



PROXY AUTHORISATION FORM

I/We _____ of

_____ Being a Shareholder(s) of hereby appoint

_____ on

_____ at the Annual General Meeting of the Bank to be held on the 18th November, 2017 at Presbyterian Church of Ghana, Suma-Ahenkro and at any adjournment thereon.

Signed on the _____ day of _____ 2017

(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.



2016 REPORTS & FINANCIAL STATEMENT

JOHN ALLOTEY & ASSOCIATES
(CHARTERED ACCOUNTANTS)
Tel. No. 03520 23505
P. O. Box 414
SSNIT HOUSE

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NOTICE OF ANNUAL GENERAL MEETING

AGENDA:

- DATED THIS 3rd day of October, 2017

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NOTICE:

- (i) 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.
- (ii) 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.

SUMA RURAL BANK LIMITED

**BOARD OF DIRECTORS, MANAGEMENT
AND REGISTERED OFFICE**

DIRECTORS

J. OFORI ASUBONTENG
KOFI WIREDU SASAH
KYEREME GABRIEL
KWAME NSRAWUDI NICHOLAS
VIVIAN MFODWAA GYAN
SAANA NYARKO-DABIE
KWASI BABA EMMANUEL

CHAIRMAN
VICE CHAIRMAN
MEMBER
MEMBER
MEMBER
MEMBER
MEMBER

GENERAL MANAGER

ADJEI-AMPONSAH MARTIN

OPERATIONS MANAGER

KUMAH JOSEPH

ACCOUNTANT

ABABIO RICHARD

HEAD: INTERNAL AUDIT

TWENE YAW FRANCIS

HEAD: CREDIT DEPARTMENT DENNIS AMANKONAH

REGISTERED OFFICE

SUMA RURAL BANK LIMITED
P. O. BOX 13
SUMA - AHENKRO - B/A

AUDITORS

MESSRS JOHN ALLOTEY & ASSOCIATES
(CHARTERED ACCOUNTANTS),
SSNIT
TEL:(03520) 23505
P. O. BOX 414
SUNYANI

NOTES

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SUMA RURAL BANK LIMITED

TOP TWENTY (20) SHAREHOLDERS LIST

Customer No.	Full Name	Total Share	Shares Percent(%)	Value
SH12005243	UNALLOCATED SHARES	204,602	11.04	96,117.240
SH1204262A	LYMIN CREEK LIMITED	176,832	9.54	83,181.500
SH12009093	SASAH WIREDU KOFI	41,260	2.23	13,922.200
SH12004058	JOHNSON OFORI-ASUBONTENG	40,374	2.18	13,480.940
SH1204061A	VIVIAN MFODWAA GYAN	34,371	1.86	10,646.500
SH12004460	BABA KWESI EMMANUEL	30,180	1.63	8,090.000
SH1204128A	NSRAWUDI KWAME NICHOLAS	29,323	1.58	8,269.750
SH12006004	NYARKO DABIES	28,138	1.52	7,733.950
SH1204304A	SOGA KOFI MOSES	16,429	0.89	7,447.250
SH1202651A	ADJEI-AMPONSAH MARTIN	15,876	0.86	7,774.250
SH12010122	YIADOM KUSI BOACHIE	13,386	0.72	6,286.000
SH12001094	KUMAH JOSEPH	12,156	0.66	6,017.020
SH12010162	FRANCIS TWENE YAW	11,953	0.65	5,921.000
SH12011101	KOFI NKETIA	11,380	0.61	5,343.620
SH1202677A	RICHARD ABABIO	10,755	0.58	5,356.000
SH12010064	MARY MFODWAA	10,590	0.57	5,277.000
SH12005140	CLEMENT AGYEMANG DONKOR	10,035	0.54	4,732.390
SH12004493	YIADOM DIANA	10,000	0.54	5,000.000
SH12004467	AMANKONA DENNIS	10,000	0.54	5,000.000
SH12010107	SAWYERR NTOW AMOS	8,856	0.48	4,403.750
Total		726,496	39.22	310,000.360

