SEFWIMAN
RURAL BANK LIMITED

ANNUAL REPORTS & FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER, 2019

CONTENTS

NOTICE OF VIRTUAL ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT, the 14th Annual General Meeting (AGM) of Sefwiman Rural Bank Limited will be held Virtually and streamed live via zoom from the head office of Sefwiman Rural Bank Limited, BIBIANI, on Saturday 5th September, 2020 at 10:00am.

The meeting ID and password will be sent to shareholders by SMS in due course.

AGENDA

1. To read the Notice convening the meeting.
2. To receive and consider the Report of the Chairman of the Board of Directors
3. To receive and consider the Report of the Directors and the Accounts for the year ended December 31, 2019 and the Auditors' Report.
4. To authorize the Directors to fix the remuneration of the Auditors
5. To fix the remuneration of the Directors
6. To elect Directors in place of those retiring by rotation.

NOTE:

A member is entitled to attend and vote at the meeting or to appoint a proxy to attend and vote on his or her behalf. Such a proxy needs not be a member of the Bank.

A proxy form is enclosed in the Accounts, copies of which can be obtained from the Head Office of the Bank or downloaded from the banks's website; www.sefwimanbank.com. Completed proxy forms should be returned to the General Manager, Sefwiman Rural Bank Ltd. Private Mail Bag, Bibiani, not later than 2nd September, 2020.

BY ORDER OF THE BOARD

SGNED:
JOHNSON BEN ODURO
Member/Secretary

PROGRAMME

1. Arrival of Invited Guests and Shareholders
2. Opening Prayer
3. Introduction of Board Members and Invited Guests
4. Reading of the Notice Convening the Meeting - Mr. Johnson Ben Oduro (Board Member/Secretary)
5. Confirmation of the Minutes of the Last Meeting
6. Chairman's Report
7. Directors' Report
8. Auditors' Report - MessrsJohn Allotey & Associates
9. Discussion and Acceptance of the Three (3) Reports
10. Authorization of Directors to Fix the Remuneration of the Auditors
11. Fixing of Directors' Remuneration
12. Election
13. OPTIONAL SPEECHES
    a. ARB Apex Bank Representative
14. Chairman's Closing Remarks
15. Vote of Thanks
16. Closing Prayer/Benediction

BOARD OF DIRECTORS AND OFFICIALS

BOARD MEMBERS	DR. FRANCIS ABOAGYE - OTCHERE	-	CHAIRMAN
	MR. OLIVER BAIDOO	-	MEMBER
	MR. ANTHONY FREEMAN MENSAH	-	"
	MR. AARON KWABENA NKUAH	-	"
	MISS. OLIVIA NYARKOA KYEH	-	"
	MR. SETH TAWIAH NORTEY	-	"
	MR. ISAAC NKRUMAH	-	"
	MR. JOHNSON BEN ODURO	-	MEMBER/SECRETARY

AUDITORS:

MESSRS JOHN ALLOTEY & ASSOCIATES
PRUDENTIAL PLAZA
P. O. BOX 884
KUMASI - ASHANTI

REGISTERED OFFICE:

OLD SSB BUILDING, BIBIANI
P.M.B
BIBIANI - WESTERN REGION

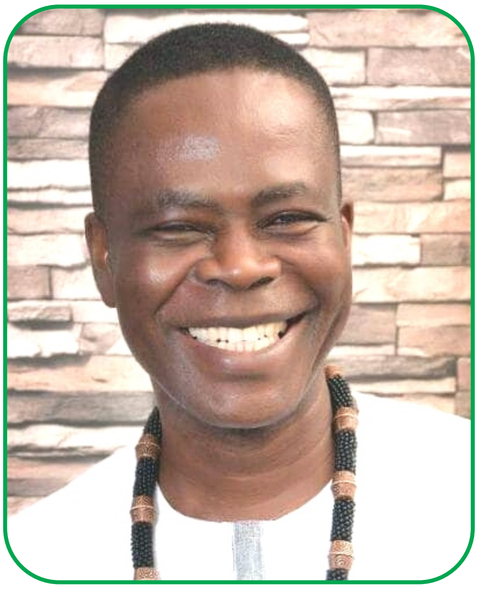
MANAGEMENT

MR. RICHARD K. ADJEI	GENERAL MANAGER
MR. ABUBAKARI ALHASSAN	ACCOUNTANT
MR. VINCENT DABUOH	HEAD OF CREDIT
MR. ABDUL SEIDU GANIU	HEAD OF MICRO FINANCE
MR. ANOBIA ATABIDI	HEAD, ICT
MR. SAMUEL KULAH	INTERNAL AUDITOR
MR. EMMANUEL KWAME OPOKU	HEAD OF MARKETING

THE YEAR AT A GLANCE

Major Income Statement Items	2019 GH¢	2018 GH¢		APPROX. PERCENTAGE CHANGE %
Gross Earnings	**7,315,850.61**	**7,444,832.36**	-128,981.75	-1.73
Interest Expenses	**1,968,261.17**	**1,765,798.84**	202,462.33	11.47
Overhead Expenses	**5,094,896.29**	**5,077,297.65**	17,598.64	0.35
Loan-Loss Charge	**58,570.00**	**50,350.90**	8,219.10	16.32
Profit before Taxation	**194,123.15**	**551,384.97**	-357,261.82	-64.79
Profit after taxation	**135,291.02**	**350,691.97**	-215,400.95	-61.42
Major Balance Sheet Items				
Total Assets	**36,986,324.81**	**34,681,862.93**	2,304,461.88	6.64
Deposit Liabilities	**29,785,504.88**	**27,605,952.24**	2,179,552.64	7.90
Loans and Advances	**10,573,550.25**	**10,132,260.97**	441,289.28	4.36
Investments	**19,584,764.13**	**18,176,893.72**	1,407,870.41	7.75
Shareholder's Funds	**3,521,958.09**	**3,348,737.05**	173,221.04	5.17
Per Share Data				
Earnings Per Share	**0.0220**	**0.0594**	-0.04	-62.89
Total Assets Per Share	**6.0239**	**5.8713**	0.15	2.60
Shares Issued to date	**6,139,892.00**	**5,906,996.00**	232,896.00	3.94
Dividend Per Share	**-**	**-**	0.00	
Net Assets Per Share	**0.5736**	**0.5669**	0.01	1.18

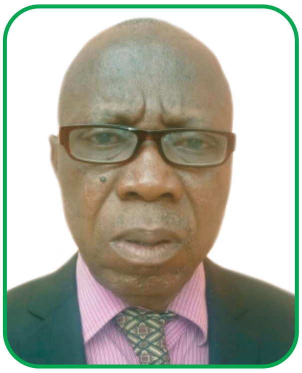
BOARD OF DIRECTORS



DR. FRANCIS ABOGYE-OTCHERE
BOARD CHAIRMAN

OLIVER BAIDOO
MEMBER

ANTHONY FREEMAN MENSAH
MEMBER



JOHNSON BEN ODURO
MEMBER/SECRETARY

SETH TAWIAH NORTEY
MEMBER

ISAAC NKRUMAH
MEMBER

AARON KWABENA NKUAH
MEMBER

MISS OLIVIA NYARKOA KYEH
MEMBER

MANAGEMENT

RICHARD KWAME ADJEI
GENERAL MANAGER

ABDUL GANIU SEIDU
HEAD OF MICROFINANCE

SAMUEL KULAH
HEAD OF AUDIT

VINCENT DABUOH
HEAD OF CREDIT

ALHASSAN ABUBAKARI
HEAD FINANCE AND OPERATIONS

ANOBIA ATABIDI
HEAD OF IT

EMMANUEL KWAME OPOKU
HEAD OF MARKETING

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2019 report as follows:

Directors' Responsibility Statement

The Bank's Directors are responsible for the preparation of the financial statements that give a true and fair view of Sefwiman Rural Bank Limited financial position at 31 December 2019, and of the profit or loss and cash flows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). In addition, the directors are responsible for the preparation of this directors' report.

The Directors are also responsible 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, and for maintaining adequate accounting records and an effective system of risk management.

