

**SUMA RURAL BANK**  
**LIMITED.**

SUMA RURAL BANK LIMITED  
PROXY AUTHORISATION FORM

I/We .....of.....  
Being a Shareholder(s) of Suma Rural

Bank Limited, hereby appoint

.....on.....  
at the Annual General Meeting of the Bank to

be held on the 14th December, 2013 and at any adjournment thereon.

Signed on the ..... day of .....2013

.....  
(Shareholder's Signature)

**NOTE:**  
Completed Proxy form should reach the Secretary, Suma Rural Bank Ltd., not less than Forty-eight (48) hours to the time of the meeting.

**2012 Report & Financial Statement**

**JOHN ALLOTEY & ASSOCIATES**  
**(CHARTERED ACCOUNTANTS)**  
Tel. No. 03520 23505  
P. O. BOX 414  
SSNIT HOUSE  
SUNYANI - B/A.  
(020-9012602)





# BOARD OF DIRECTORS



MR. J. Ofori Asubonteng  
(Board Chairman)



MR. Sasah K. Wiredu  
(Vice Board Chair.)



Lawyer Eric Ansah  
(Board Member)



Mr. C. A. Donkor  
(Board Member)



Mr. Kusi Boachie  
(Board Member)



Mr. Alex Awuah  
(Board Member)



Mr. Kyeremeh Gabriel  
(Board Member)

## SUMA RURAL BANK LIMITED

### CAPITAL ALLOWANCES COMPUTATION YEAR OF ASSESSMENT - 2012 BASIS: 01/01/2012 - 31/12/2012

ASSETS CLASS	W.D.V.B/F	ADDITIONS	DELETED	TOTAL	RATE	DEPRN.	W.D.V. C/F
CLASS 2 POOL	4,961	5,280	(225)	10,016	30%	3,004	2,975
CLASS 4 POOL	103,797	44,386	(1,050)	147,133	20%	29,427	117,706
CLASS 5 POOL	97,562	-	-	97,562	10%	12,195	85,367
	<u>206,320</u>	<u>49,666</u>	<u>(1,275)</u>	<u>254,711</u>		<u>44,626</u>	<u>206,048</u>

### SUMMARY

Straight Line - Method	12,195
Reducing Balancing Method	32,431
<b>TOTAL</b>	<u>44,626</u>



SUMA RURAL BANK LIMITED

TAX COMPUTATION  
YEAR OF ASSESSMENT - 2012

	GH¢
Net Profit as per Accounts	247,953
Add Back: Depreciation	65,197
Provision for Bad and Doubtful Charge	37,265
	350,415
Less: Capital Allowances	(44,626)
	305,789
	24,463

This is subject to agreement by the Internal Revenue Authorities.

## MANAGEMENT TEAM



**M. Adjei-Amponsah**  
(General Manager)



Mr. Kumah Joseph  
(Operations Mgr.)



Mr. Amo Kwadwo  
(Internal Auditor.)



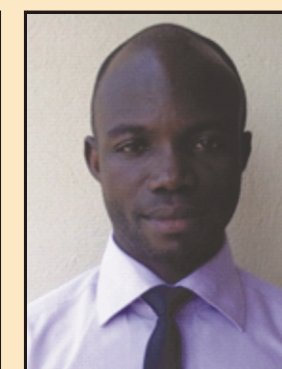
Mr. Twene Y. Francis  
(Principal Project Officer)



Mr. Richard Ababio  
(Accountant)



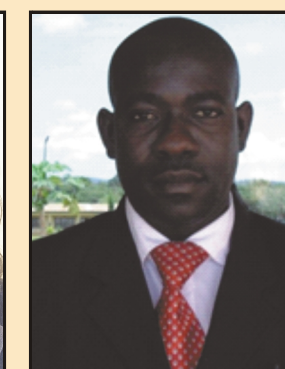
Mr. Obeng K. Martin  
(Systems Admin.)



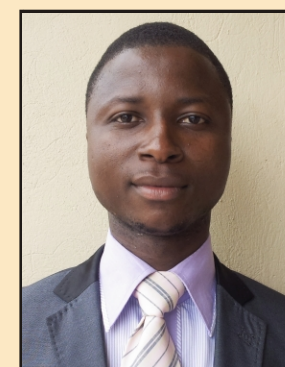
Mr. Jonas Oppong  
(Micro finance Cordinator)



Mrs. Mary Mfodwaa  
(Agency Head-Suma)



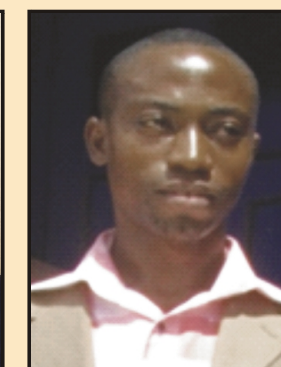
Mr. Dartey Kwaku  
(Agency Head-Berekum)