SUMA RURAL BANK LIMITED

REPORT TO SHAREHOLDERS BY THE BOARD CHAIRMAN, MR. J. OFORI-ASUBONTENG ON THE OCCASION OF 31ST ANNUAL GENERAL MEETING HELD ON 18TH NOVEMBER, 2017

INTRODUCTION:

- Fellow Shareholders,
- Directors,
- Ex-Directors,
- Officials from BoG/ARB/Apex Bank,
- Managers and Directors from sister RCBs,
- Nananom,
- The District Chief Executive for Jaman North,
- The Member of Parliament for Jaman North Constituency,
- Heads of Department,
- Ministers of God,
- Ladies and Gentlemen,
- All Protocol, Observed,

It is my pleasure to welcome you all to this 31st Annual General Meeting of our dearest financial institution, Suma Rural Bank Limited. We thank the Almighty God once again for bringing us together as one family to take inventory of our esteemed institution. I extend our profound gratitude to you the cherished shareholders and all other stakeholders who invariably have contributed to the growth of our noble institution. As directors, we are mandated by law to render account of our stewardship to you the owners (shareholders) of the Bank.

ECONOMIC ENVIRONMENT FOR THE YEAR UNDER REVIEW:

Fellow Shareholders, the year under review was one of the toughest years the Bank has ever faced. The central government's continuous borrowing from the financial market caused the rates of government securities such as Treasury Bills and other bonds to rise up. This phenomenon attracted depositors and other investors to opt for government securities rather than to deposit with banks and this in a way affected the Bank's deposits mobilization. For instance the 91 Day and 182 Day Treasury Bills traded at 22% and 24% respectively in the first, second and third quarters of the year before dropping to 16.43% and 17.64% respectively in the last quarter.

Macro-economic factors such as GDP growth slowed down to 3.5% at the end of the year. The local currency, the Cedi, which stabilized in the first half of the year later depreciated in the last quarter by 9.65% against the dollar. In the first quarter of the year, the inflation rate rose up to 19.20% before slowing down to 15.4% in December, 2016. The unfavorable performance of these macroeconomic indicators portrays low productivity and its repercussion on financial institutions which our Bank is no exception.

In addition to the above was high fuel cost that contributed to the high overheads of the Bank in running office vehicle and power generators.

Dear stakeholders, irrespective of the aforementioned unfavorable business environment, the Board, Management and Staff of the Bank did their best to improve on the Bank's performance. We present the performance of some key financial indicators in the table below for your consumption:

KEY PERFORMANCE INDICATORS FOR 2016 IN CONTRAST WITH 2015

NO.	ITEM	December 2016 GH¢	December 2015 GH¢	% CHANGE
1	Profit Before Tax	303,121.00	190,712.00	59% (Favourable)
2	Total Deposit	10,649,677.00	8,066,294.00	32% (Favourable)
3	Advance / Loans	4,291,904.00	3,224,348.00	33% (Favourable)
4	Investment	4,683,673.00	3,493,673.00	34% (Favourable)
5	Shares Capital	817,621.00	601,976.00	36% (Favourable)
6	Total Assets	13,876,111.00	10,292,923.00	35% (Favourable)

HIGHLIGHTS ON THE PERFORMANCE INDICATORS

- PROFIT BEFORE TAX:**

Fellow Shareholders, you could see from the performance schedule above that during the year under review, the Bank's profit before tax increased by 59%. It is our prayer that the Bank will be able to improve on its performance to enhance returns on your investments.

- TOTAL DEPOSITS:**

The total deposits of the Bank grew from GH¢ 8,066,294 in 2015 to GH¢ 10,649,677 representing, 32% increase during the year under review. We shall continue to adopt new strategies to improve on our deposits mobilization to enhance this performance.

- ADVANCE/LOANS:**

The Bank's total loan portfolio grew from GH¢ 3,224,348 to GH¢ 4,291,904.00, representing 33% increase. This shows the Bank's preparedness to give more loans to its cherished customers. I take this opportunity to plead with loan defaulters in our midst here to do everything possible to make good, the repayment of their outstanding loan balances so that others who have financial needs could also access the funds.

