Number</b>	<b>(GH ¢)</b>
	Ordinary	Cash	18,635,637	18,635,637	1,476,512
	Additions	Cash	1,439,384	-	-
			20,075,021	18,635,637	1,476,512

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Ordinary		3,230,003	154,334	2,906,175	44,232
Transfer from Surplus		-	-	323,828	110,102
		3,230,003	154,334	3,230,003	154,334
		23,305,024	2,163,929	21,865,640	1,630,846
Opening Balance		21,865,640	1,630,846	21,541,812	1,520,744
Additions		1,439,384	533,083	323,828	110,102
Closing Balance		23,305,024	2,163,929	21,865,640	1,630,846
Preference Shares		-	-	-	-
		23,305,024	2,163,929	21,865,640	1,630,846
There is no liability on any share and there is no share in treasury.					
<b>23</b>	<b>OTHER RESERVES</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
<b>23.1</b>	<b><u>PENSION FUND</u></b>	<b>Bank</b>	<b>Group</b>	<b>Bank</b>	<b>Group</b>
		<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
	Opening Balance	400,000	400,000	200,000	200,000
	Addition	-	-	200,000	200,000
		400,000	400,000	400,000	400,000
	Deduction/Payment	(400,000)	(400,000)	-	-
	Closing Balance	-	-	400,000	400,000
<b>23.2</b>	<b><u>SCHOLARSHIP FUND</u></b>				
	Opening Balance	80,000	80,000	80,000	80,000
	Addition	-	-	80,000	80,000
		80,000	80,000	160,000	160,000
	Transfer Income Surplus/Payment	(80,000)	(80,000)	(80,000)	(80,000)
		-	-	80,000	80,000
<b>23.3</b>	<b><u>SOCIAL RESPONSIBILITY</u></b>				
	Opening Balance	169,256	169,256	91,456	91,456
	Addition	-	-	80,000	80,000
		169,256	169,256	171,456	171,456
	Deduction/Payment	(169,256)	(169,256)	(2,200)	(2,200)
	Closing Balance	-	-	169,256	169,256
<b>23.4</b>	<b><u>STAFF BUILDING FUND</u></b>				
	Opening Balance	82,311	82,311	82,311	82,311
	Addition	-	-	-	-
		82,311	82,311	82,311	82,311
	Transfer Income Surplus/Payment	(82,311)	(82,311)	-	-
	Closing Balance	-	-	82,311	82,311
<b>23.5</b>	<b><u>DEVELOPMENT FUND</u></b>				
	Opening Balance	958,977	958,977	958,977	958,977
	Addition	-	-	-	-
		958,977	958,977	958,977	958,977
	Transfer Income Surplus/Payment	(958,977)	(958,977)	-	-
	Closing Balance	-	-	958,977	958,977

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		2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
<b>23.6</b>	<b>TRANSFERS FROM OTHER RESERVES TO INCOME SURPLUS</b>				
	Opening Balance	-	-	-	-
	Addition	-	-	-	-
		-	-	-	-
	Transfer to Income Surplus	1,690,544	1,690,544	-	-
	Closing Balance	1,690,544	1,690,544	-	-
<b>24</b>	<b>OCCUPANCY</b>	<b>91,746</b>	<b>91,746</b>	<b>149,227</b>	<b>149,227</b>
<b>25</b>	<b>DEPRECIATION AND AMORTISATION</b>	<b>725,248</b>	<b>728,507</b>	<b>587,276</b>	<b>593,374</b>
<b>26</b>	<b>OTHER OPERATING EXPENSES</b>				
<b>26.1</b>	<b>Staff Costs</b>				
	Salaries, Wages & Allowances	8,154,975	8,209,936	6,646,768	6,689,538
	Medical Expenses	67,583	67,583	40,006	40,006
	Staff Training	69,859	69,859	168,899	169,099
	Others	919,285	926,285	784,226	791,686
		9,211,702	9,273,663	7,639,899	7,690,329
<b>26.2</b>	<b>Depreciation &amp; Amortisation</b>				
	Depreciation	28 713,959	717,898	578,631	582,765
	Amortisation	27 11,290	10,609	8,645	10,609
		725,248	728,507	587,276	593,374
<b>26.3</b>	<b>Operating Costs</b>				
	Repairs & Maintenance	329,046	329,046	146,634	146,634
	Occupancy	91,746	91,746	149,227	149,227
	Insurance	187,939	190,504	141,360	143,400
	Police Guard	106,833	106,833	105,239	105,239
	Generator Expenses	132,585	132,585	100,270	100,270
	Electricity & Water	712,062	721,062	563,675	571,475
	Audit Fees	21,600	25,104	22,500	26,000
	Others	32,608	949,262	-	806,050
	Administrative	6,223,040	6,280,138	4,636,252	4,688,859
		7,837,458	8,826,279	5,865,157	6,737,154
<b>27</b>	<b>INTANGIBLE ASSETS</b>				
<b>27.1</b>	<b>BANK</b>				
<b>27.1.1</b>	<b>Cost</b>				
	Balance at 1 January, 2016		25,263	-	25,263
	Acquisitions		25,800	-	25,800
	Balance at 31 December, 2016		51,063	-	51,063
	Balance at 1 January, 2017		51,063	-	51,063
	Acquisitions		10,925	-	10,925
	Balance at 31 December, 2017		61,988	-	61,988
<b>27.1.2</b>	<b>Amortisation and Impairment</b>				
	Balance at 1 January, 2016		9,813	-	9,813
	Amortisation for the Year		8,645	-	8,645
	Impairment Loss		-	-	-
	Balance at 31 December, 2016		18,458	-	18,458