The Directors have made an assessment of the Bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

Financial results and dividend

The financial results of the Bank for the year ended 31 December 2019 are set out in the attached financial statements, highlights of which are as follows:

31-Dec	**2019**	**2018**
	GH¢	GH¢
Profit before taxation is	194,123	551,385
from which is deducted taxation of	(58,832)	(200,693)
giving profit after taxation for the year of	135,291	350,692
less net transfer to statutory reserve fund and other reserves of	(54,116)	(140,277)
leaving a balance of	81,175	210,415
to which is added a balance brought forward on retained earnings of	1,032,417	1,078,458
less changes on initial application of IFRS 9 and other reserves of	-	35,644
add transfer from credit risk reserves	(46,665)	(34,592)
less final dividend paid of	-	(257,508)
leaving a balance of	**1,066,927**	**1,032,417**

In accordance with Section 34(1) (b) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930), an amount of GH¢33,823 (2018: GH¢87,673) was transferred to the statutory reserve fund from profit for the year, bringing the cumulative balance on the statutory reserve fund to GH¢874,063 (2018:GH¢840,240) at the year end.

Dividend

The Board of Directors do not recommend any dividend payment based on Bank of Ghana directive (NOTICE NO. BG/GOV/SEC/2020/03) dated 20th April,2020.

Nature of Business

The Bank is authorised by Bank of Ghana to carry on the business of rural banking. There was no change in the nature of business of the Bank during the year.

Capacity of directors

The Bank ensures that only fit and proper persons are appointed to the Board after obtaining the necessary approval from the regulator, Bank of Ghana. Relevant training and capacity building programs, facilitated by the Ghana Banking College and the Bank of Ghana, are put in place to enable the directors discharge their duties.

Auditor

The auditor, John Allotey & Associates, will continue in office in accordance with Section 139 (5) of the Companies Act, 2019 (Act 992) and Section 81 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

Retiring Directors

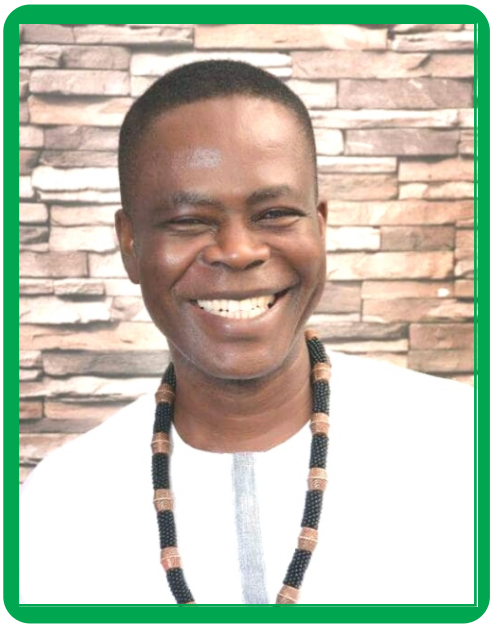
The following Directors are due to retire by Rotation:

DR. Francis Aboagye - Otchere
MR. Anthony Freeman Mensah
MR. Isaac Nkrumah

Approval of the Financial Statements

The financial statements of the Bank were approved by the Board of Directors on 6th June 2020 and were signed on their behalf by:

Dr. Francis Aboagye - Otchere	Mr. Johnson Ben Oduro
(Chairman)	(Member)



DR. FRANCIS ABOAGYE-OTCHERE

Distinguished Shareholders, colleague board members, esteemed invited guests, our valued staff, ladies and gentlemen, I am pleased to welcome you all to the **14th Annual General Meeting of Sefwiman Rural Bank (SRB)** and present to you, the Annual Report and Financial Statements of our Bank for the financial year ended 31 December 2019.You are collectively acknowledged as the pillar behind the success story of the Bank from year to year and particularly the year under review (2019). Your Bank is adjudged as one of the best performing banks in the Rural and Community Banks industry and you should be proud of your valuable contributions which have propelled SRB to this enviable height. I would start by highlighting the macro-economic developments during the year under review, particularly those which were of great significance to the financial industry and thereafter, I shall share with you SRB's performance for 2019.

I will then conclude by outlining the outlook for SRB for 2020 and beyond.

Economic and Political Environment

Ghana's economy continued to expand in 2019 as the first quarter gross domestic product (GDP) growth was estimated at 6.7%, compared with 5.4% in the same period of last year. Non-oil growth was also strong at 6.0%. The relatively high quarterly growth was driven by a strong recovery in the services sector which grew by 7.2% compared with 1.2% in 2018.

The government continued with its fiscal consolidation efforts in 2019 even though there were still challenges in meeting the revenue targets**.** Fiscal performance for the first half of 2019 showed an overall budget deficit (on cash basis) of 3.3% of GDP higher than the target of 2.9% of GDP. This is because the revenue shortfalls of 1.6% of GDP was higher than expenditure cuts of 1% of GDP.

Private sector credit grew stronger, supported largely by the well-capitalized banking sector. Headline inflation was 8.20% at the end of December 2019 compared to 9.4% in 2018. The reduction created room for monetary policy easing, and the Bank of Ghana cut the monetary policy rate by cumulative 100% basis points from 17% in 2018 to 16% by end of 2019. The rates of 91 and 182-day instruments remained averagely stable from 14.5944% and 15.0271 % in 2018 to 14.6963% and 15.1477% in 2019 respectively while 3-year and 5-year instruments moved from 19.50% and 16.50% in 2018 to 19.70% and 19.50% in 2019 respectively.

Ghana's current account in the first half of 2019 was estimated at a surplus of 0.1% of GDP supported by favorable trade conditions of Ghana's three main export commodities—oil, gold and cocoa, resulting in a trade surplus of 2.8% of GDP. The Ghana cedi came under considerable pressure in the first quarter of 2019, due to high demand, as importers sought to restock their supplies but, in the second quarter, the domestic currency market became relatively calmer. The Ghana cedi cumulatively depreciated by 8.2% in the year to July 18, 2019.

Overall GDP is projected to fall below the 5% and 6% ideal range in 2020, however, experts predict that the novel COVID-19 may cause Ghana's GDP growth rate to fall to 2.2% by the end of the year 2020 due to slowdown of both local and global economic activities with inflation expected to fall within the target range of 8.0% +/-2 in 2020.

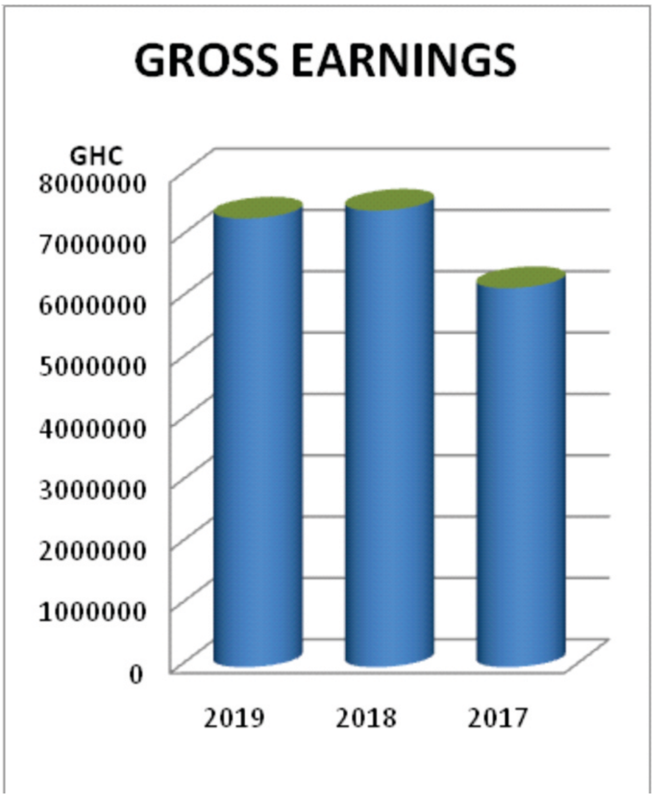
With the novel Coronavirus (COVID-19) outbreak, Ghana's economy has been hard hit due to the impact on her trading partners i.e. China, Europe and the US especially because of mass production shutdowns, supply chain disruptions, and port closures. However, the Government's Coronavirus Alleviation Programme (CAP) fund is expected to ease the economic impact on individuals and SMEs to revamp businesses which have been hit by the COVID-19. Economic performance over the medium-term depends on government's ability to sustain the economic stabilization program through its fiscal consolidation efforts. The rural and community banking industry's high Non-Performing Loan ("NPL") levels remained the major challenge and the driver behind the high lending rates.