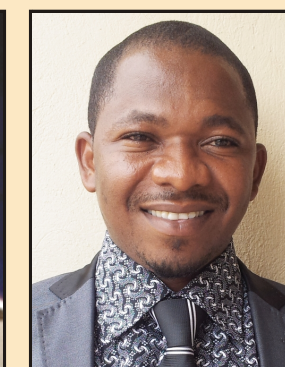
Mr. Ababio Alexander  
(Agency Head-Brodi)



Mr. Okrah Philips  
(Agency Head-Goka)



Mr. Amos Ntow Sawyerr  
(Agency Head-Japekrom)



Mr. Abdul Wahab Seidu  
(Agency Head-Sampa)

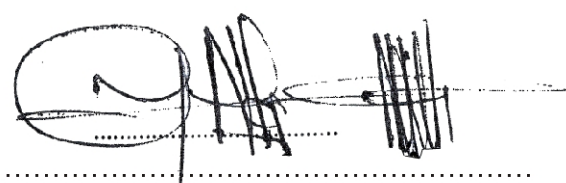
## SUMARURAL BANK LIMITED

### NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the **27th Annual General Meeting** of Shareholders of **SUMARURAL BANK LIMITED** shall be held on **Saturday 14th December, 2013 at the Presbyterian Church of Ghana Chapel, Suma-Ahenkro.**

### AGENDA:

1. To read the notice convening the meeting.
2. To receive and consider the Directors and Chairman's report.
3. To receive and consider the Accounts of the Bank for the year ended 31st December, 2012 together with the report of the Directors and Auditors.
4. To elect Directors.
5. To approve the Directors' fees for the year 2013.
6. To authorize the Directors to fix the remuneration of the Auditors for the year ended 31st December, 2013.
7. Any Other Matters.



BY THE ORDER OF THE BOARD  
MR. MARTINADJEI-AMPONSAH  
(SECRETARY OF THE BOARD)  
DATED THIS 7TH NOVEMBER, 2013

### NOTE:

A member is entitled to attend and vote at the Annual General Meeting or appoint a proxy to attend and vote instead of him/her. Such a proxy need not be a member or shareholder of the Bank.

The instrument appointing such a proxy must be deposited at the registered **office of the Bank, Post Office Box 13, Suma Ahenkro** not later than forty-eight (48) hours before the time appointed for holding the meeting.

17.	TAXATION	2012 GH¢	2011 GH¢
	Balance at 1 January	(8,089)	265
	Adjustment in 2010	-	(1,204)
	Charge for the year	<u>24,463</u>	<u>14,250</u>
		16,374	13,311
	Payments:		
	2010	-	(2,325)
	2011	(3,000)	(19,075)
	2012	<u>(15,000)</u>	-
		<u>(1,626)</u>	<u>(8,089)</u>
18.	STATED CAPITAL		
	Authorized:	No. of Shares	Value of Shares
	Ordinary Shares	167,707,705	167,707,705
	Preference Shares	<u>125,000</u>	<u>125,000</u>
		<u>167,832,705</u>	<u>167,832,705</u>
	Issued:		
	Ordinary Shares for Cash	162,926	94,076
	Capitalization Issuance	99,954	99,954
	Preference Shares	<u>13</u>	<u>13</u>
		<u>262,893</u>	<u>194,043</u>
19	CAPITAL SURPLUS	<u>39,404</u>	<u>39,404</u>

Refer to changes in Equity.

14	DEPOSIT AND CURRENT ACCOUNTS	2012 GH¢	2011 GH¢
	Savings Accounts	3,156,550	2,080,389
	Current Accounts	1,261,740	1,077,876
	Time Deposit	209,040	117,777
	Other Deposits - Susu	<u>390,828</u>	<u>821,716</u>
		<u>5,018,158</u>	<u>4,097,758</u>
15	INTEREST PAYABLE AND OTHER LIABILITIES		
	Unearned Interest on Loans	1,978	1,978
	Unearned Interest on Treasury Bills	30,893	30,238
	Interest on Borrowing	1,497	1,497
	Audit Fees	2,860	2,200
	Office Account	170,184	95,049
	Accrued Interest Unpaid	3,347	1,815
	Provision for Retirement	33,293	23,669
	Provision for Dividend	55,873	51,086
	Provision for Police Guard	1,500	250
	Interest on Savings	1,436	-
	Unearned Interest on MOFA	18,057	-
	WUMT (Seed Money)	3,000	-
	Seed Money	-	1,658
	E-Zwich	2,733	-
	Payment Order	63,770	27,240
	Managed Funds	73,988	77,888
	Inter -Agency	<u>7,838</u>	<u>92,530</u>
		<u>472,247</u>	<u>407,098</u>
16	BORROWINGS ACCOUNTS		
	Short -term: SPEED GHANA	<u>502,094</u>	<u>300,000</u>