- SHORT TERM INVESTMENTS:**

The Bank recorded an increase of 34% in its short term investments which showed real figures of GH¢ 3,493,673.00 in the previous year and GH¢ 4,683,673 in the year under review. The Board has encouraged management to do more to continue to grow the Bank's short term investment as it has direct influence on the Bank's income generation.

SUMA RURAL BANK LIMITED

CAPITAL ALLOWANCE COMPUTATION YEAR OF ASSESSMENT - 2016 BASIS: 01/01/2016 - 31/12/2016

ASSETS	W.D.V. B/F	ADDITIONS	DELETIONS	TOTAL	RATE	DEPRN.	W.D.V. C/F
CLASS	GH¢	GH¢	GH¢	GH¢		GH¢	GH¢
CLASS 1 POOL	24,311	35,451	-	59,762	40%	23,905	35,857
CLASS 2 POOL	93,117	27,700	-	120,817	30%	36,245	84,572
CLASS 4 POOL	308,148	33,868	(42,906)	299,110	20%	59,822	239,288
CLASS 5 POOL	250,209	-	-	250,209	10%	32,094	218,115
	675,785	97,019	(42,906)	729,898		152,066	577,832

SUMMARY

Straight Line Method	32,094
Reducing Balance Method	119,972
	152,066

**TAX COMPUTATION
YEAR OF ASSESSMENT - 2016**

	GH¢
Net Profit as per Accounts	303,121
Add Back: Depreciation	77,266
Provision for Bad and Doubtful Charge	50,668
	<hr/> 431,055
Less: Capital Allowances	(152,066)
Chargeable Income	<hr/> 278,989
Tax thereon @ 8%	<hr/> 22,319 <hr/>

This is subject to agreement by the Ghana Revenue Authority.

● **SHARE CAPITAL**

The Bank's Capital grew from GH¢ 601,976.00 from the previous year to GH¢ 817,621.00 during the reporting year representing 36% increase.

Dear Shareholders, during 2016 AGM, I informed the house that the Bank of Ghana (BoG) had increased the rural banks share capital to (GH¢ 1,000,000.00) One Million Ghana Cedis and the deadline for the new minimum capital requirement is 31st December, 2017. After the deadline, the future of our Bank will hang in the balance as the BoG could take any action within its powers.

One of such actions could be a merger with another rural bank or acquisition of our Bank by a stronger rural bank, both of which are undesirable. Therefore, I wish to table this important issue before the house today for discussion so that we could find a lasting solution to this challenge before any unimaginable consequence. Presently the Bank's share capital is GH¢ 830,000.00 so we have a deficit of GH¢ 170,000.00.

● **TOTALASSETS:**

The Bank grew its assets from GH¢ 10,292,923.00 in 2015 to GH¢ 13,876,111 in 2016 representing 35% increase. As our assets base is growing steadily because of the Bank's expansion, we need to grow our capital in order not to fall below the Capital Adequacy Ratio requirement by the Bank of Ghana so the issue of the new minimum capital requirement I mentioned earlier is very paramount at this meeting.

HIGH OPERATIONAL COST – COMMUNICATION COST:

Fellow shareholders, I wish to bring to your notice the high operational cost which emanates from the computerized system that the Bank is currently using (known as T-24 application). The said software is being managed by ARB Apex Bank, a Mini Central Bank of rural and community banks.

Every year, I talk about high computerization cost in my report and this can be seen in all the previous reports. The situation has become so dire that if nothing is done, our Bank will go down. We currently pay GH¢ 40,000.00 per quarter.

To manage the situation, we have acquired our own operating software from Mindmill, an Indian Software Company. The purchase of the software makes us independent and gives us the opportunity to manage our operations without recourse to ARB Apex Bank or any third party. In fact, some rural banks are already using this software and have reported that it has functionalities more than what we are using currently. It is the hope of the Board and Management that the project will be successful to enable the Bank cut down its communication cost.