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	Balance at 1 January, 2017	18,458	-	18,458
	Amortisation for the Year	11,290	-	11,290
	Impairment Loss	-	-	-
	<b>Balance at 31 December, 2017</b>	<b>29,748</b>	<b>-</b>	<b>29,748</b>
<b>27.1.3</b>	<b>Carrying Amounts</b>			
	Balance at 1 January, 2016	15,450	-	15,450
	Balance at 31 December, 2016	32,605	-	32,605
	<b>Balance at 31 December, 2017</b>	<b>32,240</b>	<b>-</b>	<b>32,240</b>
<b>27.2</b>	<b>GROUP</b>			
<b>27.2.1</b>	<b>COST</b>			
	Balance at 1 January, 2016	31,155	-	31,155
	Acquisitions	25,800	-	25,800
	<b>Balance at 31 December, 2016</b>	<b>56,955</b>	<b>-</b>	<b>56,955</b>
	Balance at 1 January, 2017	56,955	-	56,955
	Acquisitions	10,925	-	10,925
	<b>Balance at 31 December, 2017</b>	<b>67,880</b>	<b>-</b>	<b>67,880</b>
<b>27.2.2</b>	<b>Amortisation and Impairment</b>			
	Balance at 1 January, 2016	11,777	-	11,777
	Amortisation for the Year	10,609	-	10,609
	Impairment Loss	-	-	-
	<b>Balance at 31 December, 2016</b>	<b>22,386</b>	<b>-</b>	<b>22,386</b>
	Balance at 1 January, 2017	22,386	-	22,386
	Amortisation for the Year	13,253	-	13,253
	Impairment Loss	-	-	-
	<b>Balance at 31 December, 2017</b>	<b>35,639</b>	<b>-</b>	<b>35,639</b>
<b>27.2.3</b>	<b>Carrying Amounts</b>			
	Balance at 1 January, 2016	19,378	-	19,378
	Balance at 31 December, 2016	34,569	-	34,569
	<b>Balance at 31 December, 2017</b>	<b>32,241</b>	<b>-</b>	<b>32,241</b>

**28 PROPERTY, PLANT & EQUIP.**

**28.1 2017 BANK**

**28.1.1 COST**

Buildings
Capital Works in Progress
Office Furn. & Fittings
Computers
Generators
Bungalow Fittings and Furniture
Office Equipment
Motor Vehicle

	GH¢	GH¢	GH¢	GH¢
BALANCE				BALANCE
1-Jan-17	DISPOSSAL	ADDITIONS		31-Dec-17
3,407,713	-	9,267		3,416,980
450,982	-	2,414,577		2,865,560
757,938	-	95,031		852,969
1,070,315	-	63,464		1,133,779
277,731	-	41,654		319,385
14,393	-	-		14,393
990,592	-	53,765		1,044,357
875,963	-	354,343		1,230,306
<b>7,845,627</b>	<b>-</b>	<b>3,032,101</b>		<b>10,877,729</b>