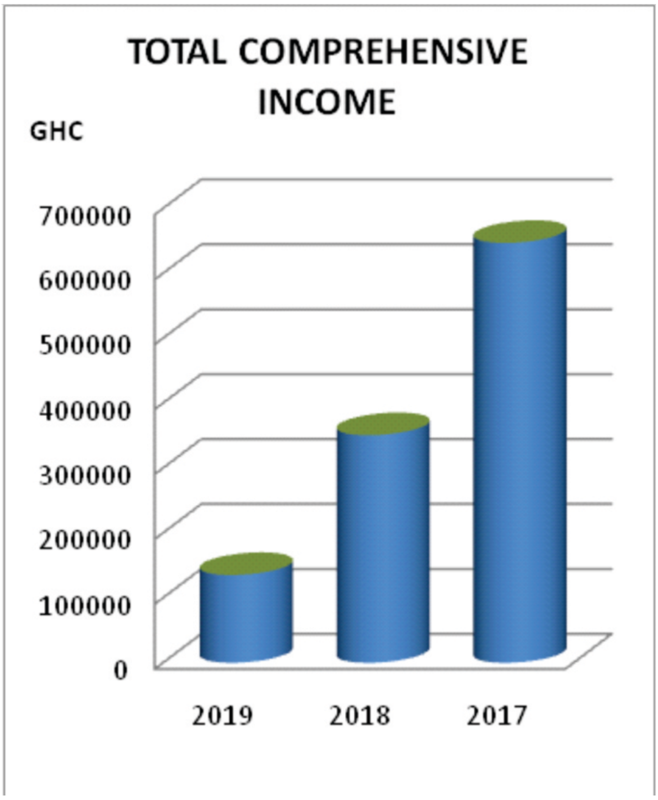
Financial Results

Distinguished Shareholders, I am delighted to report that your Bank continued to maintain steady growth year on year in most of the key financial indicators in 2019.

Profit Performance

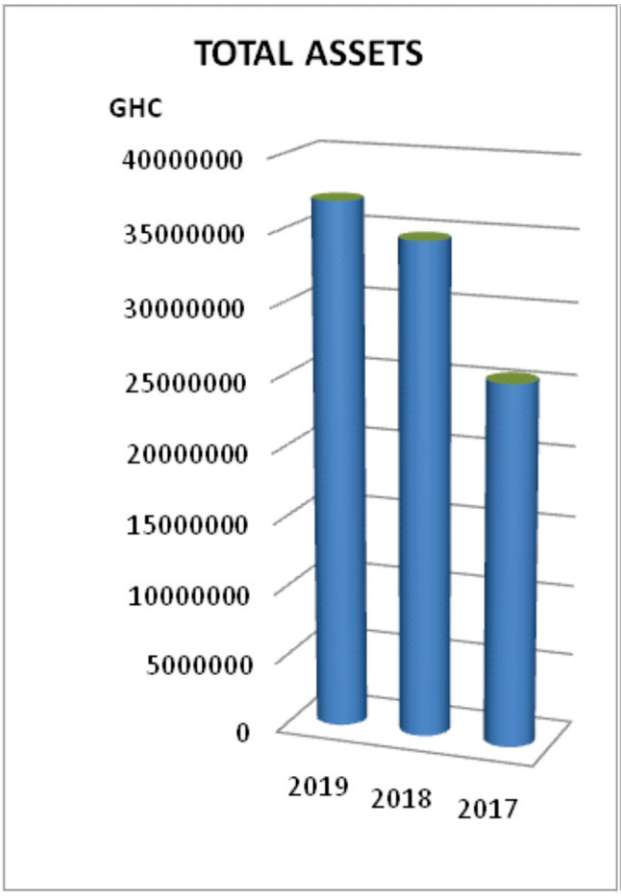
Notwithstanding the immense challenges occasioned by the Ghanaian economic environment and the implementation of banking sector reforms during the year, your Bank was steadfast in its pursuit for robust growth and sustainable profitability. This has been anchored on a commitment to prudent risk management and sticking to the strategic direction of the Bank. SRB recorded a Profit Before Tax ofGHC194,123.15. The banking sector reforms which resulted in the consolidation of five (5) banks and revocation of licenses of 23 insolvent Savings and Loans Companies and Finance House Companies impacted negatively on the performance of our Bank as confidence in the financial system declined. Profit After Tax declined by 61%.The bank's gross earnings however reduced marginally by2% from GHC7.44 million in 2018 to more than GHC 7.32 million at the end of 2019. Once again, interest expense increased by 11% resulting in a net interest income declining by about 3%.
We assure members that we would improve our profit performance to deliver value to our stakeholders.