NEW PRODUCTS:

Fellow shareholders and other stakeholders, as part of the Bank's quest to bringing innovations into its activities year after year, we continue to package products for our customers. At the previous meeting, we informed this august house that the Bank had introduced a credit product known as Cashew Farmers Special Loan Scheme (CaFSLs) which allows all cashew farmers who operate accounts with the Bank to qualify for the facility to maintain their Cashew farms. We have been able to carry out this programme for two successive years and it is gradually becoming one of the star products of the Bank.

Again, the Bank packaged another credit product in 2016 for vegetable growers known as Vegetable Growers Loan Scheme (VGLS) which also allows vegetable (Tomatoes, Onions, Okro, Pepper etc.) growers to access credit from the Bank to purchase farm inputs. Berekum – Fetentaa Tomatoes Growers were the first beneficiaries of this facility and recovery was 100%. We recommend it to all other Vegetable Growers. Per this success story, we also encourage other interest groups engaged in a particular economic activity to identify themselves with the Bank for a similar module to be packaged for them.

NEW BUILDING PROJECT AT JAPEKROM:

Dear Shareholders of the Bank, we are happy to report to you the successful completion of a new edifice for use by the Japekrom Agency to offer congenial environment for staff and customers.

The building which is located between Japekrom and Drobo makes the Bank's operations at the agency strategic as customers can easily go there to access our services. The date to commission the premises will be announced to you as soon as preparations are complete.

E-BANKING SERVICES AND THE WAY FORWARD:

Fellow stakeholders, I am happy to inform you that the Bank has enrolled many e-banking services for our cherished customers. E-banking services such as e-zwich, International and domestic money transfers (e.g. Vigo, Western Union, Money Gram, Samba, Apex Link, Mobile Money, SMS notifications etc.) are available for customers to access. I encourage you all to take advantage of them.

As I mentioned earlier, the Bank is preparing to switch onto new software (Bankmill) that supports installation of Automated Teller Machines (ATMs) in all its Agencies. We will do our best to invest in the ATMs for our customers once the project is completed.

The software shall also enable our clients to access their account statements, check their raccount balances in the comfort of their homes and also, transfer funds through their mobile phones.

SUMA RURAL BANK LIMITED NOTES TO THE ACCOUNT CONTINUED

18 STATED CAPITAL

Authorized:	No. of Shares	Value of shares
Ordinary Shares	167,707,705	167,707,705
Preference Share	125,000	125,000
	<u>167,832,705</u>	<u>167,832,705</u>
Issued:		
Ordinary Shares for Cash	751,768	601,963
Capitalization Issuance	65,853	-
Preference Shares	13	13
	<u>817,634</u>	<u>601,976</u>

19 CAPITAL SURPLUS

<u>39,404</u>	<u>39,404</u>
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20 INCOME SURPLUS

<u>529,620</u>	<u>309,434</u>
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Refer to Changes in Equity

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNT CONTINUED

15 INTEREST PAYABLE & OTHER LIABILITIES	2016 GH¢	2015 GH¢
Unearned Interest on Loans & Borrowings	3,423	3,450
Unearned Interest on Treasury Bills	438,049	199,323
Audit Fees	5,000	4,324
Office Account	118,413	44,729
Accrued Interest Unpaid	38,850	27,882
Contingency Fund	7,375	-
Provision for Dividend	-	65,853
Provision for Police Guard	7,430	-
Uncleared Effects	49,578	98,203
E-Zwich	70,331	3,467
Payment Order	22,302	18,860
Managed Funds	70,478	70,478
Inter - Agency	110	826
	831,339	537,395

16 BORROWINGS ACCOUNTS

Short - term:

APEX	555,555	269,441
SPEED GHANA	-	33,080
	555,555	302,521

17 TAXATION

Balance at 1 January	(10,774)	(1,220)
Charge for the year	22,319	13,527
	11,545	12,307
Payments:		
2015	-	(24,000)
2016	(28,800)	-
	(17,255)	(11,693)

PROPOSED DIVIDEND:

Fellow Shareholders, in order to pay attractive returns on your investments (shares) with the Bank and to encourage you to invest more, directors have proposed a dividend of (56,835.00) Fifty Six Thousand, Eight Hundred and Thirty Five Ghana Cedis. With the above declaration a dividend per share is therefore 0.03123 pesewas.