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<b>2017</b>	<b>BANK</b>	<b>BALANCE</b>		<b>CHARGED</b>	<b>BALANCE</b>
<b>28.1.2</b>	<b>DEPRECIATION</b>	<b>1-Jan-17</b>	<b>DISPOSAL</b>	<b>FOR YEAR</b>	<b>31-Dec-17</b>
	Buildings	444,380	-	254,837	699,217
	Office Furn. & Fittings	614,406	-	40,879	655,285
	Computers	648,297	-	189,145	837,442
	Generators	204,794	-	35,303	240,097
	Bungalow Fittings and Furniture	13,721	-	672	14,393
	Office Equipment	674,089	-	146,300	820,389
	Motor Vehicle	632,677	-	46,823	679,500
		<b>3,232,364</b>	<b>-</b>	<b>713,959</b>	<b>3,946,323</b>
<b>28.1.3</b>	<b>NET BOOK VALUE</b>	<b>4,613,263</b>			<b>6,931,406</b>
<b>2016</b>	<b>BANK</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
<b>28.2</b>	<b>PROPERTY, PLANT &amp; EQUIP.</b>	<b>BALANCE</b>			<b>BALANCE</b>
<b>28.2.1</b>	<b>COST</b>	<b>1-Jan-16</b>	<b>DISPOSAL</b>	<b>ADDITIONS</b>	<b>31-Dec-16</b>
	Buildings	1,407,970	-	1,999,743	3,407,713
	Capital Works in Progress	179,329	-	271,653	450,982
	Office Furn. & Fittings	675,466	-	82,472	757,938
	Computers	656,127	-	414,18	1,070,315
	Generators	262,446	-	15,285	277,731
	Bungalow Fittings and Furniture	14,393	-	-	14,393
	Office Equipment	800,750	-	189,842	990,592
	Motor Vehicle	715,007	(87,045)	248,001	875,963
		<b>4,711,488</b>	<b>(87,045)</b>	<b>3,221,184</b>	<b>7,845,627</b>
<b>28.2.2</b>	<b>BANK</b>	<b>BALANCE</b>	<b>DISPOSAL</b>	<b>CHARGED</b>	<b>BALANCE</b>
	<b>DEPRECIATION</b>	<b>1-Jan-16</b>		<b>FOR YEAR</b>	<b>31-Dec-16</b>
		<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
	Buildings	295,754	-	148,626	444,380
	Office Furn. & Fittings	537,295	-	77,111	614,406
	Computers	545,505	-	102,792	648,297
	Generators	154,135	-	50,659	204,794
	Bungalow Fittings and Furniture	12,848	-	873	13,721
	Office Equipment	535,985	-	138,104	674,089
	Motor Vehicle	659,256	(87,045)	60,466	632,677
		<b>2,740,778</b>		<b>578,631</b>	<b>3,232,364</b>
<b>28.2.3</b>	<b>NET BOOK VALUE</b>	<b>1,970,710</b>			<b>4,613,263</b>
<b>2017</b>	<b>GROUP</b>	<b>BALANCE</b>			<b>BALANCE</b>
<b>28.3</b>	<b>PROPERTY, PLANT &amp; EQUIP.</b>	<b>1-Jan-17</b>	<b>DISPOSAL</b>	<b>ADDITIONS</b>	<b>31-Dec-17</b>
<b>28.3.1</b>	<b>COST</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>	<b>GH¢</b>
	Buildings	3,407,713	-	9,267	3,416,980
	Capital Works in Progress	450,982	-	2,414,577	2,865,560
	Office Furn. & Fittings	758,060	-	95,031	853,091
	Computers	1,072,882	-	63,464	1,136,346
	Generators	277,731	-	41,654	319,385
	Bungalow Fittings and Furniture	14,393	-	-	14,393
	Office Equipment	991,867	-	53,765	1,045,632
	Motor Vehicle	892,963	-	354,343	1,247,306
		<b>7,866,591</b>	<b>-</b>	<b>3,032,101</b>	<b>10,898,693</b>

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**FOR THE YEAR ENDED 31ST DECEMBER, 2017**