## SUMA RURAL BANK LIMITED

### BOARD OF DIRECTORS, MANAGEMENT AND OFFICIALS

<b>DIRECTORS:</b>	J. OFORI ASUBONTENG	- CHAIRMAN
	KOFI WIREDU SASAH	- VICE CHAIRMAN
	CLEMENT AGYEMANG DONKOR	- MEMBER
	ALEX K. AWUJAH	- MEMBER
	KUSI BOACHI YIADOM	- MEMBER
	KYEREME GABRIEL	- MEMBER
	ERIC ANSAH ANKOMAH	- MEMBER

**SENIOR MANAGER:** ADJEI-AMPONSAH MARTIN

**ACCOUNTANT:** KUMA JOSEPH

**PROJECT OFFICER:** TWENE YAW FRANCIS

**REGISTERED OFFICE:** SUMA RURAL BANK LIMITED  
P.O.BOX 13  
**SUMA AHENKRO-B/A.**

**AUDITORS:** MESSRS JOHN ALLOTEY & ASSOCIATES  
(CHARTERED ACCOUNTANTS)  
SSNIT HOUSE  
TEL: (03520) 23505  
P. O. BOX 414  
SUNYANI - B/A.

**EMAIL:** [sumaruralbank@yahoo.com](mailto:sumaruralbank@yahoo.com)



## SUMA RURAL BANK LIMITED

### BOARD CHAIRMAN'S REPORT TO SHAREHOLDERS AT THE 27TH ANNUAL GENERAL MEETING HELD ON 14TH DECEMBER, 2013

Fellow shareholders and Directors, officials from Bank of Ghana and ARB Apex Bank Limited, Representative(s) from the Association of Rural Banks (ARB), Ex- Directors of the Bank, Honourable District Chief Executive for Jaman North, Honourable Member of Parliament for Jaman North, Nananom from the various traditional councils, Managers and Directors from sister Banks, Heads of Department, Ministers of God, the media, all protocol observed.

Distinguished ladies and gentlemen, on behalf of the Board of Directors of the Bank and on my own behalf, I wish to welcome you all to the 27th Annual General Meeting (AGM) of the Bank and also wish to extend the Board's heartfelt thanks to everyone who is here to grace the occasion.

As all of us may be aware, we are mandated by the law to organize the AGM to render account on our stewardship to the valued shareholders of the Bank. Therefore, this year's meeting is no exception from the previous years. Once again, you are all welcome to the meeting.

#### OVERVIEW OF THE ECONOMIC ENVIRONMENT UNDER WHICH THE BANK OPERATED

Fellow stakeholders, during the year under review, the country's economic performance deteriorated and this had a negative effect on the Bank's activities. All the macroeconomic indicators including inflation, interest rates, exchange rates etc. recorded adverse movements. The Cedi depreciated against all the major currencies including the U.S. Dollar (USD), Euro, and the Pound Sterling. For instance, the Cedi depreciated about 17.5% against the USD during the year. Again, rates of Government securities rose sharply during the period. The 91-Day Treasury Bills rate also rose from 11% at the beginning of the year to 21.5% at the end of December 2012.

Ladies and gentlemen, the unfavorable economic conditions resulted in low deposit mobilization as the depositors preferred investing in Government securities and foreign currency for very higher returns on their investments.

Dear shareholders, in spite of this unfavorable economic environment, the Board and Management worked assiduously to improve on the Bank's performance during the year and we present the performance key financial indicators as follows:

#### Key Financial Indicators Performance as Compared to Last Two Years

ITEM	2010 (GH¢)	2011 (GH¢)	2012 (GH¢)	INCREASE/DECREASE OVER 2011 (GH¢)	% GROWTH OVER 2011	ANNUAL GROWTH RATE FOR THE THREE YEARS (%)
DEPOSIT	3,126,420	4,097,758	5,018,158	920,400	31	22
INVESTMENTS	1,708,859	1,863,673	2,143,673	280,000	9	15
TOTAL ASSETS	3,894,358	5,352,654	6,761,837	1,409,183	37	26
SHARE CAPITAL	173,399	194,043	262,893	68,850	12	35
NET WORTH	409,600	547,798	769,338	221,540	34	40
LOANS/ADVANCE	1,176,438	1,935,300	2,246,181	310,881	65	16
PROFIT BEFORE TAX	108,435	163,521	247,953	84,432	52	52

12. OTHER ASSETS	2012 GH¢	2011 GH¢
Stationery Stock	21,850	18,499
Rent Prepaid	19,989	22,698
Office Account	209,513	210,400
Interest in Arrears	76,986	-
Inter - Agency	69,240	148,427
Insurance Prepaid	13,918	8,575
Cocoa Buying Account - Seed Money	-	86,562
Loans Under Managed Funds	16,835	595
Renovation	1,300	1,300
Plot Development Cost	500	-
Uncleared Effects	20,451	-
Audit Fees	2,200	-
Taxation	1,626	8,089
	<u>454,408</u>	<u>505,145</u>