RETIREMENT OF DIRECTORS:

Dear Shareholders, as we all know, we are enjoined by section 298 of Companies Code 1963, Act 179 to let one third of the members of the Board retire each year. The law further provides that those directors retiring could seek re-election.

Therefore, Mr. Kwame Nsrawudi Nicholas and Lawyer Vivian Mfodwaa Gyan are stepping down this year but wish to seek re-election.

CORPORATE SOCIAL RESPONSIBILITY:

Dear Stakeholders, the Bank continues to discharge its corporate social responsibilities earnestly. Over the years, a lot of physical projects have been carried out by the Bank within its operational area.

During the year under review, several cash donations were made to institutions such as Traditional Councils, District Assemblies and other institutions within the Bank's catchment area.

The Bank also donated 100 and 50 Bags of cement to Sumaman Senior High School and Sampa District Hospital respectively to support projects in those institutions.

CONCLUSION AND APPRECIATION:

Fellow Shareholders, Nananom, other stakeholders and all gathered here, we owe it a duty to express our profound gratitude to you all for coming to grace this occasion. Your presence has been a blessing to us and we say a big thank you to everybody.

I also deem it a singular honour to express my appreciation and thanks to my fellow directors, management and staff for the cooperation that I have been enjoying from them to move the Bank forward since I took office as a chairman.

May the good Lord bless us all in the coming year to witness the great things ahead of us. AMEN.

Thank you.

Long Live Suma Rural Bank, Long live Ghana!!!

SUMARURAL BANK LIMITED

REPORT OF THE DIRECTORS

The Directors have submitting their annual report together with the audited Financial statement of the Bank for the year ended 31st December, 2016 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, 2016 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 11 to 23

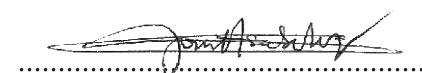
A Summary of the results is as follows:

	2016 GH¢	2015 GH¢
Profit after tax	280,802	177,185
Total Comprehensive Income	<u>280,802</u>	<u>177,185</u>
TOTAL ASSETS	<u>13,876,111</u>	<u>10,292,923</u>

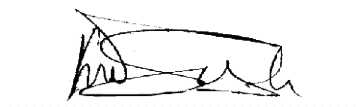
c Auditors

The Auditors, John Allotey & Associate, will continue in office in accordance with section 134(5) of the Ghana Companies Code, 1963 (Act 179).

BY ORDER OF THE BOARD



Director



Director

SUMARURAL BANK LIMITED NOTES TO THE ACCOUNT CONTINUED

13 PROPERTY & EQUIPMENT

COST	AT 1/1/16 GH¢	ADDITION GH¢	DISPOSAL GH¢	AT 31/12/16 GH¢
Capital Work - in - Progress	1,300	-	-	1,300
Land and Building	403,182	-	-	403,182
Furniture & Fittings	53,860	28,496	(14,120)	68,236
Office Equipment	417,284	174,899	(82,386)	509,797
Office Computers	149,591	35,451	(87,372)	97,670
Motor Vehicles	133,025	-	-	133,025
Motor Bikes	12,643	13,330	-	25,973
	1,170,885	252,176	(183,878)	1,239,183

DEPRECIATION	AT 1/1/16 GH¢	CHARGE FOR THE YEAR GH¢	DISPOSAL GH¢	AT 31/12/16 GH¢
Land and Building	52,018	7,048	-	59,066
Furniture & Fittings	34,083	3,938	(14,120)	23,901
Office Equipment	221,625	29,930	(82,386)	169,169
Office Computers	109,997	8,650	(87,372)	31,275
Motor Vehicles	19,888	26,605	-	46,493
Motor Bikes	10,511	1,095	-	11,606
	448,122	77,266	(183,878)	341,510