		GROUP	BALANCE 1-Jan-17 GH¢	DISPOSAL GH¢	CHARGED FOR YEAR GH¢	BALANCE 31-Dec-17 GH¢
28.3.2	<u>DEPRECIATION</u>					
		Buildings	444,380	-	254,837	699,217
		Office Furn. & Fittings	614,527	-	40,879	655,406
		Computers	649,786	-	189,684	839,470
		Generators	204,794	-	35,303	240,097
		Bungalow Fittings and Furniture	13,721	-	672	14,393
		Office Equipment	675,120	-	146,300	821,420
		Motor Vehicle	646,285	-	50,223	696,508
			<b>3,248,613</b>	<b>-</b>	<b>717,898</b>	<b>3,966,511</b>
28.3.3	<b>NET BOOK VALUE</b>		<b>4,617,978</b>			<b>6,932,182</b>
28.4	2016 GROUP					
28.4	<b>PROPERTY, PLANT &amp; EQUIP.</b>		BALANCE			BALANCE
28.4.1	<u>COST</u>		1-Jan-16 GH¢	DISPOSAL GH¢	ADDITIONS GH¢	31-Dec-16 GH¢
		Buildings	1,407,970	-	1,999,743	3,407,713
		Capital Works in Progress	179,329	-	271,653	450,982
		Office Furn. & Fittings	675,588	-	82,472	758,060
		Computers	657,077	-	415,805	1,072,882
		Generators	262,446	-	15,285	277,731
		Bungalow Fittings and Furniture	14,393	-	-	14,393
		Office Equipment	802,025	-	189,842	991,867
		Motor Vehicle	732,007	(87,045)	248,001	892,963
			<b>4,730,835</b>	<b>(87,045)</b>	<b>3,222,801</b>	<b>7,866,591</b>
		GROUP	BALANCE	DISPOSAL	CHARGED	BALANCE
28.4.2	<u>DEPRECIATION</u>		1-Jan-16		FOR YEAR	31-Dec-16
		Buildings	295,754	-	148,626	444,380
		Office Furn. & Fittings	537,416	-	77,111	614,527
		Computers	546,455	-	103,331	649,786
		Generators	154,135	-	50,659	204,794
		Bungalow Fittings and Furniture	12,848	-	873	13,721
		Office Equipment	536,829	-	138,291	675,120
		Motor Vehicle	669,456	(87,045)	63,874	646,285
			<b>2,752,893</b>	<b>(87,045)</b>	<b>582,765</b>	<b>3,248,613</b>
28.4.3	<b>NET BOOK VALUE</b>		<b>1,977,942</b>			<b>4,617,978</b>
29	<u>IMPAIRMENT/CHARGES</u>		2017 Bank GH¢	2012 Group GH¢	2016 Bank GH¢	2016 Group GH¢
		Loan Impairment Charges	1,102,618	1,102,618	1,022,443	1,022,443
			<b>1,102,618</b>	<b>1,102,618</b>	<b>1,022,443</b>	<b>1,022,443</b>
30	<u>DIVIDEND</u>					
		Balance 01 January	1,520,372	1,520,372	953,084	953,084
		Approved Dividend	-	-	1,093,282	1,093,282
			<b>1,520,372</b>	<b>1,520,372</b>	<b>2,046,366</b>	<b>2,046,366</b>
		Dividend Paid	(927,088)	(927,088)	(525,994)	(525,994)
		Balance 31 December	<b>593,284</b>	<b>593,284</b>	<b>1,520,372</b>	<b>1,520,372</b>
		Dividend per Share	0.05	0.05		

# AHANTAMAN RURAL BANK LIMITED

## CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST DECEMBER, 2017

31 <b>GROUP ENTITIES</b>				
Significant Subsidiaries	Country of Incorporation	Ownership Interest 2017	Ownership Interest 2016	
Ahantaman Trading Company Ltd.	Ghana	100%	100%	

## 32 **RELATED PARTIES**

a. Transactions with Key Management Personnel

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

	2017 Bank Max. Balance GH¢	2017 Bank Closing Balance GH¢	2016 Bank Max. Balance GH¢	2016 Bank Closing Bal GH¢
Mortgage Lending and Other Secured Loans	189,852	173,305	189,852	173,305
Other Loans	248,323	150,530	0	0
	438,175	323,835	189,852	173,305
	Bank Max. Balance GH¢	Bank Closing Balance GH¢	Bank Max. Balance GH¢	Bank Closing Bal GH¢
	189,852	173,305	189,852	173,305
	248,323	150,530	0	0
	438,175	323,835	189,852	173,305
32.2 Key management personnel compensation for the year comprised	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
Short-Term Employee Benefits	600,816	600,816	548,192	548,192

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

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.