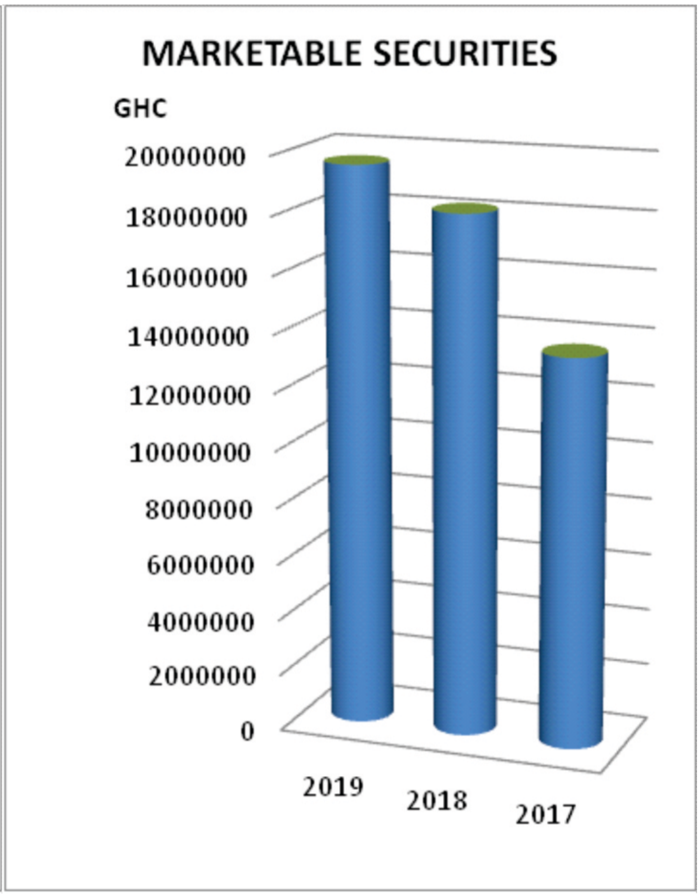




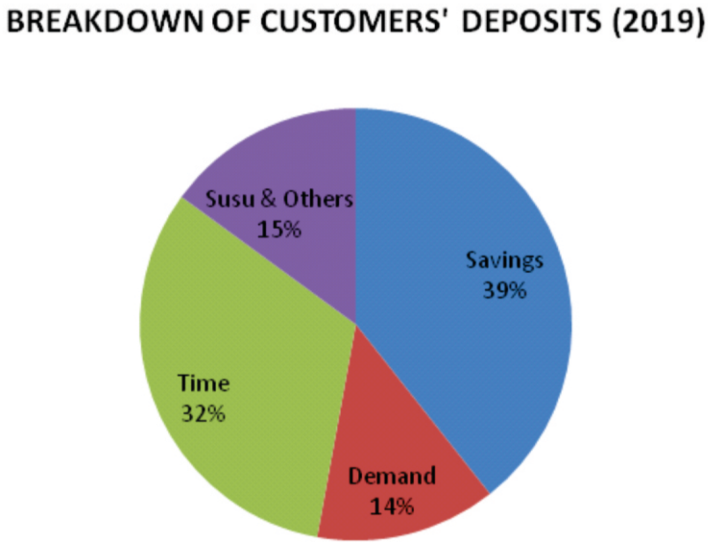
Business Growth

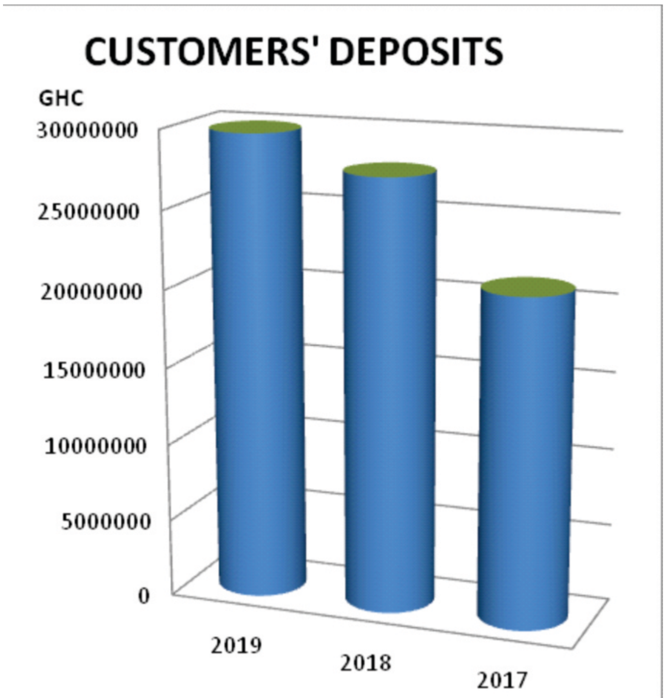
Total assets of the Bank at the end of 2019 was GHC 36.99 million, an increase of about 7% compared to total assets of GHC 34.68 million in 2018. Growth in loans and advances was up by 4% in 2018 from GHC 10.13 million in 2018 to about GHC10.57 million in 2019. Similarly, Investments grew by 8% from GHC 18.18 million in 2018 to about GHC 19.58 million at the end of 2019.





Customers' Deposits grew by 8% from about GHC27.61 million in 2018 to almost GHC29.79 million in 2019. A breakdown of customers' deposits in 2019 indicates that Savings Accounts (about 39%) continue to be the main source of deposit mobilization. Current Accounts was14%, Time Deposits32% and Susu Deposits15%. There was a significant change in the deposit mix as interest on borrowing was reviewed downwards to be in line with industry trends.



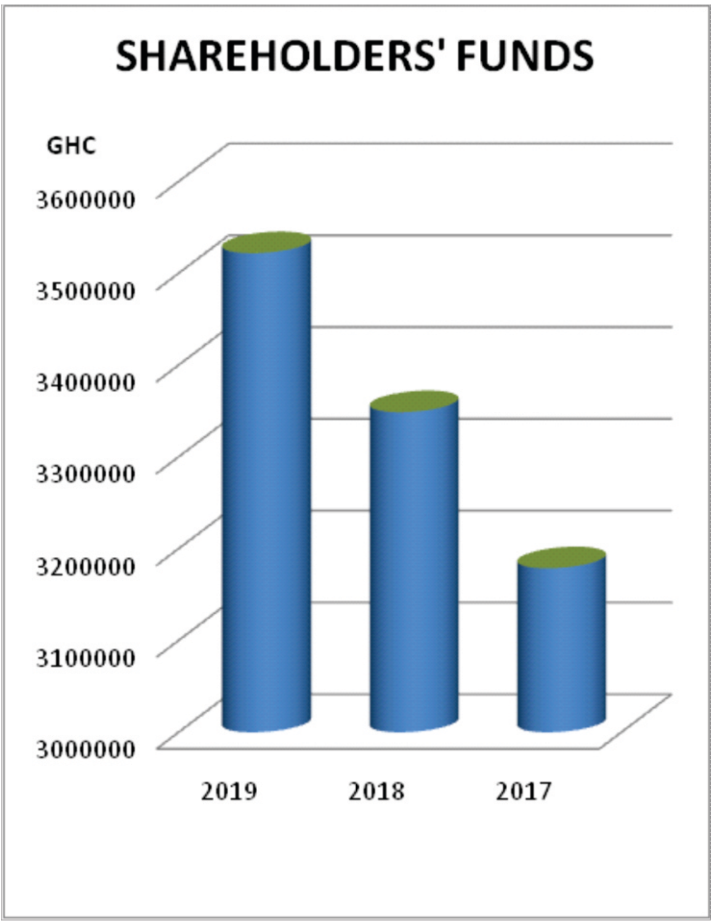


Appropriation

Total Comprehensive Income for the year under review 2019 amounting to GHC135,291 has been transferred to the Income Surplus Account. Out of this amount, a sum of GHC33,823 has been transferred to the Statutory Reserve Fund in compliance with section 34 of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930). Similarly, amounts of GHC13,529and GHC6,765have been transferred to Building Fund and Corporate Social Responsibility Fund respectively.

Shareholders' Funds

Shareholders' Funds in the bank grew by 5% from GHC3.35 million in 2018 to almost GHC3.52 million in 2019. During the year under review, additional shares sold amounted to GHC 58,224. Stated Capital however increased by 4% from GHC1.40 million in 2018 to GHC1.46 million in 2019.



Sale of SRB's Shares

Shares of SRB can be purchased from all our branches and the Head Office. Shareholders are encouraged to purchase additional shares to enable us increase our share capital to maintain our growth strategy. Additionally, considering the development in the financial industry, it will not be surprising that the Bank of Ghana will increase the mandatory minimum capital requirement. Ladies and gentlemen, I recommend SRB's shares to you as a good investment. The shares are sold at GHC0.25 per share even though the book price per share is GHC0.57.

Dividend

Distinguished shareholders, your Board of Directors do not recommend the payment of dividend this year. This is in line with the Bank of Ghana directive (NOTICE NO. BG/GOV/SEC/2020/03) dated 20th April, 2020. This will enable us retain the earnings and reposition the bank to absorb any shock that would be impacted by the COVID-19 Pandemic.

Retirement by Rotation of Directors

Distinguished shareholders, in accordance with the Companies Act, 1919(Act 992), Dr. Francis Aboagye-Otchere, Mr. Anthony Freeman Mensah and Mr. Isaac Nkrumah retire by rotation at this annual general meeting. The retiring directors, being eligible, offer themselves for re-election.

Achievements and Awards

Distinguished audience, I am proud to report that despite the turbulent banking environment, your Bank was recognized for the significant successes we achieved during the year under review. We continue to receive recognition and awards at the national and regional levels, among these are the following:

Ghana Club 100 Awards

For the fourth year running, SRB has been a member of the Ghana Club 100 and was adjudged as the 3rd best Rural Bank in Ghana and overall as the 49th best company in the prestigious Ghana Club 100 rankings. This is remarkable, ladies and gentlemen, and I would like you to join me to applaud the board, management and staff for achieving this great feat.

ARB Apex Bank Efficiency Monitoring Unit Rankings
SRB consistently maintained its “strong” position in the EMU composite rankings during the year.

Corporate Social Responsibility
As we grow our business, we have not lost sight of the motivation of the promoters of this Bank. At our core, we remain a socially responsible corporate entity. The board set up a CSR fund in which 5% of the profit for the year is transferred to enable us discharge our social responsibility commitments. The Bank made several donations including the following:

- Supported Queens Girls Senior High to participate in Maths and Science Quiz
- Sponsored Bodi GES and the Coordinating Council in the 2019 'My First Day at School’
- Donation of Assorted Items to the various District and Municipal Assemblies in our catchment areas towards the 2019 Farmers' Day celebration
- Donation of PPEs to health facilities both public and private within our catchment areas in the fight against COVID-19

Conclusion/ Future Prospects
We have good reasons to be optimistic and you would agree with me that 2019 has been a year of further progress notwithstanding the marginal growth in the major indicators. We are well aware of the dynamics in the industry within which we operate which is constantly changing and we are up to the challenge. We have positioned ourselves to take advantage of any reforms that would be announced by the regulator. The coronavirus has changed the way we do business as we have to observe the safety protocols which at times cause inconvenience to our customers but we must comply to remain safe.

We therefore encourage customers to register for our ATM Card which can be used on any GH-Link ATM.
We now have mobile banking services (APEX INSTANT PAY) where you can transfer money from your account to another account even in another bank instantly which saves time, cost effective, safe, fast and convenient.
This will also ease the pressure at the banking hall. We would continue to leverage on technology to improve productivity and efficiency especially in this COVID-19 era. We have positioned ourselves to withstand the COVID-19 shocks should the pandemic continue to exist till the rest of the year. We look forward with confidence to SRB's very bright future and believe that year 2020 will be better than the previous year despite the challenging economic environment.

