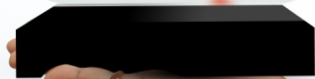


2019

ANNUAL REPORT

Amenfiman Rural Bank



Celebrating 40 years of
Rural Banking

SAVINGS | INVESTMENTS | LOANS | MONEY TRANSFER



AMENFIMAN
RURAL BANK

... Your Success Our Pride!

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Notice Of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 36th Annual General Meeting of the members of Amenfiman Rural Bank Limited will be held on **Saturday 28th November, 2020** at **10.00 am** prompt at the Assembly Hall of the **Amenfiman Senior High School, Wassa Akropong** for the following purposes:

AGENDA

1. To receive the report of the Chairman of the Board of Directors for the year.
2. To receive and consider the report of the Directors, the audited financial statements for the year ended 31st December, 2019 and the report of the auditors thereon.
3. To declare a dividend
4. To authorize the Directors to fix the remuneration of the Auditors
5. To approve the remuneration of Directors
6. To (re) elect Directors in place of those retiring
7. Special Business:
 - To approve the change in the Company's name to "Amenfiman Rural Bank PLC". Please note that the change of name is pursuant to Section 21 (1b) and (4) of Act 992.

By Order of the Board



.....
ANTHONY JUSTICE QUAIDOO
(Secretary to Board)

Dated the 22nd day of October, 2020.

Note:

A shareholder of the Bank entitled to attend and vote may appoint a proxy to attend and vote in his/her stead and such proxy need not be a shareholder of the Bank. The instrument appointing such a proxy must be deposited at the registered office of the Bank, P. O. Box 14, Wasa Akropong not less than forty-eight (48) hours before the appointed time of the meeting.

BOARD OF DIRECTORS

Dr. Toni Aubynn	Chairman
Mr. Moses Ampong	Vice – Chairman
Mr. Anthony Justice Quaidoo	Director / Secretary
Lawyer Rosemary Boakye Yiadom	Director : (Awaiting BOG's approval)
Mr. Morgan Setordjie	Director
Mr. Edmund Afful	Director
Dr. Lucas Nana Wiredu Damoah	Director

MANAGEMENT STAFF:

Dr. Alexander Asmah	Chief Executive Officer
Mr. Frederick Ampomah-Amaning	Chief Internal Auditor
Mr. Evans Aikins	Head, Finance And Operations
Mr. Patrick Darkwa	Head, Credit
Mr. Anthony Kwaw Adu-Broni	Head, HR & Admin.
Mr. Ebenezer Ankapong	Head, ITSM
Mr. Richard Owusu Mensah	Head – Micro Finance
Mr. Charles Kwame Damoah	Head, Branch Network
Mr. Francis Assiamah	Head, Risk & Compliance
Ms. Rita Aidoo	Branch Manager
Ms. Lydia Oduro	Branch Manager

SECRETARY

Mr. Justice Anthony Quaidoo

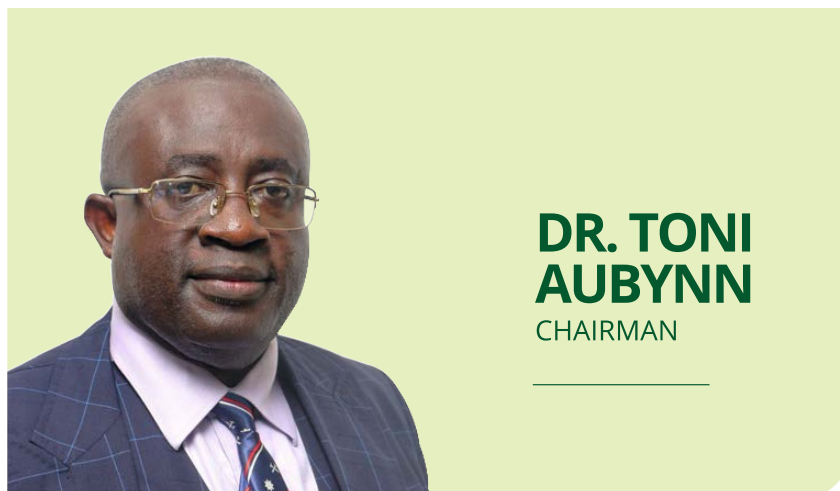
AUDITORS

Richard Owusu - Afriyie & Associates
Chartered Accountants & Business Advisors
P.O.Box AH 9139
Ahinsan- Kumasi

REGISTERED OFFICE

Wassa Akropong
Box 14, Wassa Akropong, Western Region

Board Of Directors



MR. MOSES AMPONG
Vice Chairman.



MR. ANTHONY JUSTICE QUAIDOO
Director / Secretary.



LAWYER ROSEMARY BOAKYE YIADOM
Director



MR. MORGAN SETORDJIE
Director




MR. EDMUND AFFUL
Director



DR. LUCAS NANA WIREDU DAMOAH
Director


Management Team




DR. ALEXANDER ASMAH
CHIEF EXECUTIVE OFFICER



MR. FREDERICK AMPOMAH-AMANING
Chief Internal Auditor



MR. EVANS AIKINS
Head: Finance & Operations



MR. PATRICK DARKWA
Head: Credit



MR. ANTHONY KWAW ADU-BRONI
Head: HR/Administration



MR. EBENEZER ANKAPONG
Head: ITSM



MR. RICHARD O. MENSAH
Head: Microfinance



MR. CHARLES K. DAMOAH
Head: Branch Network



MR. FRANCIS ASSIAMAH
Head: Risk & Compliance



MS. RITA AIDOO
Branch Manager



MS. LYDIA ODURO
Branch Manager

CHAIRMAN'S REPORT

INTRODUCTION

Distinguished shareholders, Fellow Board Members, Nananom, Representatives from the Bank of Ghana, ARB Apex Bank and ARB-Ghana, Ladies and Gentlemen, It's a great pleasure for me to welcome all of you to the 36th Annual General Meeting of the Amenfiman Rural Bank Limited. Distinguished shareholders, you will agree with me that this meeting is being organized amidst restrictions due to the Corona virus pandemic and therefore request you to cooperate for us to stay within the presidential directive for such meetings. I now proceed to present the Annual Report and audited Financial Statements of our Bank for the year ended 31st December, 2019.

MACROECONOMIC ENVIRONMENT

On the macro-economic front, the country saw some marginal improvements in major macro economy indicators over 2018 figures with the exception of the cedi which deteriorated significantly by 18% as against 8% in 2018. In 2019, the cedi exchange rate against the dollar closed with Ghc5.7 as against Ghc4.83 in 2018. The inflation rate continued its downward trend in the single digit category from 9.4% in 2018 to 7.9% in 2019. In line with this trend, the Bank of Ghana's revised its policy rate from 17% in 2018 to 16% in 2019. The GDP growth for the same period was marginal from 6.3% in 2018 to 6.5% in 2019. The macro economy was still recovering from the shocks in the financial sector cleanup which led to the collapse and revocation of licenses of over 487 financial institutions and the consequential effect of locked up funds of both individual and institutional clients. The ban on small-scale mining activities which had been in force since 2017, continued to adversely affect local entrepreneurs especially within the operational areas of the Bank. Also, the insurgence of the viral cocoa swollen shoot disease which attacked some cocoa farms in the western belt, affected cocoa production in the Bank's catchment areas, resulting in the inability of some cocoa farmers to meet their obligations with a consequential impact on local businesses as a whole. In spite of these and many other challenges, the Bank managed to carve effective strategy to remain strong and solvent during these times.

BUSINESS OPERATING RESULTS

Distinguished Shareholders, ladies and gentlemen, the banking industry is still recovering from the fallout of the banking reforms which started in 2017. The adoption of the International Financial Reporting Standards (IFRS) and other regulatory directives, have placed several compliance demands on Banks but I am happy to announce that our Bank is complying with all the regulatory requirements and demands of the Bank of Ghana.

Distinguished shareholders, I am also pleased to inform you that our Bank made significant strides during the year under review. Table 1 below provides summary of the key performance indicators

Financial Indicators	2019	2018	Change
	GHS	GHS	
Total Income	42,199,913	39,218,887.00	7.6 %
Profit After Taxation	5,843,592.00	4,138,729.00	42%
Investments	137,022,488.00	92,283,745.00	48.5%
Cash and Bank			
Balances	43,143,611.00	32,563,285.00	32.5%
Advances	93,159,660.00	54,450,256.00	71%
Total Assets	304,654,372.00	223,280,862.00	36.4%
Total Deposits	254,635,378.00	189,225,771.00	34.5%
Shareholders' Funds	30,764,709.00	25,889,574.00	18.8%

OPERATING INCOME

Distinguished Shareholders, the total income of the bank increased from GH¢39,218,887 to GH¢42,199,913 in spite of the myriad of challenges which confronted the banking system during the period under review. The Board's strategy to diversify the Bank's income sources and grow its non-funded income streams is indeed yielding good dividends and has contributed to the improvement in earnings in 2019. It is refreshing that all the newly opened branches are making good progress and making profits.