13. PROPERTY & EQUIPMENT	AT COST	AT 1/1/12 GHs	ADDITIONS GHs	DELETION GHs	AT 31/12/2012 GHs
Land and Building		204,197	-	-	204,197
Furniture & Fittings		22,459	4,230	-	26,689
Office Equipment		171,008	40,156	(225)	210,939
Motor Vehicles		37,000	-	-	37,000
Motor Bikes		3,220	5,820	(1,050)	7,450
		<u>437,884</u>	<u>49,666</u>	<u>(1,275)</u>	<u>486,275</u>

DEPRECIATION	AT 1/1/12 GHs	CHARGE FOR THE YEAR GHs	DELETION GHs	AT 31/12/2012 Ghs
Land and Building	29,607	6,127	-	35,734
Furniture & Fittings	10,953	3,485	-	14,438
Office Equipment	72,922	46,287	-	119,209
Motor Vehicles	20,369	7,399	-	27,768
Motor Bikes	2,124	1,899	(770)	3,253
	<u>135,975</u>	<u>65,197</u>	<u>(770)</u>	<u>200,402</u>

NET BOOK VALUE AT 31 DECEMBER, 2012	<u>285,873</u>
AT 31 DECEMBER, 2011	<u>301,909</u>

## 8. PROVISION FOR BAD AND DOUBTFUL DEBTS

	2012 GH¢	2011 GH¢
Balance at 1 January	125,128	115,428
Charge for the year	37,265	9,700
Balance at 31 December	<u>162,393</u>	<u>125,128</u>

## 9. CASH AND BANK BALANCES

Cash in Hand	478,955	427,893
ARB Apex Bank Clearing A/c	470,832	25,155
ARB Apex 5% Deposit	181,915	179,554
Other Banks-WUMT& BARCLAYS	-	14,025
ACOD	100,000	100,000
	<u>1,231,702</u>	<u>746,627</u>

## 10. INVESTMENTS

Short -term:		
Treasury Bills	1,020,000	940,000
NTHC Bills	1,000,000	800,000
Long -term:		
APEX Bank Shares	123,673	123,673
	<u>2,143,673</u>	<u>1,863,673</u>

## 11. LOANS AND ADVANCES

Term Loans	2,808,574	2,060,428
Gross Loans	2,808,574	2,060,428
Less:		
Provision for Bad & Doubtful Debts	(162,393)	(125,128)
Net Loans	<u>2,646,181</u>	<u>1,935,300</u>

## HIGHLIGHTS ON SOME KEY INDICATORS

### • TOTAL DEPOSITS

Valued shareholders, as indicated in the above table we could see that even though the Bank's total deposits grew by 22%, the growth fell short of that of the previous year which was 31%.

Therefore, we will embark on a deposit mobilization to ensure that the Bank will have enough resources to carry out its lending and investment activities to improve its profit performance.

### • LOANS AND ADVANCES

Fellow stakeholders, during the year under review, the bank grew its total loan portfolio by 65%. This shows how the bank is trying to satisfy its customers with their financial needs. Therefore, we wish to plead with all loan beneficiaries of the bank to pay back the facilities granted to them in good time so that others also could benefit from the bank.

### • PROFIT BEFORE TAX

Profit before tax increased by 52% over that of the previous year. This was marginally above the 2011 ratio of 51%. We encourage management to work harder than before so that returns on shareholders' investment would go up in order to motivate them to buy more shares. It is worthy to note that the Bank made a total provision for bad and doubtful debts of GHC37,265 during the year under consideration. This means that the Bank's profit before tax would have been gone up by the said provision if the beneficiaries of the Bank's loan had repaid all the loans granted to them. It is therefore my humble appeal to all customers who benefit from the Bank's facilities to repay when due to help reduce the level of provisions.

### • PROPOSED DIVIDEND

Fellow shareholders, I am happy to announce that a total dividend of GHC55,873 has been proposed by the Board to you the shareholders of the Bank at GHCO.12 (1200 old cedis) per share. It is gratifying to note that this year's dividend declared by the Board is 26% higher than what was declared in 2011. This shows the prospects ahead of us as shareholders of the Bank. I am therefore appealing to all of us to continue to purchase more shares in order to take advantage of the high returns that would accrue on the Bank's shares in future.

### • THE BANK'S SHARE CAPITAL AND THE NEW MINIMUM CAPITAL REQUIREMENT

Valued shareholders, you might have noted from the above key financial indicators table provided that the Bank's share capital grew by 35% to bring the total share capital to GHC262,893. I would like to extol you all for the effort you have made to achieve this incredible growth in the Bank's capital. I will advise you not to rest on your oars but to continue to work hard to grow the Bank's capital further.

I also wish to make it known to all of us gathered here that the Bank of Ghana has increased the minimum capital of rural and community banks from GHC150,000 to GHC300,000.

Once again, I am very glad to inform you that the Bank has met this new requirement through the inexorable effort of the Board. Here, I wish to express my profound thanks to the entire Board for their commitment to purchase more shares of the Bank.

