



# OKOMFO ANOKYE RURAL BANK PLC

## FINANCIAL STATEMENT FOR YEAR ENDED 31 DECEMBER 2023

### SUMMARY STATEMENT OF COMPREHENSIVE INCOME

	2023 GHS	2022 GHS
Interest Income	35,530,360	20,860,686
Interest Expense	(3,032,651)	(2,610,617)
<b>Net Interest Income</b>	<b>32,497,709</b>	<b>18,250,069</b>
Commissions and Fees	2,979,422	2,134,884
Other Operating Income	1,064,220	934,628
<b>Total Income</b>	<b>36,541,351</b>	<b>21,319,581</b>
Net Impairment loss on Investment Securities	(365,445)	(2,420,889)
Net Impairment loss on Loans and Advances	(673,598)	(295,365)
Specific Bad Debts	(1,471,114)	-
Personnel Cost	(15,832,995)	(10,087,718)
Depreciation and Amortisation	(1,177,774)	(825,974)
Other Operating Expenses	(8,523,301)	(5,794,285)
<b>Net Operating Profit Before Taxation</b>	<b>8,497,124</b>	<b>1,895,350</b>
Income Tax Expense	(2,255,319)	(520,059)
Under Provision for Tax	(3,927)	-
Growth and Sustainability Levy	(424,856)	-
Deferred Tax Credit	239,928	151,001
<b>Profit for the year</b>	<b>6,052,950</b>	<b>1,526,292</b>
<b>Other Comprehensive Income</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income for the Year</b>	<b>6,052,950</b>	<b>1,526,292</b>
<b>Basic and diluted earnings per share</b>	<b>0.055</b>	<b>0.012</b>

### SUMMARY STATEMENT OF FINANCIAL POSITION

	2023 GHS	2022 GHS
<b>ASSETS</b>		
Cash and Balances with ARB Apex Bank	17,197,073	25,504,370
Due from Other Banks	3,529,713	3,451,215
Non- Pledged Trading Assets	101,182,132	60,727,532
Loans and Advances	52,573,297	38,624,550
Investments - (Long Term)	119,511	61,971
Other Assets Accounts	2,482,729	2,639,529
Intangible Assets	239,650	437,635
Right of Use Assets	1,440,896	1,686,121
Property & Equipment	4,987,073	4,048,874
Deferred Tax Asset	730,583	600,275
<b>TOTAL ASSETS</b>	<b>184,482,657</b>	<b>137,782,072</b>
<b>LIABILITIES</b>		
Deposits and Current Accounts	161,448,713	124,264,551
Loans from Other Financial Institutions	282,266	1,924,533
Interest Payable and Other Liabilities	10,064,949	5,600,805
Current Corporate Tax Liabilities	340,175	20,059
Deferred Tax Liability	207,550	317,170
Other Liabilities	13	13
<b>TOTAL LIABILITIES</b>	<b>172,343,666</b>	<b>132,127,131</b>
<b>SHAREHOLDERS FUNDS</b>		
Stated Capital	2,015,259	1,584,159
Retained Earnings	5,219,633	1,582,512
Capital Reserve	265,281	265,281
Statutory Reserve Fund	3,166,055	1,652,817
Credit Risk Reserve	97,742	77,307
Dividend Fund	618,402	281,685
Social Responsibility Fund	453,971	76,601
Impaired Investment Fund	-	134,579
Staff Fund	302,648	-
<b>TOTAL SHAREHOLDERS FUNDS</b>	<b>12,138,991</b>	<b>5,654,941</b>
<b>TOTAL SHAREHOLDERS FUNDS AND LIABILITIES</b>	<b>184,482,657</b>	<b>137,782,072</b>