PROFITABILITY

Distinguished Shareholders, I am happy to inform you that our Bank continues to operate profitably in spite of the impact of the banking crisis. The Bank posted an after tax profits of GH¢5,843,592.00 compared to GH¢4,138,729.00 recorded in 2018. With this level performance, the Board is very confident that the Bank will continue to operate profitably in the year 2020 and beyond despite the impact of the novel corona virus pandemic on businesses globally.

DEPOSIT

Distinguish Shareholders, our Bank recorded a significant growth in deposit and new accounts during the year under review in spite of the banking crisis which affected customer confidence during the year. Total deposit grew from GH¢189.2 million in 2018 to GH¢254.6 million representing 34.6% in 2019. This demonstrates customer confidence and loyalty in the Amenfiman brand and the Board will continue to work with management to sustain these gains which have been very consistent over the years. As we introduce more innovation and technology and improve efficiency and service delivery, we are confident of even greater performance in the years ahead.

TOTAL ASSETS

Distinguished Shareholders, our bank maintained its leadership as the largest rural bank in

Ghana with total assets of GH¢304.6 million as against GH¢223.20 million in 2018 This represented a significant growth of 36.5% during the year compared to 15% in 2018 and 2017 respectively. This reflects a phenomenal contribution of the newly created branches to the growth of the Bank. The growth was supported by aggressive deposit mobilization strategy which shows in all the categories of our customer segmentation.

COCOA FARMERS LOAN

Distinguished Shareholders, the period under review saw deepened partnership with our hardworking smallholder farmers especially cocoa farmers. The special farmers loan program which the Bank started some 5 years ago reached another milestone with the disbursement of over GH¢30 million to over 10,000 farmers as compared to GH¢23 million and GH¢17 million during the 2018 and 2017 financial years respectively. It is refreshing to note that this partnership has led to improved image and acceptance of our Bank in our communities. We wish to assure our hardworking farmers of the Bank's continuous assistance.

STATED CAPITAL

Distinguished Shareholders, I am pleased to inform you that our Bank's stated capital exceeded the regulatory requirement at the end of the year 2019. Indeed, we recorded a total capital of GH¢6.03 million as compared to GH¢3.07 million in 2018 representing a growth of 96.4%. This was made possible by the decision of shareholders to recapitalize with 2018 dividends declared and also subscription of the bonus issue. Fellow Shareholders, a total of GH¢2.65 million was realized from the recapitalization arrangement. In all a total of GH¢2.97 million was added to our stated capital. This means our Bank has met and exceeded the current capital requirement of the Bank of Ghana by more than 600% and in addition built up an appreciable amount of reserves in excess of GH¢30 million, making our Bank highly solvent.

PROPOSED DIVIDEND

Distinguished Shareholders, the Board has over the years proposed and actually paid an average dividend of 30% annually on shares. Unfortunately, due to the estimated impact of the COVID-19 pandemic on banks in general, the Bank of Ghana, has directed all Banks and deposit taking institutions not to declare dividends for the financial 2019. In complying with Bank of Ghana directive, the Board of Directors has not proposed dividend this year. Though this is difficult for all of us, we assure our members that the Board has put in place effective measures to counter the negative effect of the pandemic on the Bank and reiterate its commitment to pay good dividends when the ban on the declaration of dividends is lifted.

DIRECTORSHIP

Distinguished Shareholders, in line with the provisions of section 325(e) of the Companies' Act 2019, Act 992, three directors are due to retire and are in the persons of Mr. Edmund Afful, Dr. Lucas Nana Wiredu Damoah and Mr. Anthony Justice Quaidoo. They have however offered themselves for re-election and in view of their contribution to the Bank, I recommend them for re-election.

AWARDS AND OTHER ACHIEVEMENTS

Distinguished Shareholders, our bank received several awards and recognitions from local and international organizations during the year under review. Some of the recognitions include the prestigious Ghana Club 100 Awards, where the Bank was recognized as one of the leading companies in this country; Gold award at the Business and Financial Services Excellence Awards and Gold Award at the Business Leaders Excellence Awards. The Bank also received the prestigious Beyond Success Award at the International Business Excellence Awards by the World Confederation of Businesses, a business association of over 300 corporate membership based in the United States.

CORPORATE SOCIAL RESPONSIBILITY PROJECTS

Fellow Shareholders, our Bank continue to initiate and support projects under its corporate social responsibility programs with the aim of giving back to society. During the year, the Bank allocated a total of GHc2.036million towards its CSR projects. I am pleased to report that out of this amount, a seed money of GHc1.2million has been disbursed to the Infrastructure Committee of the Amenfi State University College towards the construction of the proposed project and the contract has since been awarded and the contractor is on site.

You will recall that a total of 450 acres of land was provided by the overlord of the Amenfi state Tetrete Okuamoah Sekyim II, Omanhene on behalf of the people of Wasa Amenfi for the project. We will work with the proposed University Committees to ensure that the project is completed on time.

In addition, the Board constructed 14 mechanized boreholes in various communities for the good people of Wasa Amenfi during the pandemic and also provided street lights to a number of communities as part of the lightening Amenfi project. We have also constructed a laundry and stores for the Wasa Akropong Government Hospital and provided financial support for various communities. We undertook various projects in the areas of health, and education.

Below are details of the projects and supports provided during the year.

AREAS OF SUPPORT	BRIEF NARRATION	BENEFICIARY COMMUNITIES/ INSTITUTIONS	AMOUNT
1. Health, water and Sanitation	Donation towards the fight against COVID-19, Wasa Dadieso Community clinic and Water projects for 8 communities	Amenfi East, central, West, and Aowin Assemblies Wasa Dadieso community Abesewa Gyaman, Asankrangwa, Wasa Akropong, Wasa Akropong Hospital	574,097.00

AREAS OF SUPPORT	BRIEF NARRATION	BENEFICIARY COMMUNITIES/ INSTITUTIONS	AMOUNT
2. Education	Seed Fund for Amenfi State University project, Akropong Methodist school Renovation, Abesewa Gyaman School furniture & Amenfi East Inter-Schools gala,	Wasa Akropong Methodist school, Abesewa Gyaman catholic school, Wasa Adansi Basic School	1,294,056.36
3. Security	Corn Mill donated to Hiawa Prisons and Fire Station at Asankrangwa.	Ghana Prisons Service, Hiawa, Ghana National Fire Service Asankrangwa Fires station, Western North Regional Police Command and Sefwi Bekwai Police station	13,226.00
4. Agriculture	Donation to support Farmers Day celebration	ASSEMBLIES Amenfi East, Amenfi West, Amenfi central, Prestea Huni Valley, Tarkwa Nsuaem, Aowin Suaman, Atwima Kwanwoma, Suame, Upper Denkyira East, Bibiani Awiaso, Bekwai and Sefwi Wiaso Municipal	57,950.00
4. Other social needs	Street lights(200pcs),	Nkonya, Ataase, Priso, Ntwentwena, Nananko, Abreshia, Dadieso Japa Wasa Abesewa Gyaman, Adiembra, Dompase, Wasa Akropong, Subriso, Wasa Asikuma, Ankonsia, Adamanso, Dompim, and Bawdie	96,850.00
Total			2,036,179.36

HUMAN RESOURCE DEVELOPMENT

Distinguished Shareholders, Ladies and gentlemen, as a leading rural bank, development of our people remains a central part of our strategic plans. The board took staff development to another level with the launch of the second batch of the talent management program A-TAP which is to accelerate the development of young and talented individuals to take up responsible roles in the Bank. This time round, the program has been affiliated to an internationally accredited renowned business school, CEIBS and I strongly believe that the training and development programs designed for our employees will prepare them for the challenges in the banking business.

In addition, several professional developmental programs were implemented to upgrade the skills and competencies of our employees to enhance our capacity to execute our corporate strategy.

40th ANNIVERSARY CELEBRATION

Fellow Shareholders, all too soon our Bank is 40 years old. Established in 1980, the bank has successfully fulfilled its mission by serving its stakeholders throughout the 40 years and remain the largest, strongest and the best rural bank in Ghana providing leadership to the industry. In July, 2021, barring any unforeseen challenges, the Board plans a 40th anniversary celebration to coincide with 37th Annual General Meeting. A cross-functional committee to oversee the celebration has been constituted to plan a befitting 40th anniversary. I will invite the chairman of the committee to brief members of some of the propose programs of activity at the appropriate time.

SHARES MANAGEMENT REGISTER AND POLL VOTING

Distinguished Shareholders, I wish to reiterate my earlier call to members to update their records with the bank to ensure that their shareholding records are captured in our database. I want to use this opportunity to request members who have not updated their records to visit the nearest branch of the Bank to do so. This important exercise will form the basis for the implementation of poll voting at our meetings in line with the provisions of the companies Act 2019, Act 992.