Ladies and gentlemen, the Bank is very grateful to Mr. Benn Kujar for buying a chunk of our shares to beef up the Bank's capital. We thank him very much for the investment done with us and we hope he will never regret for joining this great family. May God bless him.

● **THE BANK'S TOTAL ASSETS AND CAPITAL ADEQUACY RATIO**

Fellow shareholders, the Bank's total assets went up by 26%. As we grow the Bank's assets, we have to grow our share capital in order to improve the Bank's Capital Adequacy Ratio (CAR). The CAR is used by the Bank of Ghana to determine the solvency of the Bank and the extent to which the Bank could expand its assets base.

The Bank ended the year under review with a CAR of 18% and this was above the statutory requirement of 10%.

● **SPECIAL AKUAFO CHEQUE SYSTEM**

The Board is very much worried about the deteriorating nature of Akuafo cheque system that the Government of Ghana introduced sometime ago to ease farmers from handling huge sums of money thereby exposing them to armed robbers and other unscrupulous persons who try to dupe them.

The Bank is ever ready to accept the Akuafo cheques and effect payment promptly but the farmers do not present them. The situation has deteriorated due to the influx of the multiple small Licensed Buying Companies (LBCs) that do not channel their funds through the banks.

This problem deprives the cocoa farmers from keeping account with the bank and for that matter leads to their inability to access loans from the Bank to pay their children's school fees and also buy in-puts to maintain their cocoa farms. We therefore wish to implore you to impress on your cocoa "DOs" to issue out the cheques to enable you enjoy the Bank's facilities.

● **E-BANKING SERVICES**

Ladies and gentlemen, we want to use this forum to inform you that the Bank is now networked and many electronic banking services are available.

At the moment, a customer of the Bank can conveniently access his/her account at any of our branches whenever the need arises. Likewise, both domestic and international money transfer services are available. The domestic money transfer which used to be known as Apex transfer and was being executed manually has now been automated and is now known as the "i-trans". This facility enables one to transfer money into his/her account or a relative instantly. Also, international money transfers into the country such as Western Union, Vigo, and Money Gram are available at any of the Bank's branches.

The Bank also renders e-zwich services. This facility enables a traveler to leave his/her money at the mother Bank's premises and cash the money at his destination with any available bank. The person can equally use the e-zwich card to effect payment for goods and services where there is a point of sale (POS) machine. Last but not the least, the Bank also has a Controller and Accountant General's Department loan facility for all government employees who are paid through "CAGD" though they may not be customers of the Bank. Therefore, we encourage each and everyone to take advantage of these services.

● **MICROFINANCE PRODUCTS**

Fellow shareholders, the Bank is actively involved in micro financing and has packaged so many products under its microfinance programme. The products include the following:

- . Big Six Group Loan,
- . Anidaso Group Loan,
- . Golden Susu Loan,
- . Taxi Drivers/Owners Unity Loan.

	2012 GH¢	2011 GH¢
<b>7 OPERATING EXPENSES</b>		
Staff Salaries and Wages	384,381	290,709
Directors' Emoluments	14,670	13,400
Board Meeting	3,426	1,069
Light and Water	25,422	16,235
Staff Training	10,882	25,206
Audit Fees	2,860	2,650
Printing and Stationery	19,826	18,426
Repairs and Maintenance	42,273	25,168
Rent, Rates and Taxes	14,367	7,296
Postages, Telephone and Telegram	6,218	6,785
Insurance Premium	14,755	9,607
Office Expenses	13,466	24,151
Specie Movement	4,996	3,090
Bank Charges	2,507	2,288
Police Guard	11,309	6,853
Other Staff Cost	151,769	103,390
Entertainment	17,045	13,807
Advertising & Publicity	10,348	6,888
Newspapers and Periodicals	23,449	8,677
Annual General Meeting	19,688	22,828
Mobilization & Agency Exps.	4,428	3,566
Computerization	22,988	-
Legal Fees	110	1,610
Donation & Development	6,305	6,644
Fuel & Lubricants	14,131	21,524
Shortages in Till	48	-
Staff Medical	6,960	6,840
Travelling and Transport	85,473	70,542
Susu Exps.	25,098	2,841
General Expenses	43,730	31,244
Depreciation	65,197	45,178
	<u><b>1,068,125</b></u>	<u><b>798,512</b></u>



4	INTEREST INCOME	2012	2011
		GH¢	GH¢
	Investments	260,791	184,825
	Loans and Overdrafts	850,110	604,701
	Funds Transfer	20,649	10,618
		<u>1,131,550</u>	<u>800,144</u>
5	INTEREST EXPENSE		
	Borrowings	58,531	30,209
	Deposits	85,305	50,361
		<u>143,836</u>	<u>80,570</u>
6	COMMISSIONS AND FEES		
	Service Charge	-	72,324
	Commission Received	123,320	75,774
	Commitment Fees	117,069	104,061
	Other Income	125,235	-
	Cheque Clearing Fees	5	-
		<u>365,629</u>	<u>252,159</u>

The products enable small business owners to come together as a group to access loans from the Bank without going through the problem of providing personal guarantors. They are very flexible products and we recommend them for you all especially, those who own small businesses.