	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
32.3 <b>Loans and Advances to Employees</b>				
Balance at 1 January	1,050,083	1,050,083	1,197,803	1,197,803
Loans Advanced during the Year	1,870,220	1,870,220	500,309	500,309
Loans Repayments Received	(981,646)	(981,646)	(648,029)	(648,029)
<b>Balance at 31 December</b>	<b>1,938,658</b>	<b>1,938,658</b>	<b>1,050,083</b>	<b>1,050,083</b>

## 32.4 **Loan and Advances to Directors and their Associates**

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

	2017 Bank GH¢	2017 Group GH¢	2016 Bank GH¢	2016 Group GH¢
Gross Amount at 1 January	144,603	144,603	90,925	90,925

**AHANTAMAN RURAL BANK LIMITED**  
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Interest Charged	28,921	28,921	18,185	18,185
Loans Disbursed	-	-	136,906	136,906
Cash Received	(115,190)	(115,190)	(101,413)	(101,413)
Net Movement in Overdraft Balances	-	-	-	-
Net Amount at 31 December	58,333	58,333	144,603	144,603

Included in Loans and Advances is GH¢58,333 (2016: GH¢144,603) advanced to companies in which some of the Board of Directors have interest.

Included in Deposits is approximately GH¢930,204 (2016:GH¢534,268) due to subsidiary companies in which some of the Board of Directors have interest. Interest paid on these Deposits during the year amounted to GH¢144,361 (2016:GH¢96,168)

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 2017 was GH¢28,921 (2016 - GH¢18,185).

32.5	<b>List of Related Parties</b>	<b>Designation</b>	<b>Period</b>	
			<b>From</b>	<b>To</b>
	Mr. Vincent Blaychie Essien	Director	1-Jan-16	31-Dec-17
	Mr. Eric Daning	Director	1-Jan-16	31-Dec-17
	Hon. Ebenezer Kojo Kum	Director	1-Jan-16	31-Dec-17
	Dr. Dolf Kofi Badu Sutherland	Director	1-Jan-16	31-Dec-17
	Ms. Elizabeth Obeng	Director	1-Jan-16	31-Dec-17
	Hon. Samuel Johnfia	Director	1-Jan-16	31-Dec-17
	Mr. Anthony Peter Amissah	Director	1-Jan-16	31-Dec-17
	Mr. John Papa Ekow Mensah-Woode	Director	1-Jan-16	31-Dec-17
	Mr. Alexander Kwaku Krah	Director	1-Jan-16	31-Dec-17
	Ahantaman Trading Company Limited	100% Subsidiary	1-Jan-16	31-Dec-17
	Rt. Rev. Daniel Degraft Brace	Director of Subsidiary	1-Jan-16	31-Dec-17
	Mr. Ebenezer Coleman	Director of Subsidiary	1-Jan-16	31-Dec-17
	Mr. Anthony Peter Amissah	Director of Subsidiary	1-Jan-16	31-Dec-17

32.6	<b>Key Management Personnel</b>	<b>Designation</b>	<b>Period</b>	
			<b>From</b>	<b>To</b>
	Name			
	BENJAMIN AFFUL-ESHUN	CHIEF EXECUTIVE OFFICER	1-Jan-17	31-Dec-17
	SAMUEL YALLEY	HEAD OF FINANCE	1-Jan-17	31-Dec-17
	SAMUEL AKOTO YEBOAH	HEAD OF HUMAN RESOURCE	1-Jan-17	31-Dec-17
	CHRISTOPHER K. DENTU	HEAD OF BANKING OPERATIONS	1-Jan-17	31-Dec-17
	AUGUSTINE N. BEAKANA	HEAD OF CREDIT	1-Jan-17	31-Dec-17
	SAMUEL NYANZU ACKAH	HEAD OF INTERNAL AUDIT	1-Jan-17	31-Dec-17
	JOSEPH ATO HAIZEL	HEAD OF ICT	1-Jan-17	31-Dec-17

32.7	<b>a. Number of Shareholders</b>	2017	2017	2016	2016
		Bank	Group	Bank	Group
		3,554	3,554	3,426	3,426