Outlook

Distinguished Shareholders, Ladies and Gentlemen, the novel COVID-19 pandemic has taken a toll on companies both small and big globally and we in Ghana are not exception. World economies have revised their plans and growth projections to accommodate the daring impacts of this pandemic. As a company, we have been affected in different ways also and will require that we strategize and plan for this and other future uncertainties. Although the Bank remains very strong, liquid and well capitalized Bank, we are not resting on our oars as we continue to marshal our resources and skill to remain strong in the face of adversities. We understand that given the many challenges faced by our clients in the MSME sector because of the virus, our loan portfolio has been affected and impairments are likely to go up and so there is a need to work with these clients and to support them to contain and overcome these challenges. We will continue to strengthen our risk management efforts and strike a good balance with customer service whiles taking advantage of the opportunities to grow further. We will also focus on collaborations in the

coming years. We have reached various levels of collaborations with other banks and fintechs which provides powerful leverage to do more in our effort to go digital and online. As a Board, we remain very focused on our core mandate and will continue to direct and provide the needed oversight to management to deliver on our strategic plans to ensure superior performance.

Ladies and gentlemen, our Bank continue to play a significant role in the government's financial inclusion agenda and poised to even to do more as it prepares to launch its agency banking and KYC lite platform. It is in this light that I reiterate our request for partnership with government for the disbursement of the District Assemblies Common Fund and other earmarked funds to the Rural Banks as we are often the first point of call when the MMDAs require urgent financial support. Again, as Banks operating largely in rural areas, RCBs stand ready to partner with various MMDAs to implement the various government programs, including planting for Food and Jobs, and the 1D1F projects. I believe strongly that RCBs have huge untapped potential which can be harnessed for national development.

ACKNOWLEDGEMENT

Fellow Shareholders, Nananom, Ladies and Gentlemen, it's my pleasure to acknowledgement and appreciate the Board members, Management and Staff of the Bank for their hard work, commitment and dedication which has seen the bank grow from strength to strength. I wish to thank my fellow shareholders for your support which have brought us this far.

I thank you for your attention.

Long live Amenfiman Bank and God bless us all

Thank you

Report of the Directors to the Members of Amenfiman Rural Bank Limited

In accordance with the requirements of Section 136 of the Companies Act 2019 (Act 992) we the Directors of Amenfiman Rural Bank Limited submit herewith the Annual Report on the state of affairs of the Bank for the year ended 31 December, 2019.

The Directors report as follows:

Statement of Directors' Responsibilities

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.

INDEPENDENT AUDITOR'S REPORT ON THE SUMMARY FINANCIAL STATEMENTS TO THE MEMBERS OF AMENFIMAN RURAL BANK LIMITED

Summary of Opinion

The Summary financial statements, which comprise the statement of financial position as at December 31, 2019, the statement of comprehensive income, cash flow statements for the year then ended, statement of changes in equity and related notes are derived from the audited financial statements of Amenfiman Rural Bank Limited for the year ended 31 December 2019.

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 a modified audit opinion on the audited financial statements in our report dated 30th June 2020. 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

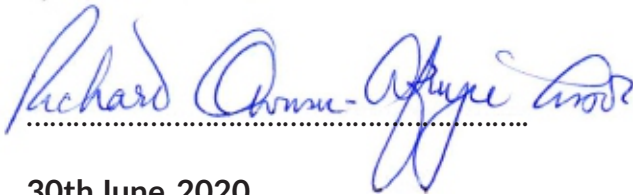
The Directors are responsible for the preparation of the summary financial statements in accordance with International Financial Reporting Standards (IFRSs), the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, Act 930, and for such 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 Richard Owusu - Afriyie (ICAG/P/1144).

A handwritten signature in blue ink, reading "Richard Owusu-Afriyie", is written over a horizontal dotted line.

30th June, 2020

For and on behalf of Richard Owusu-Afriyie & Associates (ICAG/F/2020/084)

Chartered Accountants

House of Grace, Adum, Kumasi

Financial Statements

	2019 GHS	2018 GHS
Net Interest Income	35,919,232	34,815,938
Profit before tax	4,339,385	4,919,263
From which is added / (deducted):		
A provision for estimated income tax expense	(485,182)	(1,519,116)
Over Provision of tax	1,397,097	372,714
Deferred Tax Credit	592,290	365,868
Making a profit after tax of	5,843,592	4,138,729
Adjustment	-	-
Transfer to : Stated Capital	(1,650,696)	
WHT on transfer to Stated Capital	(143,539)	
Statutory Reserves	(1,460,899)	(517,341)
Development Fund		(496,647)
Long Service Award		(82,775)
Scholarship Fund		(82,775)
Building Fund		(800,000)
40th Anniversary Fund		(200,000)
Dividend Paid	(990,291)	(7,500)
	1,598,167	1,951,691
which is to be added to the surplus brought forward of as revised with;	12,736,347	13,406,926
Credit Risk Reserve	(220,800)	(751,410)
Prior Year Adjustment		(1,870,860)
resulting in a balance to be carried forward on the Retained Earnings account as at 31st December	14,113,714	12,736,347

The full results of the year are set out in the attached financial statements.

Nature of Business

The principal activity of the Bank is to provide full Banking Services as a banking financial institution. There was no change in the nature of the business during the year.

Stated Capital

The Bank's Stated Capital increased from GHS 3,076,875 as at the end of the previous year to GHS 6,032,227 resulting in an increase of GHS 2,955,352 which represents 96.1%. The increase emanates from the sale of shares of 6,523,280 at GHS 20.00 per share which amounted to GHS 1,304,656 and also a transferred of GHS 1,650,696 from income Surplus or Retained Earnings account. The number of shares also increased from 16,503,400 to 31,280,160 representing 89.6%.

Dividend

The Directors do not recommend the payment of dividends for the current year.

Social Responsibility

The amount spent on social responsibility during the year by the bank was GHS 724,156.

Directors

The Directors who held office during the year were as follows:

Names of Directors	Designation	Share Holdings
Dr Tony Aubynn	Chairman	359,244
Mr. Moses Ampong	Vice Chairman	166,422
Mr. Justice Anthony Quaidoo	Member/Secretary	173,894
Mr. Morgan Setordjie	Member	190,006
Lawyer Rosemary Boakye Yiadom	Member	-
Dr. Lucas Nana Wiredu Damoah	Member	115,653
Mr. Edmund Afful	Member	55,308

Capacity of Directors

The company ensures that only fit and proper persons are appointed to the board after obtaining necessary approval from the regulator, Bank of Ghana. Steps had been taken to build the capacity of directors to discharge their duties.

Audit Fees

The audit fees payable for the year was GHS 48,000

Going Concern

The Directors believe that the company has adequate financial resources to continue in operation for the foreseeable future and accordingly the annual financial statements have been prepared on a going concern basis. The Directors have satisfied themselves that the company is in a sound financial position and that revenue from the assets under management would be enough to meet its foreseeable cash requirements. The Directors are not aware of any new material changes that may adversely impact the company. The Directors are also not aware of any material non-compliance with statutory or regulatory requirements or of any pending changes to legislation which may affect the company.

Events After The Reporting Date

The World Health Organization declared the Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. The President of the Republic of Ghana instituted a number of measures to curb the spread of the virus on March 15, 2020. These measures were escalated to a partial lockdown of Accra, Tema and Kumasi effective March 30, 2020.

In light of the above, Amenfiman Rural Bank Limited has triggered its Business Continuity Plan at affected areas to ensure the bank continues to operate and provide services to clients. The situation will be monitored and the required actions taken in line with the directives issued by Government.

The potential impact of the COVID-19 pandemic on the bank's performance for 2020 will be assessed from time to time based on the development of the pandemic. However, there would be no significant impact on going concern of the bank for the next twelve (12) months.

Litigation Statement

The company is not currently involved in any such claims or lawsuits, which individually or in the aggregate, are expected to have a material adverse effect on the business or its assets.

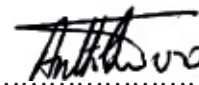
Auditors

The Auditors, Richard Owusu-Afriyie & Associates, propose to continue in office in accordance with Section 139(5) of the Companies Act, 2019 (Act 992).

On behalf of the Board

.....
Chairman

29th June, 2020



.....
Director

29th June, 2020

Notes To The Financial Statements Year Ended 31st December, 2019

1. General Information

Amenfiman Rural Bank Limited is a Private Company incorporated and domiciled in Ghana. The Registered office is located at Wassa Akropong, Western Region. The Bank primarily is involved in rural banking.

Amenfiman Rural Bank Limited ("the Bank") 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 13th May, 1980, and re-registered on 20th July, 2018. 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 Unnumbered Bank Building, Old Town Junction, Amenfiman, Wassa Akropong and a Postal Address of P. O. Box 14, Wassa Akropong, Western Region, Ghana.