NET BOOK VALUE

AT 31 DECEMBER, 2016	897,673
AT 31 DECEMBER, 2015	721,463

14 DEPOSIT AND CURRENT ACCOUNT

	2016 GH¢	2015 GH¢
Savings Accounts	7,701,055	5,216,538
Current Accounts	1,357,665	1,501,451
Time Deposit	712,700	705,840
Other Deposits - Susu	878,257	642,465
	10,649,677	8,066,294

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNT CONTINUED

	2016 GH¢	2015 GH¢
10 INVESTMENTS		
Short - term:		
Treasury Bills	560,000	570,000
NTHC Bills	2,900,000	1,600,000
GCSFM Bills	1,100,000	1,200,000
Long - term:		
APEX Bank Shares	123,673	123,673
	4,683,673	3,493,673
11 LOANS AND ADVANCES		
Term Loans	4,594,351	3,476,127
Gross Loans	4,594,351	3,476,127
Less:		
Impairment Charges	(302,442)	(251,779)
Net Loans	4,291,904	3,224,348
12 OTHER ASSETS		
Stationery Stock	44,425	42,555
Rent Prepaid	54,809	20,897
Office Account	1,074,117	808,802
Interest in Arrears	69,099	40,994
Inter - Agency	-	-
Insurance Prepaid	35,033	22,105
Loans Under Managed Funds	17,233	16,834
School Fees Refund	-	1,960
Renovation	335,452	-
Taxation	17,255	10,774
	1,647,423	964,921

INDEPENDENT AUDITOR'S REPORT TO
THE MEMBERS 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 31st December, 2016, the Statement of Comprehensive Income, 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 the audit to obtain reasonable assurance whether the financial statements are free from 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 risk 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 the management as well as evaluating the overall 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 31st December, 2016, 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 purposes of our audit.
- (ii) In our opinion proper books of accounts have been kept by the company, as far as appears from our examination of those books; and
- (iii) The balance sheet and profit and loss account of the company are in agreement with the books of accounts.

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

- (i) We were able to obtain all information and explanations required for the efficient performance of our duties as auditors;
- (ii) In our opinion, the accounts give 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



Partner Signing: Nana Forluoh-Ababioh Yentumi

Practising certificate No.: (ICAG/P/1154)

For and on behalf of:

John Allotey & Associates (ICAG/F/2016/161)

Chartered Accountants
1st Floor Prudential Plaza
Adum Kumasi, Ghana

Date: 31st March, 2017

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNT CONTINUED

	2016 GH¢	2015 GH¢
Bank Charges	2,000	2,473
Police Guard	80,100	71,340
Staff Bonus	-	31,138
Staff End of Service Benefit	60,916	-
Other Staff Cost	210,589	220,328
Entertainment	40,774	35,164
Advertising & Publicity	13,990	11,354
Cleaning & Sanitation	8,203	4,543
Newspapers and Periodicals	31,526	39,446
Annual General Meeting	45,097	33,000
Mobilization & Agency Exps.	20,740	7,281
Computerization	119,259	118,911
Legal Fees	1,595	1,745
Donation & Development	11,840	7,640
Fuel & Lubricants	98,408	96,672
Shortages in Till	1,496	860
Staff Medical	7,250	7,012
Travelling and Transport	224,932	189,480
Susu Exps.	92,131	83,298
General expenses	2 1,856	18,442
Depreciation	77,266	125,030
	2,383,105	2,094,381

8. IMPAIRMENT CHARGES

Balance at 1 January	251,779	237,476
Charge for the Year	50,668	14,303
Balance at 31 December	302,447	251,779

9. CASH AND BANK BALANCES

Cash in Hand	1,442,527	924,269
ARB Apex Bank Clearing A/c	461,238	412,203
ARB Apex 5% Deposit	450,673	313,188
Other Banks - Cocoa Buying Account	-	37,558
ACOD	1,000	200,000
	2,355,438	1,887,218

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNT CONTINUED

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.