Ladies and gentlemen, we have acquired a piece of land to build our head office but we want to clear all the administrative hurdles before we commit funds into it.

Acknowledgement
I wish to thank all shareholders for keeping faith with us over the years. I also want to thank my fellow directors for their dedication. Thank you the management and staff of SRB for your tireless efforts throughout the year. Thank you customers of the bank for electing to do business with us.

Thank you all very much and God bless us all!

Dr. F. Kwaku Aboagye-Otchere
CHAIRMAN

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sefwiman Rural Bank Limited, which comprise the statements of financial position as at 31 December 2019 and the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes to the financial statements which include a summary of significant accounting policies and other explanatory information, as set out on pages 24 to 51.

In our opinion, these financial statements give a true and fair view of the financial position of Sefwiman Rural Bank Limited as at 31 December 2019, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992), and the Banks and Specialised Deposit–Taking Institutions Act, 2016 (Act 930).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), together with the ethical requirements that are relevant to our audit of the financial statements in Ghana and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, we have provided our description of how our audit addressed the matter as provided in that context.

Key Audit Matter

Impairment of financial assets

At 31 December 2019, the Bank's financial assets and respective impairment, where applicable, were as follows:

Financial assets measured at amortised cost	Amounts Outstanding	Impairment
	GHS	GHS
Cash and cash equivalents	4,009,527	-
Non‑Pledged Trading assets	19,584,764	-
Investment other than securities	76,751	-
Loans & advances to customers	10,573,550	525,562

The impairment of these financial assets were determined on an expected credit loss basis under IFRS 9. IFRS 9 is a complex accounting standard which requires considerable judgement and interpretation in its implementation. These judgements were key in the development of the new models which have been built and implemented to measure the expected credit losses on relevant financial assets measured at amortised cost.

The increase in the data inputs required by the IFRS 9 models increases the risk of completeness and accuracy of the data that has been used to create assumptions and operate the models. In some cases, data is unavailable and reasonable alternatives have been applied to allow calculations to be performed.

Expected credit losses (ECLs) are required to incorporate forward-looking information, reflecting management's view of potential future economic environment. The complexity involved requires management to develop new methodologies involving the use of significant judgements.

How the matter was addressed in our audit.
We obtained an understanding of and evaluated controls supporting management's estimates, judgements and assumptions and tested selected key controls focusing on the completeness and accuracy of data used as input to the models including the transfer of data between source systems and the impairment models;

We examined a sample of loans and advances which had not been identified by management as impaired or for which there was no significant increase in credit risk at the reporting date and formed our own judgement.

We tested data used in the ECL calculation by reconciling to source systems to check data quality.

We assessed the reasonableness of forward-looking information incorporated into the impairment calculations by challenging the multiple economic scenarios chosen and the weighting applied to capture non-linear losses.

Key Audit Matter
We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:

- Significant increase in credit risk (SICR) focusing on both the qualitative and quantitative criteria used by the Bank

- Definition of default and credit impaired assets focusing on both the qualitative and quantitative criteria used by the Bank

- Probability of Default - PD - (estimate of the likelihood that borrowers will be unable to meet their debt obligations over a particular time horizon)

- Exposure At Default - EAD - (amount expected to be owed the Bank at the time of default)

- Loss Given Default - LGD - (percentage exposure at risk that is not expected to be recovered in an event of default)

- Forward looking economic information and scenarios used in the models

- Completeness, accuracy and integrity of data used in the model and the Expected Credit Loss (ECL) calculations.

We assessed the measurement decisions and the ECL models developed by the Bank which include challenging management's determination of:
-significant increase in credit risk,
-definition and identification of default,
- probability of default,
- exposure at default, and
- loss given default.

We re-performed certain model calculations to evaluate the inputs and risk parameter outputs.

We considered post-model adjustments in the context of key model and data limitations identified by management, challenged their rationale and recalculated where necessary.

We tested the underlying disclosures on IFRS 9 and compared these to underlying accounting records.

How the Matter was Addressed in our Audit

We assessed the measurement decisions and the ECL models developed by the Bank which include challenging management's determination of:

-significant increase in credit risk,
-definition and identification of default,
- probability of default,
- exposure at default, and
- loss given default.

We re-performed certain model calculations to evaluate the inputs and risk parameter outputs.

We considered post-model adjustments in the context of key model and data limitations identified by management, challenged their rationale and recalculated where necessary.

We tested the underlying disclosures on IFRS 9 and compared these to underlying accounting records.

Other Information

The directors are responsible for the Other Information. The other information comprises notice and agenda for the Annual General Meeting, Corporate information, chairman's report. Other information does not include financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2019 (Act 992) and the Banks and Specialised 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.

In preparing the financial statements, the Directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with the governance are responsible for overseeing the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Bank's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the bank audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and have communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
The Companies Act, 2019 (Act 992) requires that in carrying out our audit we consider and report 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 account have been kept by the Bank, so far as appears from our examination of those books; and
iii) the Bank's statement of financial position and statement of comprehensive income are in agreement with the books of account.

In accordance with section 85(2) of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) we hereby confirm that:

I) the accounts give a true and fair view of the state of affairs of the Bank and the results of operations for the period under review;

ii) we were able to obtain all the information and explanations required for the efficient performance of our duties as auditor;
iii) the Bank's transactions were within its powers; and
iv) the Bank has, in all material respects, complied with the provisions of this Act.

With respect to the provisions of the Anti-Money Laundering Act, 2008 (Act 749) (as amended), the Anti-Terrorism Act, 2008, (Act 762) and the Regulations made under these enactments, we did not identify any instances of non-compliance based on procedures we performed.

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.

In our opinion, proper books of account have been kept, and the statements of financial position and comprehensive income are in agreement with the books of account.

The Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930).

The Bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), as amended by Anti-Money Laundering Amendments Act, 2014 (Act 874), the Anti-Terrorism Act, 2008 (Act 762) and the Regulations made under these enactments.

The engagement partner on the audit resulting in this independent auditor's report is: Nana Forkuoh-AbabiohYentumi(ICAG/1154).

For and on behalf of John Allotey& Associates
(ICAG/F/2019/161)
Chartered Accountants
Prudential Plaza
Adum Kumasi, Ghana

Date: 10th June, 2020.

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER, 2019

	NOTES	2019 GH¢	2018 GH¢
Interest Income	4	6,105,067	6,439,124
Interest Expense	5	(1,968,261)	(1,765,799)
Net Interest Income		4,136,805	4,673,325
Commission and Fees	6	720,016	669,317
Other Operating Income	7	490,768	336,392
Total Income		**5,347,589**	**5,679,034**
Loan Impairment charge	14b	(58,570)	(50,351)
Personnel Expenses	8	(2,960,196)	(2,775,967)
Depreciation	17a	(571,995)	(404,250)
Operating Expenses	9	(1,562,706)	(1,897,081)
Net Profit Before Taxation		**194,123**	**551,385**
Income Tax Expense	10	(58,832)	(200,693)
Profit for the year		**135,291**	**350,692**
Earnings per share:			
Basic earnings per share (GH¢)	12	**0.02**	**0.06**
Diluted earnings per share (GH¢)	12	**0.02**	**0.06**

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER, 2019

	NOTES	2019 GH¢	2018 GH¢
Assets			
Cash and Bank Balances	13	4,009,527	3,818,081
Non-Pledged Trading Assets	14	19,584,764	18,176,894
Loans & Advances	15	10,573,550	10,132,261
Investment Securities	16	76,751	76,751
Other Assets	17	1,097,514	1,070,693
Taxation	10b	-	22,785
Deferred Tax - Assets	11	161,943	101,763
Property Plant and Equipment	18	1,482,275	1,282,634
Total Assets		**36,986,325**	**34,681,863**
Liabilities			
Deposits and Current Accounts	19	29,785,505	27,605,952
Creditors and Accruals	20	1,197,970	1,080,899
Taxation	10b	26,227	-
Borrowed Funds	21	2,326,565	2,528,469
Other Liabilities	26 & 27	128,100	117,806
Total Liabilities		**33,464,367**	**31,333,126**
Equity and Reserves			
Stated Capital	22	1,460,308	1,402,084
Retained Earnings	23	1,066,926	1,032,417
Statutory Reserve	24	874,063	840,240
Capital Surplus	25	39,404	39,404
Credit Risk Resrve	15b	81,257	34,592
Total Equity and Reserves		**3,521,958**	**3,348,737**
Total liabilities, Equity and Reserves		**36,986,325**	**34,681,863**