The Bank provides a wide range of services to a substantial and diversified client base that includes other financial institutions, businesses, government and public corporations and individuals.

2. Basis of Preparation of Financial Statements

2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act 2019, (Act 992) and the Banks and Specialized Deposit Taking Institutions Act, 2016, (Act 930).

2.2 Basis of Measurement

The financial statements have been prepared on a historical cost convention, except for the measurement of available-for-sale financial assets that are measured at fair value.

Historical cost is generally based on the fair value of consideration given in exchange for goods and services.

Fair value is the price that will be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

In estimating the fair value of an asset or liability, the Bank takes into account the characteristics of the asset or liability if market participants will take those characteristics into account when pricing the asset or liability at the measurement date.

2.3 Functional and presentation currency

The financial statements are presented in Ghana cedi which is the Bank's functional and presentation currency. Except otherwise indicated, the financial information presented has been rounded off to the nearest one Ghana cedi.

2.4 Use of estimates and Judgement

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

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Changes in assumptions may have a significant impact on the financial statements in the period the assumptions changed. Management believes that the underlying assumptions are appropriate. 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 6.

2.5 Income and Statement of cash flows

The Bank has elected to present a single statement of profit or loss and other comprehensive income and presents its expenses by function of expense method.

The Bank reports cash flows from operating activities using the indirect method. Interest received is presented within operating cash flows; interest paid is presented within operating cash flows.

3. Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria apply in revenue recognition.

Revenue includes interest income, commissions and fees, gain on disposal of securities and financial advisory fees.

a) Interest Income and Expenses

Interest income and expense are recognised within “finance income” and “finance costs” in profit or loss using the effective interest rate method, except for borrowing costs relating to qualifying assets, which are capitalised as part of the cost of that asset.

The Bank has chosen to capitalise borrowing costs on all qualifying assets irrespective of whether they are measured at fair value or not.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

b) Fees and Commission

Fees and commission are generally recognized on accrual basis. Fees and commission fee including advisory fees, transfer commission, facility and processing fees and syndication fees are recognised as the related services are performed. Fees and commission arising from negotiating or participating in a transaction on behalf of a third party are recognised upon completion of the underlying transaction.

c) Other income

Other incomes are recognised as and when they are earned.

d) Dividends income

Revenue is recognised when the bank’s right to receive the payment is established (provided that it is probable that the economic benefits will flow to the Bank and the amount of income can be measured reliably)

3.2 General and administrative expenses

Expenses include legal, accounting, auditing and other fees. They are recognised in profit or loss in the period in which they are incurred (on an accruals basis).

3.3 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and bank overdrafts.

3.4 Intangible Assets**a) Initial recognition**

Intangible assets that are acquired by the Bank and have finite useful lives are measured at cost less accumulated amortization and accumulated impairment charges.

b) Subsequent measurement

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including internally generated goodwill, is written off in profit or loss as incurred.

c) Amortisation

Intangible assets are amortised on a straight-line basis in profit or loss over their estimated useful lives, from the date they are available for use.

The annual amortisation rate for the current and comparative years is as follows:

- computer software licenses: 33.33%

3.5 Property, plant and equipment

All property, plant and equipment (PPE) is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items and where applicable borrowing costs.

Cost of an item of PPE includes its purchase price and any direct attributable costs. Cost includes the cost of replacing part of an existing PPE at the time that cost is incurred if the recognition criteria are met; and excludes the costs of day-to-day servicing of an item of PPE.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. The carrying amount of those parts that are replaced is derecognized. All other repairs and maintenance are charged to the statement of profit or loss during the financial period in which they are incurred.

Depreciation

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the assets estimated useful lives, as follows:

Assets	Rate (%)
Office Furniture and Equipment	20
Building	5
Office Equipment	20
Motor Vehicles	33.33
Computers	20
Generator	25
Safe	15
Lawn Mower	25

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each financial year end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in the statement of profit or loss.

3.6 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill - are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. Impairment losses on goodwill are not reversed.

3.7 Financial instruments

(a) Financial assets

Financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets, as appropriate. The Bank determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Financial assets are derecognised only when the contractual rights to the cash flows from the financial asset expire or the Bank transfers substantially all risks and rewards of ownership.

The Bank's financial assets consist of loans and receivables and available-for-sale financial assets.

Financial assets recognised in the statement of financial position as trade and other receivables are classified as loans and receivables. They are recognised initially at fair value and subsequently measured at amortised cost less provision for impairment.

Cash and cash equivalents are also classified as loans and receivables. They are subsequently measured at amortised cost. Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

The Bank assesses at each financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired. If there is objective evidence

(such as significant financial difficulty of the obligor, breach of contract, or it becomes probable that the debtor will enter bankruptcy), the asset is tested for impairment. The amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (that is, the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced through use of an allowance account.

The amount of the loss is recognised in statement of profit or loss.

In relation to Loans and receivables, a provision for impairment is made when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Bank will not be able to collect all of the amounts due under the original terms of the invoice. Impaired debts are derecognised when they are assessed as uncollectible.

If in a subsequent period the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. Any subsequent reversal of an impairment loss is recognised in statement of profit or loss.

(b) Financial liabilities

Liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss or other liabilities, as appropriate.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

All loans and borrowings are classified as other liabilities. Initial recognition is at fair value less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Financial liabilities included in Loan and Receivables and other payables are recognised initially at fair value and subsequently amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

3.8 Pre-payment

Pre-payments are carried at cost less any accumulated impairment losses.

3.9 Stated capital

Shares are classified as equity when there is no obligation to transfer cash or other assets. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

3.10 Dividend Distribution

Dividend distribution to the Bank's shareholders is recognised as a liability in the Bank's financial statements in the period in which the dividends are approved

3.11 Creditors and Accruals

Creditors and accruals payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

3.12 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised as finance cost over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs.

To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Bank has an unconditional right to defer settlement of the liability for at least 12 months after the date of the statement of financial position.

3.13 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

The Bank capitalises borrowing costs on qualifying investment properties, Property, Plant and Equipment and inventories.

3.14 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of profit or loss, except to the extent that it relates to items recognised directly in other comprehensive income or equity - in which case, the tax is also recognised in other comprehensive income or equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the date of the statement of financial position in Ghana where the Bank operates. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation, and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination

that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. The carrying value of the Bank's investment property is assumed to be realised by sale at the end of use. The capital gains tax rate applied is that which would apply on a direct sale of the property recorded in the statement of financial position regardless of whether the Bank would structure the sale via the disposal of the subsidiary holding the asset, to which a different tax rate may apply. The deferred tax is then calculated based on the respective temporary differences and tax consequences arising from recovery through sale.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Bank and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3.15 Provisions

Provisions for legal claims are recognised when:

- The Bank has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Where the Bank, as lessee, is contractually required to restore a leased property to an agreed condition prior to release by a lessor, provision is made for such costs as they are identified.

3.16 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss for the year.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents, unless they are capitalised, are presented net in the statement of profit or loss within finance costs and finance income respectively.

4. Quantitative Disclosures

	2019	2018
Capital Adequacy Ratio	15.59%	20.98%
Non-Performing Loans Ratio	0.66%	10.12%
Loan Loss Provision Ratio	2.28 %	8.71%
Liquid Ratio	59.14%	64.42%

5. New and revised standards, amendments and interpretations

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

Initial application of new amendments to the existing Standards effective for current financial period

The following new amendments to the existing standards issued by the International Accounting Standards Board are effective for current financial period:

Amendments to IFRS 10 “Consolidated Financial Statements” and IAS 28

“Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and further amendments (effective date was deferred indefinitely until the research project on the equity method has been concluded),

Amendments to various standards “Improvements to IFRSs (cycle 2012-2014)”

resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January, 2016)

New Standards and amendments to existing standards in issue not yet adopted

At the date of authorisation of these financial statements the following new standards and amendments to existing standards were in issue, but not yet effective:

- **IFRS 11 “Joint Arrangement”** amendments (effective for annual periods beginning on or after 1 January 2019),
- **IFRS 17 “Insurance Contract”** (effective for annual periods beginning on or after 1 January 2021),

The Bank has elected not to adopt these new standards and amendments to existing standards in advance of their effective dates.

The Bank anticipates that the adoption of these standards and amendments to existing standards will have no material impact on the financial statements of the Bank in the period of initial application.

6. Critical accounting judgements and key sources of estimation uncertainties

Estimates and judgements are continually evaluated and are based on historical experience as adjusted for current market conditions and other factors.

Estimates and assumptions 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.

6.1 Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future.

The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates, assumptions and management judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income.

Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Bank establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the Bank and the tax authority.