• **CORPORATE SOCIAL RESPONSIBILITY**

Dear shareholders and Nananom, the Bank continues to support development activities in the communities in which it operates. During the year under review, the Bank donated various sums of money to support the activities carried out by the district assemblies and other social institutions. In all, an amount of GH¢6,305 was donated to the various social entities under the Bank's social responsibility package.

• **EXPANSION PROGRAMME**

Fellow shareholders, the intention by the Board and management to expand the activities of the Bank to areas far and near would continue. In this regard, the Bank shall open another branch at Sunyani and plans to this effect are currently under consideration by the Board.

• **ACHIEVEMENT OF THE VISION OF THE BANK'S STRATEGIC PLAN**

I am very much delighted to inform you that your Bank has won an award as a member of Ghana "Club 100". This is in line with the Bank's vision stated as "To Become One Of The Best Managed Rural Banks in Ghana", The Ghana "Club 100" award which was instituted by the Ghana Investment Promotion Council (GIPC) is to assess all the companies operating in Ghana and select the best "100" of them. The Bank's selection among this elite group of companies implies that your Bank has brought this vision to reality. Let us all share the glory together and work harder than before so that every year the Bank shall win the award to maintain this reputable status.

• **ELECTION OF DIRECTORS**

Dear shareholders, as required by Section 298 of the Company's Code 1963, Act 179, one third of the members of the Board shall step down at every Annual General Meeting and such members could seek re-election.

In compliance with this the following directors are due to retire and are seeking re-election:

1. Mr. Alex K. Awuah
2. Mr. Ansah Ankomah Eric

As the house resolved at the previous "AGM", election of directors shall be on "poll voting" basis. Thus, every shareholder shall vote according to the number of shares the person is holding.

• **APPRECIATION**

Ladies and gentlemen, at this point I wish to express my sincere gratitude and appreciation to everyone of you who came from near and far to grace the occasion. We are very grateful to officials from the Bank of Ghana, ARB Apex Bank Ltd, the Association of Rural Banks, representatives from other sister banks and all invited guests for honouring our invitation.

We wish you safe journey back home and may good God bless you all.

• **CONCLUSION**

Fellow shareholders, before I conclude my speech, permit me to thank my fellow Board members, Management and staff of the Bank, the valued shareholders and customers, Nananom and all who matter in the governance of this our noble institution for your support and co-operation given me during the year. Thank you and God bless you all.

LONG LIVE SUMA RURAL BANK LTD. LONG LIVE GHANA.

**REPORT OF THE DIRECTORS**

The Directors have pleasure in submitting their annual report together with the audited Financial statements of the Bank for the year ended 31st December, 2012 to the members as follows:

a. **Principal Activities**

The principal activities carried out by the Bank during the year under review are within the limits permitted by its Regulations and also consistent with its strategic focus. There were no changes in the principal activities of the Bank during the year.

b. **Results and Dividend**

The results of operations for the year ended 31st December, 2012 are set out in the Income Statement, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity and the Notes to the Financial Statements from pages 15 to 27.

A summary of the results is as follows:

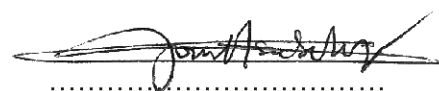
	2012 GH¢	2011 GH¢
Profit after tax	<u>223,490</u>	<u>149,271</u>
Total Comprehensive Income	<u>223,490</u>	<u>149,271</u>
 TOTAL ASSETS	 <u>6,761,837</u>	 <u>5,352,654</u>

The Directors do recommend the payment of dividend of 25% on profit for the year.

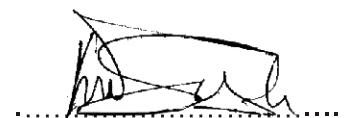
c. **Auditors**

The Auditors, John Allotey & Associates, will continue in office as a result of the Bank of Ghana's directive, that all external auditors who have been served for a period of five (5) years should be changed.

BY ORDER OF THE BOARD



DIRECTOR:



DIRECTOR:

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Land	0%
Buildings	3%
Motor Vehicles	33.3%
Office Equipment	25%
Furniture and Fittings	20%
Computer	25%

3.5 **Investments**

Investments are purchased with the intention of being held to maturity and they are stated at fair value. The discount is disclosed separately as interest income, whilst the unearned portion is stated in the accounts as a liability.

3.6 **Dividend**

Dividends declared are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements.

3.7 **Cash and cash equivalents**

For the purpose of cash flow statement, cash and cash equivalent include cash, non-restricted balances with Bank of Ghana, amounts due from banks and financial institutions and short term government securities maturing in three months or less from the date of acquisition.

3.8 **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 is material.

### 3.1.2 Non-Interest Income

The Bank earns commission and fees from a wide range of services provided to its customers. Fee income is accounted for as follows:

Income earned on performance of discrete services (such as funds transfer, special clearing, transaction negotiation with third parties etc) is recognized as revenue upon completion of the act or service.