Approved by the Board of Directors on 6th June, 2020 and signed on its behalf by:

Dr. Francis Aboagye - Otchere
(Chairman)

Mr. Johnson Ben Oduro
(Member)

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER, 2019

2019	STATED CAPITAL	RETAINED EARNINGS	STATUTORY RESERVE FUND	CAPITAL SURPLUS	CREDIT RISK RESERVE	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
At 1 January, 2019	1,402,084	1,032,417	840,240	39,404	34,592	**3,348,737**
Profit for the year	-	135,291	-	-	-	**135,291**
Issue of additional shares	58,224	-	-	-	-	**58,224**
Dividend paid	-	-	-	-	-	**-**
Transfer to Statutory Reserve	-	(33,823)	33,823			**-**
Transfer from credit risk Reserve	-	(46,665)			46,665	**-**
Transfer to other Funds	-	(20,294)				(20,294)
At 31 December, 2019	**1,460,308**	**1,066,926**	**874,063**	**39,404**	**81,257**	**3,521,959**

2018	STATED CAPITAL	RETAINED EARNINGS	STATUTORY RESERVE FUND	CAPITAL SURPLUS	CREDIT RISK RESERVE	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
At 1 January, 2018	1,121,088	1,078,458	752,567	39,404	-	**2,991,517**
IFRS 9 Impact	**-**	35,644	**-**	**-**	-	**35,644**
Restated Balance as at 1 January	**1,121,088**	**1,114,102**	**752,567**	**39,404**	**-**	**3,027,161**
Profit for the year	-	350,692	-	-	-	**350,692**
Issue of additional shares	280,997		-	-	-	**280,997**
Dividend paid	-	(257,508)	-	-	-	**(257,508)**
Transfer to Statutory Reserve	-	(87,673)	87,673	-	-	**-**
Transfer from credit risk Reserve	-	(34,592)	-	-	34,592	**-**
Transfer to other Funds	-	(52,604)	-	-	-	(52,604)
At 31 December, 2018	**1,402,084**	**1,032,417**	**840,240**	**39,404**	**34,592**	**3,348,737**

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER, 2019

	2019	2018
Cash Flows from Operating Activities	GH¢	GH¢
Profit before Tax	194,123	551,385
Depreciation & Amortisation	571,995	404,250
Funds Utilised- Dev't Fund & CSR Fund	(10,000)	(121,986)
Impairment gain on financial assets	-	35,644
Transfer from other assets - PPE	(282,645)	
Income Tax paid	(70,000)	(350,453)
Cash Flows from Operating activities before changes in operating Assets & Liabilities	**403,472**	**518,839**
Changes in Operating Assets & Liabilities		
Change in Advances to Customers	(441,289)	(3,796,874)
Change in Other Assets	(26,821)	(16,732)
Change in Deposits and Current Account	2,179,553	6,608,685
Change in Creditors & Accruals	117,071	158,269
Net Cash generated from operating Activities	**2,231,986**	**3,472,187**
Cash Flows from Investing Activities		
Purchase of Property and Equipment	(488,991)	(805,300)
Changes in Treasury bills and other eligible bills	(1,407,870)	(4,536,251)
Dividend Paid	0	(257,508)
Net Cash used in Investing Activities	**(1,896,861)**	**(5,599,059)**
Cash flows from financing Activities		
Additional shares issued	58,224	280,997
Change in Borrowed Fund	(201,903)	2,268,899
Net Cash used in Financing Activities	**(143,680)**	**2,549,895**
Net (decrease)/Increase in Cash and Cash Equivalent	**191,446**	**423,024**
Cash and Cash Equivalent at beginning of period	3,818,081	3,395,057
Cash and Cash Equivalent at end of the year	**4,009,527**	**3,818,081**

1.0 REPORTING ENTITY

Sefwiman Rural Bank Limited is a private Company incorporated and domiciled in Ghana.

The Registered office is located at Bibiani, Western North 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.

2.2 Statement of Compliance

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB) and accounting requirements as dictated by the guide for financial publication 2017 issued by the Bank of Ghana and in a manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposits - Taking Institutions Act, 2016 (Act 930).

2.3 Functional and Presentation Currency

The financial statements are presented in Ghana Cedis (GH¢) which is the bank's functional and presentation currency.

3 CHANGES IN ACCOUNTING POLICIES

The accounting policies adapted by the bank are consistent with those of the previous financial year except for leases which were previously treated under IAS 17 but are now reported per IFRS 16. As a result, an amount of GH¢ 282,645 was reclassified from Prepayments(under other assets) to Right Of Use Assets (under Property, plant and Equipment). Details are presented in Note 18a.

3.3 SIGNIFICANT ACCOUNTING POLICIES

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

3.3.1 Revenue

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

3.3.2 Interest Income

Under IFRS 9, interest income is recorded using the effective interest rate (EIR) method for all financial instruments measured at amortised cost,financial instruments designated at FVPL.
Interest income on interest bearing financial assets measured at FVOCI under IFRS 9.
The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument or, when appropriate , a shorter period, to the net carrying amount of the financial asset.

The EIR (and therefore, the amortised cost of the asset) is calculated by taking into account any discount or premium on acquisition, fees and costs that are an integral part of the EIR.

Hence, it recognises the effect of potentially different interest rates charged at various stages, and other characteristics of the product life cycle (including prepayments, penalty interest and charges).

If expectations regarding the cash flows on the financial asset are revised for reasons other than credit risk, the adjustment is booked as a positive or negative adjustment to the carrying amount of the asset in the statement of financial position with an increase or reduction in interest income The adjustment is subsequently amortised through Interest and similar income in the statement of comprehensive income.

3.3.3 Interest and similar income

The Bank calculates interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

When a financial asset becomes credit-impaired and is, therefore, regarded as 'Stage 3', the Bank calculates interest income by applying the effective interest rate to the net amortised cost of the financial asset. If the financial assets cures and is no longer credit-impaired, the Bank reverts to calculating interest income on a gross basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument. The calculation includes fees paid by the Bank that are an integral part of the the acquisition, issue or disposal of a financial instrument.

3.3.7 Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in other comprehensive income (OCI) or equity, in which case it is recognised in OCI or equity.

3.3.8 Current Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years. The Bank provides for income taxes at the current tax rates on the taxable profits of the Bank.

3.3.9 Deferred Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes.

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 or loss.

Deferred tax is measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or the tax assets and liabilities will be realised simultaneously.

Deferred tax is provided using the statement of financial position method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future.

3.4 Financial assets and liabilities Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument or regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Bank becomes party to the contractual provisions of the instrument or commits to purchase or sell the asset.

At initial recognition, the Bank measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets and liabilities differs from the transaction price on initial recognition, the entity recognises the difference as follows:

(a) When the fair value is evidenced by a quoted price in an active market for an identical asset or liability (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

(b) In all other cases, the differences is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

3.4.1 Classification and subsequent measurement

From 1 January 2018, the Bank has applied IFRS 9 and classifies its financial assets in the following measurement categories:

· Fair value through profit or loss (FVPL);
· Fair value through other comprehensive income (FVOCI); or
· Amortised cost.

The classification requirements for debt and equity instruments are described below:

3.4.2 Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans and investment securities.

Classification and subsequent measurement of debt instruments depend on:
• the Bank's business model for managing the asset; and
• the cash flow characteristics of the asset.

Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represents solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

b) Fair value through other comprehensive income (FVOCI): Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'other operating income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Net trading income' in the period in which it arises. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

The above classifications are done using: Business model: The business model reflects how the Bank manages the assets in order to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these is applicable (e.g. financial assets are held for trading purposes), then the financial assets are classified as part of 'other' business model and measured at FVPL. Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for these assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how managers are compensated. Securities held for trading are held principally for the purpose of selling in the near term or are part of a portfolio of financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. These securities are classified in the 'other' business model and measured at FVPL.