Deferred tax assets are recognised for all unutilised capital allowances to the extent that it is probable that taxable profit will be available against which the capital allowances can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

(b) Fair value of non-derivatives and other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Bank uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

6.2 Critical judgements in applying the Bank's accounting policies

In the process of applying the Bank's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognised in the financial statements:

Useful economic life of property, plant and equipment

To a large extent, the bank financial statements are based on estimates, judgements and

models rather than exact depictions of reality. Providing relevant information about the Bank's Property, plant and equipment requires estimates and other judgements. This includes measuring the cost of an item of property, plant and equipment, including those that are self-constructed. The subsequent allocation of depreciation involves further judgements and estimates including:

- allocating the cost of the asset to particular major components;
- determining the most appropriate depreciation method;
- estimating useful life; and estimating residual value.

STATEMENT OF COMPREHENSIVE INCOME YEAR ENDED 31ST DECEMBER, 2019

	NOTES	2019 GHS	2018 GHS
Interest Income	(7)	43,581,966	41,783,492
Interest Expense	(8)	(7,662,734)	(6,967,554)
Net Interest Income		35,919,232	34,815,937
Commissions and Fees	(9)	5,236,636	3,519,609
Other Operating Income	(10)	1,044,045	883,340
Total Income		42,199,913	39,218,886
Impairment charge on loans and advances		3,024,232	(1,135,670)
Specific Bad Debts Written- Off		(4,111,501)	(452,600)
Operating Expenses	(11)	(36,773,259)	(32,711,353)
Net Operating Profit Before Taxation		4,339,385	4,919,263
Deferred Tax Credit	(12 i)	592,290	365,868
Taxation	(12 iii)	(485,182)	(1,519,116)
Profit for the year		4,446,493	3,766,015
Other Comprehensive Income		-	-
Over Provision of Tax		1,397,099	372,714
Total Comprehensive Income for the year		5,843,592	4,138,729

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2019

ASSETS	NOTES	2019	2018
		GHS	GHS
Cash and Balances with ARB Apex Bank	(13)	43,143,611	51,563,285
Due from Other Banks	(14)	948,718	2,084,945
Investments - (Short Term)	(15)	137,022,488	92,283,745
Loans and Advances	(16)	93,159,660	54,450,256
Other Assets Accounts	(17)	17,877,191	10,388,191
Investments - (Long Term)	(18)	244,152	244,152
Deferred Tax Assets	(12 v)	837,456	105,811
Corporate Tax Credits	(12 iii)	14,818	-
Intangible Assets	(19)	24,000	30,000
Property & Equipment	(20)	11,382,278	12,130,476
TOTAL ASSETS		304,654,372	223,280,861

LIABILITIES	NOTES	2019	2018
		GHS	GHS
Deposits and Current Accounts	(21)	254,635,378	189,225,771
Interest Payable and Other Liabilities	(22)	18,514,973	5,983,910
Current Corporate Tax Liabilities	(12 iii)	-	1,581,662
Deferred Tax Liability	(12 v)	739,299	599,944
Other Liabilities		13	13
TOTAL LIABILITIES		273,889,663	197,391,300

SHAREHOLDERS FUND	NOTES	2019	2018
		GHS	GHS
Stated Capital	(23)	6,032,227	3,076,875
Statutory Reserve Fund	(24)	6,020,713	4,559,814
Credit Risk Reserve	(25)	972,210	751,410
Retained Earnings	(26)	14,113,714	12,736,347
Development Fund	(27)	982,614	1,706,770
Staff Fund	(28)	276,063	454,064
Building Fund	(29)	1,204,644	1,434,885
Scholarship Fund	(30)	562,524	569,396
Anniversary Fund	(31)	600,000	600,000
TOTAL SHAREHOLDER FUNDS		30,764,709	25,889,561
TOTAL SHAREHOLDERS FUNDS AND LIABILITIES		304,654,372	223,280,861

STATEMENT OF EQUITY CHANGES YEAR ENDED 31 DECEMBER 2019

	STATED CAPITAL	STATUTOR V RESERVE FUND	CREDIT RISK RESERVE	RETAINED EARNINGS	BUILDING FUND	COMM DEVELOPM ENT FUND	SCHOLAR SHIP	OTHER FUNDS	TOTAL
	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS	GHS
Balance as at 1 Jan	3,076,875	4,559,814	751,410	12,736,347	1,434,885	1,706,770	569,396	1,054,064	25,889,561
Profit for the Year	-	-	-	5,843,592	-	-	-	-	5,843,592
Share Purchases	1,304,656	-	-	-	-	-	-	-	1,304,656
Transfer to:									
Statutory Reserve	-	1,460,899	-	(1,460,899)	-	-	-	-	-
Stated Capital	1,650,696	-	-	(1,650,696)	-	-	-	-	-
WHT on Transfer to Stated Capital	-	-	-	(143,539)	-	-	-	-	(143,539)
Movement for the Year	-	-	220,800	(220,800)	-	-	-	-	-
Dividends Paid	-	-	-	(990,291)	-	-	-	-	(990,291)
Utilisation	-	-	-	-	(230,241)	(724,156)	(6,872)	(178,001)	(1,139,270)
Balance as at 31 Dec	6,032,227	6,020,713	972,210	14,113,714	1,204,644	982,614	562,524	876,063	30,764,709
2018									
Balance as at 1 Jan	2,230,336	4,042,473	-	13,406,926	2,340,934	1,654,045	504,957	771,289	24,950,960
Adjustment	-	-	-	(1,870,860)	-	-	-	-	(1,870,860)
Profit for the Year	-	-	-	4,138,729	-	-	-	-	4,138,729
Share Purchases	846,539	-	-	-	-	-	-	-	846,539
Transfers:									
Dividends Paid	-	517,341	751,410	(2,930,948)	800,000	496,647	82,775	282,775	-
Utilisation	-	-	-	(7,500)	-	-	-	-	(7,500)
	-	-	-	(1,706,049)	(443,922)	(18,336)	-	-	(2,168,307)
Balance as at 31 Dec	3,076,875	4,559,814	751,410	12,736,347	1,434,885	1,706,770	569,396	1,054,064	25,889,561

STATEMENT OF CASH FLOW YEAR ENDED 31ST DECEMBER, 2019

CASH FLOWS FROM OPERATING ACTIVITIES	2019	2018
	GHS	GHS
Net Profit Before Taxation	4,339,385	4,919,263
Depreciation Charge	2,099,482	2,028,030
Amortisation	6,000	-
Other Non- Cash Movement	(150,770)	2,947,800
Withholding Tax on Transfer to Stated Capital	(143,539)	-
Impairment charge on loans and advances	(3,024,232)	1,135,670
Profit before Changes in Working Capital	3,126,326	11,030,763

CHANGES IN OPERATING ASSETS AND LIABILITIES	2019	2018
	GHS	GHS
Changes in Loans & Advances to Customers	(35,685,172)	(1,164,596)
Changes in Other Assets Accounts	(7,489,000)	(7,452,034)
Changes in Customers Deposits	65,409,607	40,381,274
Changes in Interest Payable and Other Liabilities	12,531,063	(6,444,292)
	37,892,824	36,351,115
Tax Paid	(500,000)	(1,698,124)
Net cash from Operating Activities	37,392,824	34,652,991

CASH FLOWS FROM FINANCING ACTIVITIES	2019	2018
	GHS	GHS
Other Funds	(1,139,270)	(2,168,307)
Issue of Shares	1,304,655	846,539
Net cash from Financing Activities	165,385	(1,321,768)

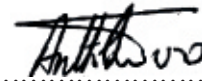
	2019	2018
	GHS	GHS
Net Increase /(Decrease) in Cash and Cash Equivalents	(9,555,901)	31,496,840
Cash and Cash Equivalents at Start	53,648,230	22,151,390
Cash and Cash Equivalents at Close	44,092,329	53,648,230

ANALYSIS OF CASH AND CASH EQUIVALENTS	2019	2018
	GHS	GHS
Cash on Hand	14,606,550	19,519,486
Bank Balances with ARB Apex Bank - Current	8,047,426	4,625,104
- 5% Apex Deposit	11,689,635	8,418,695
ACOD	8,800,000	19,000,000
Balances with Other Banks	948,718	2,084,945
	44,092,329	53,648,230



Chairman

29th June, 2020



Director

29th June, 2020

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST DECEMBER, 2019

7. INTEREST INCOME	2019	2018
	GHS	GHS
Interest on Loans and Advances	35,338,502	26,282,802
Interest on Investments	8,243,464	15,500,690
	43,581,966	41,783,492

8. INTEREST EXPENSE	2019	2018
	GHS	GHS
Interest Paid on Savings	3,237,820	2,348,149
Interest Paid on Fixed Deposit	4,424,914	4,563,031
Interest on Borrowings	-	56,374
	7,662,734	6,967,554

9. COMMISSIONS AND FEES	2019	2018
	GHS	GHS
Commitment Fees	3,138,099	1,584,280
Commissions Received	2,098,537	1,935,329
	5,236,636	3,519,609