### SUMMARY STATEMENT OF EQUITY CHANGES

	STATED CAPITAL GHS	CAPITAL RESERVE GHS	STATUTORY RESERVE FUND GHS	RETAINED EARNINGS GHS	CREDIT RISK RESERVE GHS	SOCIAL RESP. FUND GHS	DIVIDEND FUND GHS	STAFF FUND GHS	IMPAIRED INVESTMENT FUND GHS	TOTAL GHS
<b>2023</b>										
Balance as at 1 Jan	1,584,159	265,281	1,652,817	1,582,512	77,307	76,601	281,685	-	134,579	5,654,941
Profit for the Year	-	-	-	6,052,950	-	-	-	-	-	6,052,950
Share Purchases	431,100	-	-	-	-	-	-	-	-	431,100
<b>Transfer (to)/from:</b>										
Statutory Reserve Fund	-	-	1,513,238	(1,513,238)	-	-	-	-	-	-
Social Responsibility Fund	-	-	-	(453,971)	-	453,971	-	-	-	-
Staff Fund	-	-	-	(302,648)	-	-	-	302,648	-	-
Dividend Paid	-	-	-	(336,717)	-	-	336,717	-	-	-
Credit Risk Movement	-	-	-	(20,435)	20,435	-	-	-	-	-
Impaired Investment Fund	-	-	-	134,579	-	-	-	-	(134,579)	-
Funds Utilisation	-	-	-	76,601	-	(76,601)	-	-	-	-
Balance as at 31 Dec	2,015,259	265,281	3,166,055	5,219,633	97,742	453,971	618,402	302,648	-	12,138,991
<b>2022</b>										
Balance as at 1 Jan	1,495,459	265,281	1,271,244	519,964	71,451	286	281,970	-	134,579	4,040,234
Profit for the Year	-	-	-	1,526,292	-	-	-	-	-	1,526,292
Share Purchases	88,700	-	-	-	-	-	-	-	-	88,700
<b>Transfer (to)/from:</b>										
Statutory Reserve Fund	-	-	381,573	(381,573)	-	-	-	-	-	-
Social Responsibility Fund	-	-	-	(76,315)	-	76,315	-	-	-	-
Credit Risk Movement	-	-	-	(5,856)	5,856	-	-	-	-	-
Funds Utilisation	-	-	-	-	-	-	(285)	-	-	(285)
Balance as at 31 Dec	1,584,159	265,281	1,652,817	1,582,512	77,307	76,601	281,685	-	134,579	5,654,941

### SUMMARY STATEMENT OF CASH FLOWS

	2023 GHS	2022 GHS
<b>CASH INFLOWS FROM OPERATING ACTIVITIES</b>		
Profit Before Taxation	8,497,124	1,895,350
Depreciation and Amortisation	1,177,774	825,974
Impairment Loss on Loans & Advances	673,598	295,365
Changes in Non - Cash Items	(1,860,003)	-
<b>Profit before Changes in Working Capital</b>	<b>8,488,493</b>	<b>3,016,689</b>
<b>CHANGES IN OPERATING ASSETS AND LIABILITIES</b>		
Changes in Non- Pledged Trading Assets	(20,239,600)	(10,032,039)
Changes in Long Term Investment	(57,540)	-
Changes in Loans & Advances to Customers	(14,622,345)	(6,517,687)
Changes in Other Assets Accounts	156,800	(384,679)
Changes in Customers Deposits	37,184,162	30,779,336
Changes in Interest Payable and Other Liabilities	4,464,142	2,301,915
	15,374,112	19,163,536
Tax Paid	(2,363,986)	(619,935)
<b>Net cash from Operating Activities</b>	<b>13,010,126</b>	<b>18,543,601</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment & Payment for Right of Use Assets	(2,306,438)	(806,129)
Purchase of Intangible Asset	(23,000)	(47,041)
Proceeds from Sale of Property and Equipment	-	11,000
Dividend Paid	(336,717)	(285)
<b>Net cash used in Investing Activities</b>	<b>(2,666,155)</b>	<b>(842,455)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of Shares	431,099	88,700
Changes in Social Responsibility Fund	(76,601)	-
Changes in Borrowed Funds	(1,642,268)	1,924,533
<b>Net cash Used in Financing Activities</b>	<b>(1,287,770)</b>	<b>2,013,233</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>9,056,201</b>	<b>19,714,379</b>
<b>Cash and Cash Equivalents at Start</b>	<b>31,885,585</b>	<b>12,171,207</b>
<b>Cash and Cash Equivalents at Close</b>	<b>40,941,786</b>	<b>31,885,585</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
<b>Cash on Hand</b>	<b>4,870,595</b>	<b>3,882,206</b>
<b>Cash and Balances with ARB Apex Bank-5% Deposit</b>	<b>7,656,162</b>	<b>5,358,643</b>
<b>Current</b>	<b>4,670,316</b>	<b>1,163,521</b>
<b>Balances with Other Banks</b>	<b>3,529,713</b>	<b>3,451,215</b>
<b>ACOD</b>	<b>-</b>	<b>15,100,000</b>
<b>91 Days Treasury Bills</b>	<b>20,215,000</b>	<b>2,930,000</b>
	<b>40,941,786</b>	<b>31,885,585</b>

### NOTES TO THE SUMMARY FINANCIAL STATEMENTS

1. Reporting Entity  
Okomfo Anokye Rural Bank Plc. 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 18th 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, 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 2023. 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 and adopted by the Institute of Chartered Accountants, Ghana (ICAG). 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.

