



# **OKOMFO ANOKYE RURAL BANK LIMITED**

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**SUMMARY OF ANNUAL REPORT  
FOR THE YEAR ENDED 31ST DECEMBER, 2021**

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# SUMMARY STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2021

	2021	2020
	GHS	GHS
Interest Income	14,780,306	10,572,180
Interest Expense	(2,084,828)	(1,593,819)
<b>Net Interest Income</b>	<b>12,695,478</b>	<b>8,978,361</b>
Commissions and Fees	1,368,457	1,188,150
Other Operating Income	736,537	1,002,722
<b>Total Income</b>	<b>14,800,472</b>	<b>11,169,233</b>
Net Impairment charge on Financial Assets	(964,699)	(184,475)
Personnel Cost	(7,672,360)	(6,978,572)
Depreciation and Amortisation	(460,154)	(479,567)
Other Operating Expenses	(4,373,872)	(3,680,939)
<b>Net Operating Profit / (Loss) Before Taxation</b>	<b>1,329,387</b>	<b>(154,320)</b>
Income Tax Expense	(322,765)	-
Under Provision of Tax	-	(11,172)
Deferred Tax Credit / (Charge)	42,550	(120,991)
<b>Profit / (Loss) for the year</b>	<b>1,049,172</b>	<b>(286,483)</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income / (Loss) for the Year</b>	<b>1,049,172</b>	<b>(286,483)</b>

# SUMMARY STATEMENT OF FINANCIAL POSITION

AS AT 31ST DECEMBER, 2021

	2021 GHS	2020 GHS
<b>ASSETS</b>		
Cash and Balances with ARB Apex Bank	7,758,101	6,485,252
Due from Other Banks	1,483,106	3,411,230
Non- Pledged Trading Assets	51,368,389	40,353,812
Loans and Advances	32,402,228	28,383,628
Investments - (Long Term)	61,971	61,971
Other Assets Accounts	4,183,028	5,119,376
Intangible Assets	445,850	496,142
Property & Equipment	3,782,407	3,593,440
Current Corporate Tax Credit	-	106,055
Deferred Tax Asset	525,869	428,374
<b>TOTAL ASSETS</b>	<b>102,010,949</b>	<b>88,439,280</b>
<b>LIABILITIES</b>		
Deposits and Current Accounts	93,485,214	81,917,212
Loans from Other Financial Institutions	-	24,000
Interest Payable and Other Liabilities	3,971,786	3,178,819
Current Corporate Tax Liabilities	119,935	-
Deferred Tax Liability	393,767	338,822
Other Liabilities	13	13
<b>TOTAL LIABILITIES</b>	<b>97,970,715</b>	<b>85,458,866</b>
<b>SHAREHOLDERS FUNDS</b>		
Stated Capital	1,495,459	1,483,759
Retained Earnings	519,964	(235,342)
Capital Surplus	265,281	265,281
Statutory Reserve Fund	1,271,244	1,008,951
Credit Risk Reserve	71,451	174,457
Other Funds	282,256	283,308
Impaired Investment Fund	134,579	-
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>4,040,234</b>	<b>2,980,414</b>
<b>TOTAL SHAREHOLDERS FUNDS AND LIABILITIES</b>	<b>102,010,949</b>	<b>88,439,280</b>