10. OTHER OPERATING INCOME	2019	2018
	GHS	GHS
Sundry Income	1,044,045	883,340
	1,044,045	883,340

11. OPERATING EXPENSES	2019	2018
	GHS	GHS
Staff Cost	20,803,031	19,153,122
Occupancy Cost	4,007,529	3,473,298
General & Administrative Expenses	11,962,699	10,084,933
	36,773,259	32,711,353

11a. STAFF COST	2019	2018
	GHS	GHS
Salaries and Wages	15,064,298	14,471,708
Social Security Contribution	1,257,994	1,828,396
Provident Fund Contribution	583,444	885,070
Medical Expenses	134,359	109,650
Staff Training Expenses	580,052	385,348
Annual Bonus	2,015,596	667,526
Funerals & Staff Welfare	1,167,288	805,424
	20,803,031	19,153,122

	2019	2018
	GHS	GHS
11b. DIRECTORS EMOLUMENTS	567,754	530,353
Board Meetings Expense	46,331	64,201
Directors Fees	119,700	98,400
Directors Transportation	164,834	121,759
Directors Sitting Expenses	236,889	245,993

11c. GENERAL & ADMINISTRATIVE EXPENSES: include	2019	2018
	GHS	GHS
Auditors Remuneration	48,000	40,000
- Fees	48,000	40,000
Depreciation	2,099,482	2,113,332
Amortisation	6,000	-

12. Income Tax

i. Income tax expense

The major tax expense components of income tax expense for the years ended 31 December 2019 and 2018 are:

Statement of profit or loss		
Current income charge	485,182	1,519,116
(Over) / under provision for current tax	(1,581,662)	(372,714)
	(1,096,480)	1,146,402
Deferred tax charge / (credit)	(592,290)	(365,868)
Income tax reported in the statement of profit or loss	(1,688,770)	780,534

13. CASH & BALANCES WITH ARB APEX BANK	2019	2018
	GHS	GHS
Cash on Hand	14,606,550	19,519,486
Balances with ARB Apex Bank - Current	8,047,426	4,625,104
- 5% Apex Deposit	11,689,635	8,418,695
ACOD	8,800,000	19,000,000
	43,143,611	51,563,285

14. BALANCES WITH OTHER BANKS	2019	2018
	GHS	GHS
Commercial Bank Ghana Limited	241,741	830,398
Fidelity and Other Banks	706,977	1,254,547
	948,718	2,084,945

15. INVESTMENTS (SHORT-TERM)	2019	2018
	GHS	GHS
These are made up of:		
91 days Government Securities	99,639,659	37,243,264
Money Placements with Discount Houses	37,382,829	55,040,481
	137,022,488	92,283,745

16. LOANS AND ADVANCES	2019	2018
	GHS	GHS
(a) Analysis by type of Product		
Overdrafts	10,531,520	5,484,626
Loans	84,798,177	54,159,900
	95,329,697	59,644,525
Less: Impairment charge	(2,170,037)	(5,194,269)
	93,159,660	54,450,256

(b) Analysis by Business Segment	2019	2018
	GHS	GHS
Agriculture	2,653,935	2,376,331
Transport	-	2,050,000
Trading	60,567,632	26,489,495

ii. Reconciliation of Effective Tax

The tax on the Company's profit before tax differs from the theoretical amount that would arise using the statutory tax rate on the applicable profit as follows:

Accounting profit/(Loss) before income tax	4,339,385	4,919,263
Statutory income tax rate of 25% (2018: 25%)	1,084,846	1,229,816
Non- deductible expenses for tax purposes	13,784	987,768
Effect on non-chargeable income	(48,877)	(50,550)
Effect on capital allowance utilised	(564,571)	(647,918)
(Over) / under provision for current tax	(1,581,662)	(372,714)
Change in recognised temporary differences	(592,290)	(365,868)
Income tax reported in the statement of profit or loss	(1,688,770)	780,534
Effective tax rate	(38.92)	15.87

iii. CURRENT CORPORATE TAX LIABILITIES

Year of Assessment	Balance as at Jan 1	(Over) / Under Prov. In Prior Years	Payments During the Year	Provision for the Year	Balance as at Dec 31
	GHS	GHS	GHS	GHS	GHS
2017	455,737	1,596,287	(2,200,000)	2,281,360	2,133,384
2018	2,133,384	(372,714)	(1,698,124)	1,519,116	1,581,662
2019	1,581,662	(1,581,662)	(500,000)	485,182	(14,818)

iv. The movement on the deferred tax account is as follows:

Balance at January 1	494,133	860,001
Origination / reversal of temporary differences:		
recognised in the statement of profit or loss (Note 12 i)	(592,290)	(365,868)
Balance at December 31	(98,157)	494,133

v. Recognised deferred tax liabilities and assets are as follows:

	2019	2018
	GHS	GHS
Deferred tax assets	(837,456)	(105,811)
Deferred tax liability	739,299	599,944
Net deferred tax Assets	(98,157)	494,133

	2019	2018
	GHS	GHS
Others	32,108,130	28,728,700
	95,329,697	59,644,526
Less: Impairment charge	(2,170,037)	(5,194,269)
	93,159,660	54,450,257

(c) Analysis by Type of Customer

17. OTHER ASSET ACCOUNTS	2019	2018
	GHS	GHS
Interest and Commission Receivable	14,408,335	6,498,239
Rent Prepaid	2,915,072	2,881,407
Inter Agency Balance	21,747	7,191
Office Account	345,917	860,720
Stationery Stock	186,120	140,634
	17,877,191	10,388,191

18. INVESTMENTS (LONG-TERM)	2019	2018
	GHS	GHS
WERBA Investmert	115,293	115,293
Shares in ARB APEX Bank Ltd.	128,859	128,859
	244,152	244,152

19 INTANGIBLE ASSETS	2019	2018
	GHS	GHS
COST		
Balance as at 1 Jan	30,000	-
Additions during the year	-	30,000
Balance as at 31 Dec	30,000	30,000

20. Amortisation	2019	2018
	GHS	GHS
Balance as at 1 Jan		
Charge during the year	6,000	-
Balance as at 31 Dec	6,000	-
NET BOOK VALUE-31/12/19	24,000	30,000

21. DEPOSITS AND CURRENT ACCOUNTS	2019	2018
(a) Analysis by Type of Deposits	GHS	GHS
Current Accounts	43,840,082	36,839,075
Savings Accounts	165,689,316	116,350,719
Time Deposits	44,744,278	36,035,977
Other Deposit	361,702	-
	254,635,378	189,225,771

	2019	2018
(b) Analysis by Type of Customer	GHS	GHS
Individuals	254,635,378	189,225,771
	254,635,378	189,225,771

22. INTEREST PAYABLE AND OTHER LIABILITIES	2019	2018
	GHS	GHS
Interest and Bills Payable	17,130,729	5,192,503
Managed Funds	254,840	95,956
Sundry Creditors	977,616	642,044
Accrued Charges	151,788	53,407
	18,514,973	5,983,910

23. STATED CAPITAL	2019	2018
	GHS	GHS
i) Authorised Ordinary Shares of No Par Value	100,000,000	200,000,000
ii) Issued Ordinary Shares of No Par Value	31,280,160	16,503,400
iii) Proceeds Issued for Cash-Ordinary Shares	4,381,531	3,076,875
iv) Transfer from Income Surplus /Retained Earnings	1,650,696	-
	6,032,227	3,076,875
v) There is no unpaid Liability on any share and there is no share in Treasury.		

24. STATUTORY RESERVE FUND	2019	2018
	GHS	GHS
Balance at 1 January	4,559,814	4,042,473
Add: Transfer from Retained Profits	1,460,899	517,341
Balance as at 31 December	6,020,713	4,559,814

Under Section 34 of the Banks and Specialized Deposit Taking Act 2016 (Act 930) the Bank has transferred the prescribed portion of 25% of the net profit for the year to Statutory Reserve Fund.