	2016 GH¢	2015 GH¢
4 INTEREST INCOME		
Investments	934,416	731,340
Loans and Overdrafts	1,571,072	1,348,559
Funds Transfer	20,203	26,149
	2,525,691	2,106,048
5 INTEREST EXPENSE		
Borrowings	97,329	78,260
Deposits	318,125	241,192
	415,454	319,452
6 COMMISSION AND FEES		
Commission Received	139,936	153,355
Commitment Fees	198,168	139,098
Other Income	285,312	218,083
Cheque Clearing Fees	3,240	2,264
	626,657	512,800
7 OPERATING EXPENSES		
Staff salaries and Wages	727,118	621,194
Directors' Emoluments	57,300	46,350
Board Meeting	7,061	5,393
Light and Water	74,926	53,187
Staff Training	39,704	41,921
Audit Fees	5,000	4,324
Printing and Stationery	33,327	39,505
Repairs and Maintenance	117,589	74,667
Rent, Rates and Taxes	37,353	30,695
Postage, Telephone and Telegram	23,394	16,873
Insurance Premium	41,036	29,021
Office Expenses	33,286	20,219
Specie Movement	16,043	5,875

SUMA RURAL BANK LIMITED
COMPREHENSIVE INCOME STATEMENT FOR YEAR ENDED
31ST DECEMBER 2016

		2016 GH¢	2015 GH¢
Interest Income	4	2,525,691	2,106,048
Interest Expense	5	(415,454)	(319,452)
Net Interest Income		2,110,237	1,786,596
Commission and Fees	6	626,657	512,800
Total Income		2,736,894	2,299,396
Operating Expenses	7	(2,383,105)	(2,094,381)
Impairment Charges	8	(50,668)	(14,303)
Profit Before Tax		303,121	190,712
Income Tax Expense		(22,319)	(13,527)
Profit for the year		280,802	177,185


The accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER, 2016

ASSETS	NOTES	2016 GH¢	2015 GH¢
Cash and Bank Balances	9	2,355,438	1,887,218
Investments	10	4,683,673	3,493,673
Loans & Advances	11	4,291,904	3,224,348
Other Assets	12	1,647,423	964,921
Property & Equipment	13	897,673	722,763
Total Assets		13,876,111	10,292,923
LIABILITIES			
Deposits & Current Accounts	14	10,649,677	8,066,294
Interest Payable & Other Liabilities	15	831,339	537,395
Borrowings	16	555,555	302,521
Total Liabilities		12,036,571	8,906,210
SHAREHOLDERS' FUND			
Stated Capital	18	817,621	601,976
Capital Surplus	19	39,404	34,404
Statutory Reserve Fund		445,326	375,125
Income Surplus		529,620	309,434
Community Development Fund		7,569	60,774
Total Shareholders' Fund		1,839,540	1,386,713
Total liabilities & Shareholders' Fund		13,876,111	10,292,923

Approved by the Board of Directors on...3rd April, 2017...and signed on its behalf by;

DIRECTOR: 

DIRECTOR : 

The accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNTS CONTINUED

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 cost.

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 And Equipment

The Bank recognises an item of Property, Plant and Equipment as an asset when it is probable that future economic benefits will flow to it and the amount meets the threshold set by the Bank.

Property, Plant and Equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is provided on the depreciable amount of each component on a straight-line basis over the anticipated useful life of the 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 disposal assets, that the bank would currently obtain from the disposal of an asset in similar age and condition as at the end of the useful life of the asset.

The current annual depreciation rates for each class of Property, Plant and Equipment are as follows;

Buildings	2%
Motor Vehicles	20%
Office Equipment	20%
Furniture & Fittings	20%
Computers	20%

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 & Cash Equivalents

For purposes 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 the

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNTS CONTINUED

3.2 Interest Income and Expense

Interest income and expense are recognized 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 amortized 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.

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) is recognized 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 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 recognized for all taxable temporary differences while deferred tax assets are recognized to the extent that 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 services 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.