## SUMMARY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31ST DECEMBER, 2021

	2021 GHS	2020 GHS
<b>CASH INFLOWS FROM OPERATING ACTIVITIES</b>		
Profit / (Loss) Before Taxation	1,329,387	(154,320)
Depreciation and Amortisation	460,154	479,567
Non - Cash item	(672,896)	-
Impairment Charge on Financial Assets	964,699	184,475
Profit on Disposal	(1,910)	(10,910)
<b>Profit before Changes in Working Capital</b>	<b>2,079,434</b>	<b>498,813</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Changes in Non- Pledged Trading Assets	(11,014,610)	(19,580,812)
Changes in Loans & Advances to Customers	(4,310,403)	(6,752,025)
Changes in Other Assets Accounts	936,380	1,564,203
Changes in Customers Deposits	11,568,002	25,792,994
Changes in Interest Payable and Other Liabilities	792,967	1,981,768
	<b>51,770</b>	<b>3,504,940</b>
Tax Paid	(96,775)	(138,428)
<b>Net Cash Used in Operating Activities</b>	<b>(45,005)</b>	<b>3,366,512</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(804,530)	(599,396)
Purchase of Intangible Asset	-	(548,644)
Proceeds from Sale of Property and Equipment	207,612	56,500
Increase in Capital Work -in-Progress Expenditure	-	(19,371)
Dividend Paid	(1,052)	(1,570)
<b>Net Cash used in Investing Activities</b>	<b>(597,970)</b>	<b>(1,112,481)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Issue of Shares	11,700	133,480
Changes in Borrowed Funds	(24,000)	(723,362)
<b>Net cash Used in Financing Activities</b>	<b>(12,300)</b>	<b>(589,882)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(655,275)</b>	<b>1,664,150</b>
<b>Cash and Cash Equivalents at Start</b>	<b>12,826,482</b>	<b>11,162,332</b>
<b>Cash and Cash Equivalents at Close</b>	<b>12,171,207</b>	<b>12,826,482</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash on Hand	2,890,323	2,503,778
Cash and Balances with ARB Apex Bank-5% Deposit	4,593,450	3,843,904
- Current	274,328	137,570
Balances with Other Banks	1,483,106	3,411,230
91 Days Treasury Bills	2,930,000	2,930,000
	<b>12,171,207</b>	<b>12,826,482</b>

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

	STATED CAPITAL GHS	CAPITAL SURPLUS GHS	STATUTORY RESERVE FUND GHS	RETAINED EARNINGS GHS	CREDIT RISK RESERVE GHS	Other Funds GHS	Impaired Investment Fund GHS	TOTAL GHS
<b>2021</b>								
Balance as at 1 Jan	1,483,759	265,281	1,008,951	(235,342)	174,457	283,308		2,980,414
Profit for the Year	-	-	-	1,049,172	-	-	-	1,049,172
Share Purchases	11,700	-	-	-	-	-	-	11,700
<b>Transfer (to)/from:</b>								
Statutory Reserve	-	-	262,293	(262,293)	-	-	-	-
Credit Risk Movement	-	-	-	103,006	(103,006)	-	-	-
Fund Utilisation	-	-	-	(134,579)	-	(1,052)	134,579	(1,052)
Balance as at 31 Dec	<b>1,495,459</b>	<b>265,281</b>	<b>1,271,244</b>	<b>519,964</b>	<b>71,451</b>	<b>282,256</b>	134,579	<b>4,040,234</b>
<b>2020</b>								
Balance as at 1 Jan	1,350,279	265,281	1,008,951	(279,265)	504,863	284,878		3,134,987
Loss for the Year	-	-	-	(286,483)	-	-	-	(286,483)
Share Purchases	133,480	-	-	-	-	-	-	133,480
<b>Transfer to:</b>								
Credit Risk Movement	-	-	-	330,406	(330,406)	-	-	-
Fund Applied	-	-	-	-	-	(1,570)	-	(1,570)
Balance as at 31 Dec	<b>1,483,759</b>	<b>265,281</b>	<b>1,008,951</b>	<b>(235,342)</b>	<b>174,457</b>	<b>283,308</b>		<b>2,980,414</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST DECEMBER, 2021

### SUMMARY NOTES

#### 1. Reporting Entity

Okomfo Anokye Rural Bank Limited is a limited liability Bank incorporated under the Companies Act, 1963, Act 179 (now repealed and replaced by the Companies Act, 2019, Act 992) on 18<sup>th</sup> January, 1983, and domiciled in Ghana. The Bank is licensed by the Bank of Ghana (BOG) to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator. The address of its registered office is Wiamoase, opposite the Market, Okomfo Anokye, and a Postal Address of P.O. Box 13, Wiamoase, Ashanti Region, Ghana.

#### 2. Summary of Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are consistent with the accounting policies applied in preparation of the audited financial statements of the Bank for the year ended 31 December 2021. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The financial statements have been prepared on a historical cost convention, except as disclosed in the accounting policy.

Additional information required under the Companies Act 2019, (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930 have been included, where appropriate.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5 to the full financial statements.