25. CREDIT RISK RESERVE	2019	2018
	GHS	GHS
Balance at 1 January	751,410	-
Add: Movement for the year	220,800	751,410
Balance as at 31 December	972,210	751,410

26. RETAINED EARNINGS ACCOUNT	2019	2018
	GHS	GHS
Balance as at 1 January	12,736,347	13,406,926
Profit for the year transferred from Statement of Comprehensive Income	5,843,592	4,138,729
	18,579,939	17,545,655
Prior Year	-	(1,870,860)
	18,579,939	15,674,795
Transfers to:		
Statutory Reserve Fund	(1,460,899)	(517,341)
Stated Capital	(1,650,696)	-
WHT on transfer to Stated Capital	(143,539)	-
Community Development Fund	-	(496,647)
Staff Fund	-	(82,775)
Building Fund	-	(800,000)
Scholarship Fund	-	(82,775)
Anniversary Fund	-	(200,000)
Adjustment	-	-
Credit Risk Reserve	(220,800)	(751,410)
Dividend Paid	(990,291)	(7,500)
Balance as at 31st December	14,113,714	12,736,347

27. COMMUNITY DEVELOPMENT FUND	2019	2018
	GHS	GHS
Balance as at 1 January	1,706,770	1,654,045
Transfer from Retained Earnings	-	496,647
	1,706,770	2,150,692
Utilization during the year	(724,156)	(443,922)
	982,614	1,706,770

28. STAFF FUND	2019	2018
	GHS	GHS
Balance as at 1 January	454,064	371,289
Transfer from Retained Earnings	-	82,775
	454,064	454,064
Utilization during the year	(178,001)	-
	276,063	454,064

This represents portion of Retained Earnings set aside for Development projects

29. BUILDING FUND	2019	2018
	GHS	GHS
Balance as at 1 January	1,434,885	2,340,934
Transfer from Retained Earnings	-	800,000
	1,434,885	3,140,934
Utilization during the year	(230,241)	(1,706,049)
	1,204,644	1,434,885

This represents portion of Retained Earnings set aside for Development projects

30. SCHOLARSHIP FUND	2019	2018
	GHS	GHS
Balance as at 1 January	569,396	504,957
Transfer from Retained Earnings	-	82,775
	569,396	587,732
Utilization during the year	(6,872)	(18,336)
	562,524	569,396

This represents portion of Retained Earnings set aside for Development projects

31. ANNIVERSARY FUND	2019	2018
	GHS	GHS
Balance as at 1 January	600,000	400,000
Transfer from Retained Earnings	-	200,000
	600,000	600,000
Utilization during the year	-	-
	600,000	600,000

This represents portion of Retained Earnings set aside for Development projects

32. Provident Fund

There is a defined Contribution Provident Fund Scheme for all employees. Employees contribute 5% of their basic fund whilst the bank contributes 7.5%.

33. Post statement of financial position events

Events subsequent to the statement of financial position date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect material.

34. Gross Non – Performing Loan Ratio

The percentage of gross non - performing loans and advances to total credit portfolio (gross) was 0.66 % (2018 10.12%).

35. Commitments

There were no capital commitments at 31 December 2019, (2018: Nil).

36. Contingent liabilities

There were no contingent liabilities at 31 December 2019, (2018: Nil).

37. Related party transactions and balances

A number of transactions are entered into with related parties in the normal course of business. These normally include loans advanced to related persons. The disbursements and related outstanding balances at the year-end are as follows:

a. Loans to directors and connected persons	2019	2018
	GHS	GHS
Loans outstanding as 1 Jan	762,575	553,889
Loans granted during the year	3,150,000	785,000
Loans repayment during the year	(442,678)	(576,314)
Loans outstanding as 31 st Dec	3,469,898	762,575

The loans to directors and key management personnel are repayable from various cycles ranging from monthly to annually over the tenor and have average interest rates of 30%.

b. Loans to Key Management Staff and connected persons	2019	2018
	GHS	GHS
Loans outstanding as 1 Jan	1,090,153	972,647
Loans granted during the year	2,021,858	707,253
Loans repayment during the year	(1,102,132)	(589,748)
Loans outstanding as 31 st Dec	2,009,879	1,090,152

c. Key management personnel and directors emoluments	2019	2018
	GHS	GHS
Directors Emoluments Fees	119,700	98,400
Directors Sitting Expenses	236,889	245,993
Directors Transportation	164,834	121,759
Board Meeting Expenses	46,331	64,201
Key Management Salaries	1,235,333	721,952

38. Financial risk management

Introduction and overview

An organization may be exposed to different types of financial risks depending on the size and complexity of business activities. Amenfiman Rural Bank Limited, however, is generally exposed to:

- | | |
|----------------------|-----------------------|
| (a) Credit risk | (e) Compliance risk |
| (b) Liquidity risk | (f) Legal risk |
| (c) Market risk | (g) Reputational risk |
| (d) Operational risk | (h) Capital risk |

The Bank's risk management framework, objectives, policies, procedures and processes for identifying, measuring, monitoring and controlling these risks, and regulatory capital management is presented below:

Risk Management Framework

The Board of Directors and Senior Management have developed and established policies and procedures to facilitate effective risk management. These policies and procedures provide guidance on risk appetite/tolerance limit, risk identification, monitoring and control and adherence to set risk limits. The risk management policies and procedures are continually reviewed to reflect changes in economic and financial landscape as well as products and services offered.

The Board of Directors has the overall responsibility for the establishment and oversight of the Bank's risk management framework. The responsibilities of the Board of Directors include; setting out the Bank's overall risk appetite/tolerance limit, ensuring that the Bank's overall risk exposure is maintained at prudent levels and consistent with available capital. They also include ensuring that Management as well as individuals responsible for Risk Management

possess sound expertise and knowledge to accomplish the risk management function and that appropriate policies and procedures for risk management are in place.

The Board's Sub-Committees on Investment and the Management as a whole oversee the implementation of the broad risk management policies and objectives of the Bank.

(a) **Credit risk Credit risk management**

Credit risk represents the loss which the Bank would suffer if a customer or counter-party to financial instruments failed to meet its contractual obligations.

Credit Risk stems from outright default due to inability or unwillingness of a client or counterpart to meet commitments in relation to lending, trading settlement and other financial transaction. Resultant losses may result in reduction in receivables portfolio value due to the actual or perceived deterioration in those receivables portfolio quality.

The Bank has established credit policies under which new customers are assessed for credit worthiness before credit is extended to them.

The Investment Committee is responsible for implementing the credit risk policy/strategy, monitoring credit risk on a bank-wide basis and ensuring compliance with credit limits to be approved by the Board.

Business strategies, policies and procedures for managing credit are determined bank-wide with specific policies and procedures being adopted for corporate and small and medium-sized enterprises.

Managing problems of Loans and Advances

The Recoveries Unit within the Credit Department manages delinquent facilities including outright recoveries or nursing of such problem Loans back to health.

At delinquent and past due stages, where recovery efforts are unsuccessful, the Bank refers the client to the Bank's Solicitors for legal action to be initiated.

Provisioning for loans and advances

Credit losses are anticipated and charged in the statement of profit or loss on a monthly basis. The balance in the impairment allowance account is always equal to at least the required provisions based on the Bank's current risk rating profile. If the status of the loan worsens, the balance of the provision account is increased by an additional charge against earnings.

In conformity with Bank of Ghana's directives, the minimum provision that are held are as follows;

Credit Risk Rating	Days Past Due	Minimum Prov. Required (%)
Current	Less than 30	1%
OLEM	30 - 90	10%
Sub-standard	91 - 180	25%
Doubtful	181 - 360	50%
Loss	Over 360	100%

Impairment losses

The ageing of Loan and Advances at the reporting date was:

		2019		2018	
		Gross Amt	Impairment	Gross Amt	Impairment
		GHS	GHS	GHS	GHS
Current	0-30 days	92,358,471	1,477,060	52,916,159	482,863
Olem	31-90 days	2,341,361	234,136	1,264,627	126,463
Sub-Standard	91- 180 days	128,328	32,082	587,854	146,964
Doubtful	181 - 360 days	149,557	74,779	875,814	437,907
Loss	> 360 days	351,980	351,980	4,000,072	4,000,072
		95,329,697	2,170,037	59,644,526	5,194,269

Exposure to credit risk

The carrying amount of financial assets represents the bank's maximum credit exposure.

The maximum exposure to credit risk at the reporting date was as follows:

	2019	2018
	GHS	GHS
Cash and Balances with Other Banks	44,092,329	53,648,230
Short-term investments	137,022,488	92,283,745
Loans and advances	93,159,660	54,450,256
Other assets	17,877,191	10,388,191
	292,151,668	210,770,422

All receivables that are neither past due nor impaired are within their approved credit limits, and no receivables have had their terms renegotiated.

(b) Liquidity Risk

Liquidity risk is the risk that the Bank will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management includes maintaining sufficient cash balances, and the availability of funding from an adequate amount of committed credit facilities.

The Bank's liquidity management systems comprise two main processes;

- assessment of the Bank's financing requirements on the basis of budgets and forecasts in order to plan appropriate funding sources and;
- an analysis of daily cash report to monitor daily cash flow position

(c) Market risk

Interest rate risk

Interest rate risk represents the risk exposures the Bank has in relation to instruments whose value vary with the level of interest rates. These include investments, debt securities, and borrowings.

The bank's exposure to the risk of changes in market interest rates relates primarily to its long-term borrowings with floating interest rates. All of its borrowings are at floating interest rates.

(d) Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes,

people and systems or from external events. It is the risk of loss arising from the potential that inadequate information systems, breaches of internal controls, fraud, technological failure and unforeseen catastrophes may result in unexpected loss or reputational problems.

Over the years the Bank has developed a thorough and consistent framework of policies, procedures and tools to identify, measure, monitor, control and actively manage its operational risks in a timely and effective manner.