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

<b>3. Quantitative Disclosures</b>	<b>2023</b>	<b>2022</b>
Capital Adequacy Ratio	13.23%	8.46%
Non-Performing Loans Ratio	4.54%	5.05%
Non - Performing Loans (GHS)	2,514,148	2,058,804
Loan Loss Provision Ratio	5.04%	5.19%
Liquid Assets to Total Assets	66.08%	65.09%
Sanctions by Bank of Ghana	Nil	Nil
Sanctions Amount (GHS)	Nil	Nil

4. Qualitative Disclosures  
a. Dominant Risks  
The Bank is exposed to the following risks:  

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

The Board of Directors establishes the bank's Risk Management Frameworks for the monitoring of the Bank's risks. The Bank has Risk Management and Compliance Department which has policy and procedure manuals which have been instituted by the Board of Directors and Management. A comprehensive departmental manual has established a framework within which Management effectively manages and controls risks. The tasks involved in the risk management functions are to identify, define, measure, control, monitor, and mitigate potential events that could impair the ability of the Bank to generate stable and sustainable financial results from its operations.  
b. Risk Management, Compliance Framework, and Measurement  
All risks are qualitatively and quantitatively evaluated on a recurring basis.

Management understands the degree and nature of risk exposures on decisions regarding allocation of resources. Risk assessment is validated by the risk department which also tests the effectiveness of risk management, activities and makes recommendations for remedial actions. The Bank also identifies risk by evaluating the potential impact of internal and external factors, business transactions and positions. Once the risks are identified, various mitigating measures are put in place to regulate the degree of risk involve.

### SUMMARY REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements for the year ended 31 December 2023 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
- 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.

**Dividends**  
In accordance with Section 72 of the Companies Act,2019 (Act 992), Directors recommend the payment of dividends of GHS 793,186.24 subject to Bank of Ghana and Shareholders approval. That is GHp 0.72 per share on 110,164,756 ordinary shares which qualified for dividends as per closure of register of December 31,2023. (2022: GHS 336,717.07).

**Auditor**  
The Audit Committee has the responsibility; delegated from the Board of Directors for making recommendations on the appointment, reappointment, removal and remuneration of the external auditor.  
Richard Owusu – Afriyie & Associates have served the maximum term of six years and are therefore due for the replacement in accordance with Section 139(5) of the Companies Act, 2019(Act 992) and Section 81(4) of the Banks and Specialized Deposit – Taking Institutions Act, Act 930.

**Approval of the Financial Statements**  
The Board of Directors approved the financial statements on 24th April, 2024 and were signed on their behalf by:

 Dr/Emmanuel Obeng Board Chairman	 Mr. Manu Raphael Agyarko Board Member
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### INDEPENDENT AUDITOR'S REPORT

**Opinion**  
The Summary financial statements, which comprise the statement of financial position as at December 31, 2023, 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 PLC for the year ended 31 December 2023.

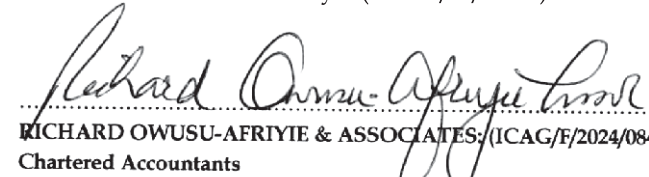
In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the International Financial Reporting Standards, the requirements of the Companies Act 2019 (Act 992) and the Banks and Specialized Deposit 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 26th April,2024. 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; and
- A 'Report on Other Legal and Regulatory Requirements' which comprise report on:
  - Compliance with the provisions of the Companies Act, 2019 (Act 992); and
  - 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 (IFRS), 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).  
  
RICHARD OWUSU-AFRIYIE & ASSOCIATES (ICAG/F/2024/084)  
Chartered Accountants  
House of Grace, Adum, Kumasi