Income arising from service fees (such as special statement request, commission on turnover, safe custody etc) are recognised as the services are provided. Loan origination fees and similar fees form an integral part of the effective interest rate of a Financial instrument and are not shown as part of non-interest income.

### 3.1.3 Income Tax

Income tax in the profit and loss account comprises the current tax, deferred tax. Current tax is the tax expected to be payable under the internal revenue ACT 2000(Act592) on the taxable profit for the year. Deferred income tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts.

Deferred tax liability is generally recognised for all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable future taxable profit will be available against which deductible temporary differences can be utilized.

### 3.2 Commission and Fees

Fees and commission income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Fees and commission relating to specific services are recognized as revenue when the related service are performed.

### 3.3 Loans and Advances

Loans and advances to customers are accounted for at amortized cost using the effective interest method, except those which the Bank intends to sell in the short term and which are accounted for at fair value, with the gains and losses arising from changes in their fair value reflected in the income statement.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the effective interest rate.

Loans and Advances are initially recognized when cash is advanced to the borrowers at fair value, inclusive of transaction costs.

Subsequent to initial recognition loans and advances to customers are stated on the balance sheet at amortized cost using the effective interest method less impairment losses.

### 3.4 Property, Plant & Equipment

The bank recognises an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the materially threshold set by the bank.

Property, Plant and Equipment are stated at cost less accumulated depreciation and any improvement in value. Depreciation is provided on the depreciable amount of each component on a straight line basis over the anticipated useful life of the assets. The depreciable amount related to each asset is determined as the difference between the cost and the residual

value of the asset. The residual value is the estimated amount, net of disposable assets, that the bank would currently obtain from the disposal of an asset in similar age and condition at the end of the useful life of the asset.

SUMARURAL BANK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SUMA RURAL BANK LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of Suma Rural Bank Limited which comprise the Statement of Financial Position as of 31 December 2012, Income Statement, Statement of Changes in Equity and Statement of Cash flows for the year then ended, and a Summary of significant accounting policies and other explanatory notes.

### Directors Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards and with the requirements of the Companies Code, 1963 (Act 179).

This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditor's Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements, and plan and perform our audit to obtain reasonable assurance that the financial statements are free of material misstatements.

An Audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the over all presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion the accompanying financial statements give a true and fair view of the state of the financial affairs of the Bank as at 31 December, 2012 and of its profit and cash flows for the year then ended in accordance with international financial Reporting Standards and with the Companies Code, 1963 (Act 179).

### Report On Other Legal and Regulatory Requirements:

The Ghana Companies Code 1963, (Act 179) requires that in carrying out our audit we consider and report to you on the following matters. We confirm that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.



(ii) In our opinion, proper books of account have been kept by the bank, so far as appears from our examination of those books; and

(iii) The balance sheet and profit and loss account of the bank are in agreement with the books of account

In accordance with section 78 (2) of the Banking Act 673, 2004 we hereby confirm that;

(i) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors;

(ii) In our opinion, the accounts give a true and fair view of the state of the Bank's affairs and its results for the year under review; and

(iii) In our opinion, the bank's transactions were within its powers.



John Allotey & Associates  
Chartered Accountants  
2nd May, 2013  
Sunyani, Ghana

SUMARURAL BANK LIMITED

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER, 2012

### 1.0 REPORTING ENTITY

Suma Rural Bank Limited is a private Company incorporated and domiciled in Ghana. The Registered office is located at Suma, Brong Ahafo Region. The Bank primarily is involved in rural banking.

### 2.0 BASIS OF PREPARATION

The financial statements have been prepared on a historical cost basis, except for land and buildings and available-for-sale financial assets that have been measured at fair value. The financial statements are presented in Ghana Cedis(GHC) which is the company's functional currency.

#### 2.1 Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards(IFRS)and its interpretation adopted by the International Accounting Standards Board(IASB).

#### 2.2 Use of estimates and judgement

The preparation of financial statements in conformity with IFRS required management to make judgment, estimates and assumptions that affect the application of 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 reasonable under the 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 assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future period if the revision affects bot current and future periods.

### 3.0 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted by the Bank and which have been applied in preparing these financial statements are stated below:

#### 3.1 Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefit will flow to the Bank and the revenue can be reliably measured.

The following specific recognition criteria apply in revenue recognition.

#### 3.2 Interest Income and Expense

Interest income and expense are recognised in the income statement for all interest bearing financial instruments including loans and advances as interest accrues using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating the interest income or interest expense. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument to the net carrying amount of the financial asset or liability.