(e) Compliance and regulatory risk

In order to strengthen the Bank's compliance with regulatory requirements, the Bank organises series of dedicated training on a regular basis to equip staff with compliance and regulatory issues in order to minimise risk emanating therefrom.

(f) Legal risk

The Bank's activities are undertaken in a manner which adequately reduces the risks which may arise out of material litigation to be initiated against it (the Bank).

(g) Reputational risk

The Bank conducts its business in a responsible, professional and transparent manner. The Bank safeguards the interest of its clients as well as its reputation. This is aimed at demonstrating our commitment and fostering a long term relationship with our clients and the public at large. We manage our image and reputation in a professional manner.

(h) Capital risk management

The primary objectives of the Bank's capital management are to ensure that the Bank complies with externally imposed capital requirement by Bank of Ghana and that the Bank maintains strong credit ratings and healthy capital ratios in order to support its business and maximize shareholders' value. In order to maintain the desired level of capital, the Bank may vary its dividend policy or issue new shares.

39. Financial assets and financial liabilities

Fair values

Set out below is a comparison by class of the carrying amounts and fair values of the Bank's financial instruments that are carried in the financial statements.

	Carrying amount		Fair Value	
	Dec. 31 2019	Dec. 31 2018	Dec. 31 2019	Dec. 31 2018
	GHS	GHS	GHS	GHS
Financial assets				
Cash and Balances with Other Banks	44,092,329	53,648,230	44,092,329	53,648,230
Short-term investments	137,022,488	92,283,745	137,022,488	92,283,745
Loans and advances	93,159,660	54,450,256	93,159,660	54,450,256
Other assets	17,877,191	10,388,191	17,877,191	10,388,191
Total	292,151,668	210,770,422	292,151,668	210,770,422
Financial Liabilities				
Current Accounts	43,840,082	36,839,075	43,840,082	36,839,075
Savings Accounts	165,689,316	116,350,719	165,689,316	116,350,719
Time Deposits	44,744,278	36,035,977	44,744,278	36,035,977
Other Deposits	361,702	-	361,702	-
Interest and Other Liabilities	18,514,973	5,983,910	18,514,973	5,983,910
Total	273,150,351	195,209,681	273,150,351	195,209,681

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

- Cash and short-term deposits, loans and advances, deposits and current accounts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Bank based on parameters such as interest rates. Based on this evaluation, allowances are taken to account for the expected losses of these receivables. As at December 31, 2019, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

40. Fair value hierarchy

As at 31 December 2019, the Bank held the following financial instruments carried at fair value on the statement of financial position: The bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2019, the company held the following financial instruments measured at fair value:

2019	Total	Level 1	Level 2	Level 3
Financial assets	GHS	GHS	GHS	GHS
Cash and Balances with Other Banks	44,092,329	-	44,092,329	-
Short-term investments	137,022,488	-	137,022,488	-
Loans and advances	93,159,660	-	93,159,660	-
Other assets	17,877,191	-	17,877,191	-
Total	292,151,668	-	292,151,668	-
Financial Liabilities	-	-	-	-
Current Accounts	43,840,082	-	43,840,082	-
Savings Accounts	165,689,316	-	165,689,316	-
Time Deposits	44,744,278	-	44,744,278	-
Other Deposits	361,702	-	361,702	-
Interest and Bills Payable	18,514,973	-	18,514,973	-
Total	273,150,351	-	273,150,351	-

The bank carries unquoted equity shares as available-for-sale financial instruments classified as Level 3 within the fair value hierarchy.

41. Value Added Statement

GENERAL & ADMINISTRATION EXPENSES	2019	2018
	GHS	GHS
Interest earned and other operating income	49,862,647	46,186,441
Direct cost service	(21,407,780)	(18,316,766)
Value added by banking services	28,454,867	27,869,675
Non-banking services	592,290	365,868
Over Provision of Tax	1,397,099	372,714
Specific Bad Debt	(4,111,501)	(452,600)
Impairments	3,024,232	(1,135,670)
Value added	29,356,987	27,019,987
Distributed as follows:		
To Employees:		
Directors (without executives)	119,700	98,400
Executive directors		
Other employees	20,803,032	19,235,713
To Government:		
Income Tax	485,182	1,519,116
To providers of capital		
Dividends to shareholders	-	-
To expansion and growth		
Depreciation	2,099,482	2,028,029
Amortisation	6,000	-
Retained earnings	5,843,592	4,138,729
	29,356,987	27,019,987

2018	Total	Level 1	Level 2	Level 3
Financial assets	GHS	GHS	GHS	GHS
Cash and Balances with Other Banks	51,563,285	-	51,563,285	-
Short-term investments	92,283,745	-	92,283,745	-
Loans and advances	54,450,257	-	54,450,257	-
Other assets	10,388,191	-	10,388,191	-
Total	208,685,478	-	208,685,478	-
	At Amortised			
	Cost			
Financial Liabilities				
Current Accounts	36,839,075	-	36,839,075	-
Savings Accounts	116,350,719	-	116,350,719	-
Time Deposits	36,035,977	-	36,035,977	-
Interest and Bills Payable	5,983,910	-	5,983,910	-
Total	195,209,681	-	195,209,681	-

**SCHEDULE TO STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 31ST DECEMBER, 2019**

STAFF COST	2019	2018
	GHS	GHS
Salaries and Wages	15,064,298	14,471,708
Social Security Contribution	1,257,994	1,828,396
Provident Fund Contribution	583,444	885,070
Medical/Welfare Expenses	134,359	109,650
Staff Training Expenses	580,052	385,348
Annual Bonus	2,015,596	667,526
Funerals & Staff Clothing	1,167,288	805,424
	20,803,031	19,153,122

OCCUPANCY COST	2019	2018
	GHS	GHS
Repairs and Maintenance	245,336	132,822
Rent	612,570	489,969
Electricity and Water	895,750	935,616
Generator Running	271,276	310,936
Security Expenses	1,059,965	792,761
Sanitation & Cleaning Expenses	922,632	811,195
	4,007,529	3,473,298

GENERAL & ADMINISTRATION EXPENSES	2019	2018
	GHS	GHS
Travelling and Transport	1,015,306	819,666
Printing and Stationery	385,318	308,994
Hospitality to Guest & Protocol Expenses	716,724	596,033
Micro Finance	39,872	18,018
Board Meeting Expenses	11b 46,331	64,201
Directors Fees	11b 119,700	98,400
Specie Movement Expenses	108,659	109,483
Deposit Mobilisation Programme	881,041	683,717
Audit Fees	11c 48,000	40,000
Vat on Audit Fees	8,700	7,250
Internal Audit Expenses	44,912	82,211
Office Expenses	1,084,429	996,996
Insurance	338,303	398,022
Postages and Telecommunications	135,284	89,661

GENERAL & ADMINISTRATION EXPENSES	2019	2018
	GHS	GHS
Depreciation	2,099,482	2,028,030
Amortisation	6,000	-
Defalcation	18,393	-
Motor Vehicle Running Expenses	1,515,148	1,291,957
Legal Expenses	216,765	116,737
Newspapers, Subscriptions and Periodicals	121,950	74,276
Bank Charges	121,956	157,518
SFC	131,585	82,590
Advertising and Publicity	370,196	316,302
Annual General Meeting Expenses	329,000	217,282
Motor Vehicle Repairs and Maintenance	734,550	654,550
Directors Transportation 11b	164,834	121,759
Directors Sitting Expenses 11b	236,889	245,993
Tax Consultancy and Professional charges	7,088	6,157
Computerization Expenses	916,285	459,130
	11,962,699	10,084,933
TOTAL OPERATING EXPENSES	36,773,259	32,711,353

ANNUAL GENERAL MEETING of the 36th Annual General Meeting of Amenfiman Rural Bank Limited will be held on Saturday 28th November, 2020 at 10.00am prompt at the Assembly Hall of the Amenfiman Senior High School, Wasa Akropong.

I/We..... being member(s) of

hereby appoint Dr./Hon./Mr./Mrs./Ms./Rev

with a duly sealed proxy form to attend and vote for us and on our behalf at the Annual General Meeting of the Bank to be held on November 28th, 2020.

Dated this.....day of.....2020.

.....
Signature (Authorised Signatory)
Name:.....
Designation

} Company Seal/Stamp }

.....
Signature (Authorised Signatory)
Name:.....
Designation

} Company Seal/Stamp }

Resolutions from the Board	For	Against
1. To receive the reports of the Chairman of the Board of Directors for the year.		
2. To receive and consider the report of the Directors for the year ended 31st December, 2018.		
3. To receive and consider the Auditor’s Report and approve the Financial Statements for the year ended 31st December, 2018.		
4. To declare a dividend.		
5. To authorize the Directors to fix the remuneration of the Auditors.		
6. To approve the remuneration of Directors.		
7. To elect Directors in place of those retiring.		

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

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