SPPI: Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instruments' cash flows represent solely payments of principal and interest (the `SPPI test'). In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement.

Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at fair value through profit or loss.

The Bank reclassifies debt investments when and only when its business model for managing those assets changes. The reclassification takes place from the start of the first reporting period following the change. Such changes are expected to be very infrequent and none occurred during the period.

3.4.3 Equity instruments

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include basic ordinary shares.

The Bank subsequently measures all equity investments at fair value through profit or loss, except where the Bank's management has elected, at initial recognition, to irrevocably designate an equity investment at fair value through other comprehensive income. The Bank's policy is to designate equity investments as FVOCI when those investments are held for purposes other than to generate investment returns. When this election is used, fair value gains and losses are recognised in OCI and are not subsequently reclassified to profit or loss, including on disposal. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value. Dividends, when representing a return on such investments, continue to be recognised in profit or loss as other income when the Bank's right to receive payments is established.

3.4.4 Impairment

The Bank assesses on a forward-looking basis the expected credit losses ('ECL') associated with its debt instrument assets carried at amortised cost and FVOCI and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

• An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

3.4.5 Modification of loans

The Bank sometimes renegotiates or otherwise modifies the contractual cash flows of loans to customers. When this happens, the Bank assesses whether or not the new terms are substantially different to the original terms. The Bank does this by considering, among others, the following factors:

• If the borrower is in financial difficulty, whether the modification merely reduces the contractual cash flows to amounts the borrower is expected to be able to pay
• Significant extension of the loan term when the borrower is not in financial difficulty.
• Significant change in the interest rate.

If the terms are substantially different, the Bank derecognises the original financial asset and recognises a 'new' asset at fair value and recalculates a new effective interest rate for the asset.

The date of renegotiation is consequently considered to be the date of initial recognition for impairment calculation purposes, including for the purpose of determining whether a significant increase in credit risk has occurred. However, the Bank also assesses whether the new financial asset recognised is deemed to be credit-impaired at initial recognition, especially in circumstances where the renegotiation was driven by the debtor being unable to make the originally agreed payments. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on de-recognition.

If the terms are not substantially different, the renegotiation or modification does not result in de-recognition, and the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss.

The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets).

3.4.6 De-recognition other than on a modification
Financial assets

The Bank derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Bank neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of
(I) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Bank is recognised as a separate asset or liability.

3.4.7 Identification and measurement of impairment

At each reporting date, the Bank assessed whether there was objective evidence that financial assets not carried at fair value through profit or loss were impaired. A financial asset was impaired when objective evidence demonstrated that a loss event had occurred after the initial recognition of the asset(s) and that the loss event had an impact on the future cash flows of the asset(s) that could be estimated reliably.

Objective evidence that financial assets were impaired included:

- significant financial difficulty of the borrower or issuer;
- default or delinquency by a borrower;
- the restructuring of a loan or advance by the Bank on terms that the Bank would not consider otherwise;
- the disappearance of an active market for a security; or

borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.
The Bank considered evidence of impairment for loans and advances and held-to-maturity investment securities at both a specific asset and a collective level. All individually significant loans and advances and held-to-maturity investment securities were assessed for specific impairment.

Those found not to be specifically impaired were then collectively assessed for any impairment that had been incurred but not yet identified. Loans and advances and held-to-maturity investment securities that were not individually significant were collectively assessed for impairment by grouping together loans and advances and held-to-maturity investment securities with similar risk characteristics.

In assessing collective impairment, the Bank used statistical modelling of historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than was suggested by historical trends. Default rates, loss rates and the expected timing of future recoveries were regularly benchmarked against actual outcomes to ensure that they remained appropriate.

Impairment losses on assets measured at amortised cost were calculated as the difference between the carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

If the terms of a financial asset were renegotiated or modified or an existing financial asset was replaced with a new one due to financial difficulties of the borrower, then an assessment was made of whether the financial asset should be derecognised. If the cash flows of the renegotiated asset were substantially different, then the contractual rights to cash flows from the original financial asset were deemed to have expired. In such case, the original financial asset was derecognised and the new financial asset was recognised at fair value.

The impairment loss before an expected restructuring was measured as follows.

- If the expected restructuring will not result in derecognition of the existing asset, then the estimated cash flows arising from the modified financial asset were included in the measurement of the existing asset based on their expected timing and amounts discounted at the original effective interest rate of the existing financial asset.

- If the expected restructuring will result in derecognition of the existing asset, then the expected fair value of the new asset was treated as the final cash flow from the existing financial asset at the time of its derecognition. This amount was discounted from the expected date of derecognition to the reporting date using the original effective interest rate of the existing financial asset.

Impairment losses were recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities. Interest on the impaired assets continued to be recognised through the unwinding of the discount. If an event occurring after the impairment was recognised caused the amount of impairment loss to decrease, then the decrease in impairment loss was reversed through profit or loss.

The Bank wrote off a loan or an investment in debt security, either partially or in full, and any related allowance for impairment losses, when the Bank Credit Committee determined that there was no realistic prospect of recovery and approval for write-off granted by the Board of Directors and the Central Bank.

3.4.8 Assets carried at amortised cost

For loans and receivables, the amount of the loss was measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that had not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset was reduced and the amount of the loss was recognised in profit or loss. If a loan or held-to-maturity investment had a variable interest rate, the discount rate for measuring any impairment loss was the current effective interest rate determined under the contract. As a practical expedient, the Bank could measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreased and the decrease could be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss was recognised in profit or loss.

3.4.9 (e) Derecognition of financial assets and liabilities

The derecognition policies for financial assets and liabilities have not changed on the adoption of IFRS

3.5 Financial Liabilities

i) Classification

The Bank classifies its financial liabilities, other than financial guarantees and loan commitments, as measured at amortised cost.

ii) Measurement

The 'amortised cost' of a financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

iii) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3.6 Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Bank measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Bank uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Bank determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Bank measures assets and long positions at a bid price and liabilities and short positions at an ask price.

Portfolios of financial assets and financial liabilities that are exposed to market risk and credit risk that are managed by the Bank on the basis of the net exposure to either market or credit risk are measured on the basis of a price that would be received to sell a net long position (or paid to transfer a net short position) for a particular risk exposure. Those portfolio-level adjustments are allocated to the individual assets and liabilities on the basis of the relative risk adjustment of each of the individual instruments in the portfolio.

The fair value of a demand deposit is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

3.7 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprises cash on hand, cash and balances with the ARB Apex Bank and amount due from banks and other financial institutions.

3.8 Loans and advances

Loans and advances' are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

Loans and advances to banks are classified as hold to collect.

Loans and advances to customers include:

- those classified as loans and receivables; and
- finance lease receivables.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method. Loans and advances also include finance lease receivables in which the Bank is the lessor.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date (reverse repo or stock borrowing), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

3.9 Investments

Investment securities are initially measured at fair value plus incremental direct transaction costs and subsequently accounted for depending on their classification as hold to collect or hold to sell.

3.9.1 Non pledged and pledged trading assets

The non-pledged trading assets portfolio comprises debt securities purchased with the intent of short-term profit taking. The Bank values these securities with reference to quoted prices in active markets for identical assets.

These securities are designated at fair value, with fair value changes recognized immediately in profit or loss.

3.10 Offsetting financial instruments Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Bank has a legal right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRS, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

3.11 Collateral

The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities. Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from banks or other counterparties.

Any interest payable or receivable arising is recorded as interest payable or interest income respectively except for funding costs relating to trading activities which are recorded in net trading income.

3.12 Property, plant and equipment

(I) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is determined by comparing the proceeds from disposal with the carrying amount of the item of property and equipment, and is recognised in other income/other expenses in profit or loss.

(ii) Subsequent costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property and equipment since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets under finance leases are depreciated over the shorter of the lease term and their useful lives.

The estimated annual depreciation rate for the current and corresponding periods are as follows:

Freehold Building	5%
Motor Vehicle	33%
Office Equipment	25%
Furniture and Fittings	20%
Computers & Accessories	25%
Generating Plant	25%
Improvement to rented premises	Leased Period

Right of use assets are amortised over the shorter of the lease term and the asset's useful life.

3.13 Leasehold property

Leasehold property is initially recognised at cost. Subsequent to initial recognition, leasehold property is amortised over the lease term of the property. The amortisation is recognised in profit or loss.