SUMA RURAL BANK LIMITED

**STATEMENT OF CASHFLOWS**

	Year ended 31 December	
	2012 GH¢	2011 GH¢
Cash Flows from Operating Activities		
Profit before Tax	247,953	163,521
Depreciation & Amortization	65,197	45,178
Income Tax Paid	(18,000)	(21,400)
Development Fund Applied	(14,747)	(9,774)
Prior year Adjustment	-	561
Cash Flows from Operating activities before changes in operating Assets & Liabilities	<u>280,403</u>	<u>178,086</u>
<b>Changes in Operating Assets &amp; Liabilities</b>		
Change in Advances to Customers	(710,881)	(758,862)
Change in Other Assets	44,274	(389,156)
Change in Deposits and Current Account	920,400	971,338
Change in Creditors & Accruals	60,407	140,300
Net Cash generated from Operating Activities	<u>594,603</u>	<u>141,706</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Property and Equipment	(49,666)	(87,353)
Redemption of Treasury Bills and Other Eligible Bills	(280,000)	(154,814)
Proceeds on Disposal	1,050	-
Gain on Disposal	(770)	-
Net Cash used in Investing Activities	<u>(329,386)</u>	<u>(242,167)</u>
<b>Cash Flows from Financing Activities</b>		
Dividend Paid	(51,086)	-
Additional Shares Issued	68,850	20,644
Change in Borrowed Funds	202,094	185,417
Net Cash used in Financing Activities	<u>219,858</u>	<u>206,061</u>
Net (decrease)/Increase in Cash and Cash Equivalent	485,075	105,600
Cash and Cash Equivalent at beginning of period	746,627	641,027
Cash and Cash Equivalent at end of the year	<u><b>1,231,702</b></u>	<u><b>746,627</b></u>

The accounting policies and notes on pages 19 to 27 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED

**INCOME STATEMENT ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER, 2012**

	NOTES	2012 GH¢	2011 GH¢
Interest Income	4	1,131,550	800,144
Interest Expense	5	(143,836)	(80,570)
Net Interest Income		<u><b>987,714</b></u>	<u><b>719,574</b></u>
Commissions and Fees	6	365,629	252,159
Total Income		<u><b>1,353,343</b></u>	<u><b>971,733</b></u>
Operating Expenses	7	(1,068,125)	(798,512)
Provision for Bad and Doubtful Debt:	8	(37,265)	(9,700)
Profit Before Tax		<u><b>247,953</b></u>	<u><b>163,521</b></u>
Income Tax Expense		(24,463)	(14,250)
Profit for the year		<u><u><b>223,490</b></u></u>	<u><u><b>149,271</b></u></u>

The accounting policies and notes on pages 19 to 27 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2012**

Assets	NOTES	2012 GH¢	2011 GH¢
Cash and Bank Balances	9	1,231,702	746,627
Investments	10	2,143,673	1,863,673
Loans And Advances	11	2,646,181	1,935,300
Other Assets	12	454,408	505,145
Property, Plant and Equipment	13	285,873	301,909
<b>Total Assets</b>		<b>6,761,837</b>	<b>5,352,654</b>
<b>Liabilities</b>			
Deposits and Current Accounts	14	5,018,158	4,097,758
Interest Payable & Other Liabilities	15	472,247	407,098
Borrowings	16	502,094	300,000
Taxation	17	-	-
<b>Total Liabilities</b>		<b>5,992,499</b>	<b>4,804,856</b>
<b>Shareholders' Funds</b>			
Stated Capital	18	262,893	194,043
Capital Surplus	19	39,404	39,404
Statutory Reserve Fund		191,514	135,603
Income Surplus	20	252,998	163,714
Community Development Fund		22,529	14,927
<b>Total Shareholders' Fund</b>		<b>769,338</b>	<b>547,691</b>
<b>Total Liabilities and Shareholders' Fund</b>		<b>6,761,837</b>	<b>5,352,654</b>

Approved by the Board of Directors on 2nd June, 2013 and signed on its behalf by:

  
DIRECTOR .....

  
DIRECTOR .....

The accounting policies and notes on pages 19 to 27 form an integral part of these financial statement

SUMA RURAL BANK LIMITED

**STATEMENT OF CHANGES IN EQUITY  
YEAR ENDED 31 DECEMBER, 2012**

	STATED CAPITAL GHs	CAPITAL SURPLUS GHs	INCOME SURPLUS GHs	STATUTORY RESERVE GHs	COMM DEV'P. FUND GHs	TOTAL Ghs
At 1Jan., 2012	194,043	39,404	163,603	135,641	14,927	547,618
Profit for the year	-	-	223,490	-	-	223,490
Dividend Paid	-	-	(55,873)	-	-	(55,873)
Issue of additional shares	68,850	-	-	-	-	68,850
Transfer to Community Dev. Fund	-	-	(22,349)	-	22,349	-
Development Fund Applied	-	-	-	-	(14,747)	(14,747)
Transfer to Statutory Reserve	-	-	(55,873)	55,873	-	-
At 31 December, 2012	<b>262,893</b>	<b>39,404</b>	<b>252,998</b>	<b>191,514</b>	<b>22,529</b>	<b>769,338</b>

The accounting policies and notes on pages 19 to 27 form an integral part of these financial statements.