These financial statements are presented in Ghana cedis, which is the Bank's functional currency.

#### 2.3 Risk Management

##### 2.3.1 Quantitative Disclosures

	2021	2020
Capital Adequacy Ratio	6.64%	5.03%
Non-Performing Loans Ratio	5.30%	6.35%
Loan Loss Provision Ratio	5.32%	5.11%
Liquid Ratio	59.41%	56.82%

##### 2.3.2 Qualitative Disclosures

- i. The Bank's risk management framework defines the approach to risk management.
- ii. The scope of risks that are directly managed by the Bank is as follows: Credit risk, Operational risk, Market risk, Liquidity risk, Legal and Compliance risk, Strategic risk, Reputational risk and Capital risk.
- iii. Key elements of the Bank's risk management framework are as follows:
  - Establishment of the Bank's risk philosophy, culture and objectives;
  - Establishment of the Bank's risk management governance framework;

# NOTES TO THE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31ST DECEMBER, 2021 (Cont)

- Articulation of the Bank's risk management stakeholders and development of an action plan to meet their risk management expectations ; and
- Establishment of policies and procedures to identify, measure, monitor, report and control the risks the Bank faces. The processes adopted for risk management for the year ended 31 December 2021 are consistent with those adopted for the year ended 31 December 2020.

### **SUMMARY REPORT OF THE DIRECTORS**

The directors present their report together with the audited financial statements for the year ended 31 December 2021 in accordance with the Companies Act ,2019 ( Act 992) and the Banks and Specialized Deposit – Taking Institutions Act ,2016 (Act 930) which discloses the state of the affairs of the Bank.

### **Statement of Director's Responsibility**

The directors are responsible for preparing financial statements for each financial year to give a true and fair view of the state of affairs of the Bank and of its profit and loss for the period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31ST DECEMBER, 2021 (Cont)

- Make judgements and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Bank will continue in business

The directors are responsible for ensuring that the bank keeps accounting records which disclose with reasonable accuracy the financial position of the bank and which enable them to ensure that the financial statements comply with International Financial Reporting Standards. They are responsible for taking such steps as are reasonably open to them to safeguard the assets of the bank, and to prevent and detect fraud and other irregularities.

The Directors have no plans or intentions, for example to dispose of the business or cease operations that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

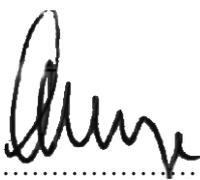
#### **Nature of Business**

The Bank is authorised by Bank of Ghana to carry on the business of full banking services.

#### **Approval of the Financial Statements**

The Board of Directors approved the financial statements on 22nd April, 2022 and were signed on their behalf by:

Signed   
.....  
Mr. Kennedy Obiri - Yeboah  
Board Chairman

Signed   
.....  
Mr. Kwasi Bempa, Esq  
Board Member

# INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS

## Opinion

The Summary financial statements, which comprise the statement of financial position as at December 31, 2021, the statement of comprehensive income, statement of cash flows for the year then ended, statement of changes in equity and related notes are derived from the audited financial statements of Okomfo Anokye Rural Bank Limited for the year ended 31 December 2021

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the International Financial Reporting Standards, the requirements of the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930.

## Summary Financial Statements

The Summary financial statements do not contain all the disclosures required by the International Financial Reporting Standards, the requirements of the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930 as applicable to financial statements. Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

## The Audited financial statements and Our Report Thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 25<sup>th</sup> April, 2022. That report also includes

- The communication of other key matters. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period.
- A 'Report on Other Legal and Regulatory Requirements' which comprise report on
  - i. Compliance with the provisions of the Companies Act, 2019 (Act 992); and
  - ii. Compliance with the provisions of the Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930.

## Director's responsibility for the Summary Financial Statements

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

The Directors are therefore responsible for the preparation of the summary financial statements in accordance with the Bank of Ghana Guide for financial publication for banks and Bank of Ghana (BOG) licensed financial institutions.

## Auditor's Responsibility

Our responsibility is to express an opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 Revised, Engagement to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is Dr. Richard Owusu – Afriyie (ICAG/P/1144).