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST DECEMBER, 2016

	STATED CAPITAL GH¢	CAPITAL SURPLUS GH¢	INCOME SURPLUS GH¢	STATUTORY RES. FUND GH¢	COMM. DEV'T FUND GH¢	TOTAL GH¢
At 1 January, 2016	601,976	39,404	309,434	375,125	60,774	1,386,713
Prior Year Adjustment	-	-	9,585	-	-	9,585
Profit for the year	-	-	280,802	-	-	280,802
Dividend Paid	-	-	-	-	-	-
Issue of additional shares	215,145	-	-	-	-	215,145
Transfer to Comm.Dev. Fund	-	-	-	-	-	-
Development Fund Applied	-	-	-	-	(53,205)	(53,205)
Transfer to Office Account	500	-	-	-	-	500
Transfer to Statutory Reserve	-	-	(70,201)	70,201	-	-
At 31 December, 2016	817,621	39,404	529,620	445,326	7,569	1,839,540

STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 31ST DECEMBER, 2015

	STATED CAPITAL GH¢	CAPITAL SURPLUS GH¢	INCOME SURPLUS GH¢	STATUTORY RES. FUND GH¢	COMM. DEV'T FUND GH¢	TOTAL GH¢
At 1 January, 2015	396,134	39,404	507,307	330,829	49,774	1,323,448
Prior Year Adjustment	-	-	(178,075)	-	(4,819)	(182,894)
Profit for the year	-	-	177,185	-	-	177,185
Dividend Paid	-	-	(134,968)	-	-	(134,968)
Issue of additional shares	205,842	-	-	-	-	205,842
Transfer to Comm.Dev. Fund	-	-	(17,719)	-	17,719	-
Development Fund Applied	-	-	-	-	(1,900)	(1,900)
Transfer to Statutory Reserve	-	-	(44,296)	44,296	-	-
At 31 December, 2015	601,976	39,404	309,434	375,125	60,774	1,386,713

The accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED
STATEMENT OF CASHFLOW FOR THE YEAR ENDED
31ST DECEMBER, 2016

	2016 GH¢	2015 GH¢
Cash Flow from Operating Activities		
Profit before Tax	303,121	190,712
Depreciation & Amortization	77,266	125,030
Income Tax Paid	(28,800)	(24,000)
Development Fund Applied	(43,205)	(1,900)
Prior Year Adjustment	109	(182,894)
Cash Flow from Operating Activities Before Changes in Operating Assets & Liabilities	308,491	106,984
Changes in Operating Assets & Liabilities		
Changes in Advances to Customers	(1,067,556)	88,397
Change in Other Assets	(676,021)	(51,345)
Change in Deposits and Current Accounts	2,583,383	1,814,065
Change in Creditors and Accruals	359,797	176,739
Net Cash generated from Operating Activities	1,508,094	2,134,804
Cash Flow from Investing Activities		
Purchase of Property and Equipment	(252,713)	(528,865)
Redemption of Treasury Bills and Other Eligible Bills	(1,190,000)	(800,000)
Proceeds on Disposal	-	35,000
Gain on Disposal	-	(35,000)
Net Cash used in Investing Activities	(1,442,713)	(1,382,865)
Cash Flow From Financing Activities		
Dividends Paid	(65,853)	(140,694)
Additional Shares Issued	215,658	205,842
Change in Borrowed Fund	253,034	(159,516)
Net Cash used in Financing Activities	402,839	(94,368)
Net (Decrease)/Increase in Cash and Cash Equivalent	468,220	672,793
Cash and Cash Equivalent at beginning of period	1,887,218	1,214,425
Cash and Cash Equivalent at end of year	2,355,438	1,887,218

The accounting policies and notes on pages 15 to 23 form an integral part of these financial statements.

SUMA RURAL BANK LIMITED
NOTES TO THE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER, 2016

1.0 REPORTING ENTITY

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

2.0 BASIS OF PREPARATION

The financial statements have been prepared in 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 (GH¢) 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 interpretations 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 assumptions 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 both 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.