**AHANTAMAN RURAL BANK LIMITED**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
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b. Twenty Largest Shareholders		No. of Shares	%age to Total Shareholding
	Name		
1	Apori Samuel Obeng	542,195	2.33
2	Tawiah Joseph Wilfred Kwame	392,303	1.68
3	Arthur Moses Ameyaw	350,603	1.50
4	Cromwell Alfred	273,016	1.17
5	Amissah Anthony Peter	260,875	1.12
6	Essien Vincent Blaychie	260,056	1.12
7	Mensah-Woode Ekow	245,020	1.05
8	Brace Daniel De-Graft	230,700	0.99
9	Dadzie Samuel	224,446	0.96
10	Amemo Stephen V.K	218,861	0.94
11	Annan-Nunoo Regina	194,662	0.84
12	Quartey David	186,152	0.80
13	Ansah Joseph	167,915	0.72
14	Asante Kwame Awuah	167,364	0.72
15	Acquaye Reginald	160,336	0.69
16	Quartey David	138,284	0.59
17	Awusi Isaac Sebastian	134,024	0.58
18	Obiri-Yeboah Twumasi	132,357	0.57
19	Afful-Eshun Benjamin	130,000	0.56
20	Raji Abdul Rasheed P.	129,876	0.56
		4,539,045	19.49
32.8	Number of Employees	351	353
			328
			330

**VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>2017</b>		<b>2016</b>	
	<b>BANK GH¢</b>	<b>GROUP GH¢</b>	<b>BANK GH¢</b>	<b>GROUP GH¢</b>
Interest earned and other operating income	22,536,446	22,536,446	18,234,920	18,234,920
Direct cost of Services	(10,969,785)	(11,931,346)	(8,308,787)	(9,166,499)
Value added by banking services	3,088,056	3,087,866	2,196,978	2,189,728
Non-banking Income	1,090,474	2,262,708	794,815	1,833,052
Impairments	(1,102,618)	(1,102,618)	(1,022,443)	(1,022,443)
Value Added	14,642,573	14,853,056	11,895,483	12,068,758
Distributed as follows:				
To Employees:-				
Directors (non-executives)	(194,340)	(221,600)	(156,982)	(171,267)
Other employees	(9,211,702)	(9,273,663)	(7,639,899)	(7,690,329)
To Government:				
Income tax	(1,537,910)	(1,567,929)	(1,298,149)	(1,323,765)
To providers of capital				
Dividends to shareholders	0	0	(1,093,282)	(1,093,282)
To expansion and growth	0	0	0	0
Depreciation	(713,959)	(717,898)	(578,631)	(582,765)
Amortisation	(11,290)	(10,609)	(8,645)	(10,609)
Retained earnings	<b>2,973,372</b>	<b>3,061,357</b>	<b>1,119,895</b>	<b>1,196,741</b>

## NOTEPAD

**AHANTAMAN RURAL BANK LTD**  
**PROXY FORM**

I/We.....

being a member/members of Ahantaman Rural Bank Limited hereby appoint

.....

or failing him/her the duly appointed chairman of the meeting as my/our proxy to  
vote for me/us on my/our behalf at the Annual General Meeting of the Company to  
be held on 21st July, 2018 and at any adjourned date thereof.

1. In favour of / against the resolution to adopt the Report and the Financial  
Statements for the year ended 31st December, 2017.

2. In favour of / against the resolution to authorise the Directors to fix the  
remuneration of the Auditors.

3. In favour of / against the resolution to transfer GH¢2,477,374 from Income  
Surplus to Stated Capital as Bonus Shares.

4. In favour of / against the resolution to increase the minimum shareholding  
for Directors from 40,000 to 50,000 shares

On any other business transacted at the meeting and unless otherwise instructed  
in paragraphs 1, 2, 3 & 4 of the above, the resolution to which reference is made in  
these paragraphs, the proxy will vote as he / she thinks fit.

SIGNED ..... THIS..... DAY OF ....., 2018







# Open a **DAAKYE INVESTMENT** **Account**

for your ward, where the little monthly contributions  
are geared towards your child's education in the  
higher levels.

CONTACT OUR OFFICES ON THE NUMBERS BELOW



## **BRANCH NETWORK**

Axim: 0202070079  
Apowa: 0202070085  
Sekondi: 0202070086  
Kwesimintsim: 0202070083  
Nsuaem: 0202070087  
Holy Child: 0202070080  
Effia: 0501258744

Tanokrom: 0202070088  
Agona: 0202070084  
Kojokrom: 0202070077  
Abura: 0202070078  
Anaji: 0202070082  
Tarkwa: 0202070076

Agona Market: 0501391339  
Accra Station: 0501317801  
Adum Bansa: 0501266860  
Twifo Praso: 0501585431  
Wassa Benso: 0501585432  
Aiyinase: 0501569192