3.14 Impairment of non-financial assets

The carrying amounts of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.15 Deposits and borrowings

This is mainly made up of customer deposit accounts, other financial institutions and medium term borrowings. They are categorised as other financial liabilities measured in the statement of financial position at amortised cost.

3.16 Provisions

The Bank recognises provisions when it has a present obligation (Legal or Constructive) as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Profit or Loss net of any reimbursement.

If the effect of the Time Value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.
Where discounting is used, the increase in the provision due to the passage of time is recognised as Borrowing Cost.

3.17 EMPLOYEE BENEFIT

Short-Term Benefits
a. Short Term Benefits
Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has a present legal or constructive obligation to pay this amount as s result of past service provided by the employee and the obligation can be estimated reliably.

b. Post Employment Benefits
Defined Contribution Plans
Social Security and National Insurance Trust (SSNIT) Under a National Deferred Benefit Pension Scheme, the bank contributes 13% of employees' basic salary to the SSNIT for employee pensions. The bank's obligation is limited to the relevant contributions which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

Provident Fund

The Bank has a Provident Fund Scheme for all employees who have completed probation with the Bank. Employees contribute 7.5% of their basic salary to the Fund whilst the Bank contributes 7.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager as required by National Pension Regulatory Authority (NPRA).

3.18 Events after the Reporting Date

Events subsequent to the reporting date are reflected only to the extent that they relate to the Financial Statements and the effect is material.

3.19 Dividend

Dividend on ordinary shares is recognized on equity in the period in which they are approved by the company's shareholders. Dividend proposed for approval at AGM is not recognized as a liability as at 31 December, 2019.
The Directors did not recommend the payment of dividend.

3.21 Earnings per share

The Bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the year.

3.20 RISK MANAGEMENT

Risk in a banking organisation is the possibilty that the outcome of an action or event could bring up adverse impacts. Such outcomes could either result in a direct loss of earnings/capital or may result in imposition of constaints on the bank's ability to meet its business objectives.
Such constraints pose a risk as these could hinder a bank's ability to conduct its ongoing business or to take benefit of opportunities to enhance its business.

Risk is inherent in every Bank's activities but it is managed through a process of constant identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to SRB's continuing profitability and each staff/board member within the Bank is answerable for the exposures relating to his or her responsibilities. The key risks the Bank is exposed to are credit risk, liquidity risk, market risk and operating risks.

a. Risk Management Structure

The Board of Directors has overall oversight responsibiliy about the bank's risk management framework. The Board's Audit Committee gives direction for overall risk monitoring and control and it is assisted in its functions by the Internal Control Department of the Bank. The Credit Committee , Assets and Liabilities Management Committee (ALCO) are directly responsible for developing and monitoring risks in their specific areas of operation. All these structures work together to ensure effective implementation of the risk management policies and procedures of the bank.

b. Risk Measurement and Reporting System

Risk taking is an integral part of banking business. In undertaking its business, SRB Limited has to strike an appropriate balance between the level of risk it is willing to take and the level of returns it desires to achieve. In order to ensure that its risks are well managed within the Bank's risk appetite an effective risk management system that is commensurate with the size and nature of SRB's operations needs to be in place at all times.

As a means of enhancing corporate governance in the Bank, the risk management framework of the bank seeks to enhance its ability to identify and manage risks that it faces in the discharge of its functions by identifying, assessing, managing and monitoring key risks across all areas of its operations as well as gathering information on the Bank's risk exposure for management decision making. Sefwiman Rural Bank Limited has the following types of Risk exposures:

Operational Risk	Liquidity Risk	Reputational Risk
Market Risk	Credit Risk	Write-off Policy

These inherent risks are managed through a process of continuous identification, measurement, monitoring and controls. The bank continues to intensify measures to minimize the effects of these risks on its financial perfomance.

c. Operational Risk

'Operational risk' is the risk of direct or indirect loss that the Bank will suffer due to an event or action resulting from the failure of its internal processes, people and systems, or from external events. Key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks. The Bank manages its operational risk at three distinct levels, each with clearly defined roles and responsibilities as follows:

Business Units and Support Functions

Business Units and Support Functions own and are responsible for understanding the operational risk inherent in their material products, activities, processes and systems. They are responsible for the consistent implementation of the operational risk management framework in their area of responsibility on a day-to day basis. This includes identifying the risks, establishing controls, and managing the risks in accordance with the Bank's overall risk tolerance and operational risk policies.

Operational Risk Management (ORM)

The ORM function has direct responsibility for formulating and implementing the Bank's ORM framework including methodologies, policies and procedures approved by the Board. ORM function works with the Business Units and Support Functions to ensure that the day-to-day operations of the Bank are in line with the approved ORM policies. The unit provides trainings and workshops to facilitate interpretation and implementation of the various ORM programs. The unit continuously monitors the effectiveness and the quality of the controls and risk mitigation tools.

Internal Audit
The mission of Internal Audit is to provide an independent assurance of the design and effectiveness of internal controls over the risks to the Bank's business performance. In carrying out this function, Internal Audit provides specific recommendations for improving the governance, risk & control framework. The role of the Internal Audit function is to conduct regular independent evaluation and review of the Bank's policies, procedures and practices in relation to the ORM Policy Framework and report the results to the Board.

d. Market Risk
Market risk' is the risk that changes in market prices – such as interest rates, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) – will affect the Bank's income or the value of its holdings of financial instruments. The objective of the Bank's market risk management is to manage and control market risk exposures within acceptable parameters to ensure the Bank's solvency while optimising the return on risk.

The Bank recognizes market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank's exposure to market risk arises principally from customer driven transactions.

Overall authority for market risk is vested in the ALCO. The Risk Management unit is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

3.21 Write-off Policy
The bank writes off a loan when the credit committee determines that the loan is non- recoverable. Upon the recommendation of the credit committee,write -offs are referred to the Board and then to the Bank of Ghana for ratification.

3.22 Reputational Risk
Reputation,though an intangible asset, is considered as one of the prized assets of the bank.
The Bank's definition of reputational risk is the risk of loss or under-performance caused by deterioration in public perception of (any part) the Bank, arising from adverse publicity or rumour.

This can affect the Bank's ability to establish new relationships or retain existing relationships. Reputational risk can expose the Bank to financial loss, decline in customer base, litigation and loss of business generally. By the nature of its operations, reputational risk management plays a very significant role within the bank. The Bank ensures compliance with all legal, statutory & Regulatory Requirements.

The Business Development and Marketing Department continue to monitor and manage reputional risk to the Bank by undertaking customer surveys and reporting to the appropriate business unit.

Reputational risk is difficult to quantify yet the damage from such reputational risk events can be devastating. The Bank, therefore, ensures to minimize the negative impact of reputational risk exposures on its image, earnings and capital by instituting the following measures:

*Strong Financial Stability
*Excellent Customer Services
*Timely and periodic review of service agreements
*Good Corporate Governance and control Practices
*Balancing the interest of all significant Stakeholders
*Professionalism of Employees
*Adherence to Corporate Social and Environmental Responsibility.
*Adequate annual budgetary allocation for donation and sponsorship.

3.23 Credit Risk

Credit Risk arises from the credit exposure to a borrower or a counter-party, in that either the borrower or the counter-party is unable to redeem an obligation or the liability to perform such obligation is impaired resulting in economic loss to the Bank.

The Credit Risk in the Bank's operations arise from largely Loans and Advances to Customers.
The Credit Risk is managed through the systems and controls established by Credit Department that ensure that there is review of the status of the credit at every stage from application to completion of the repayment of the advance by the customer. There is the Credit Committee that reviews reports of the performance of the Loans and Overdrafts which takes appropriate action for recovery. Credit facilities are also closely monitored to uncover early warning signal or non-performance. The maximum amount of credit risk emanating from these sources is as follows:

		2019 Ghc	2018 Ghc
Loans and Advances to customers		11,099,012	10,599,153
		11,099,012	**10,599,153**
The Bank's loans and advances were categorised by the Bank of Ghana prudential guidelines as follows:			
I. Exposures that are neither past due nor impaired;			
II. Exposures that are past due but not impaired; and			
III. Individually impaired facilities			
Maximum exposures to credit risk			
Carrying amount		**10,573,550**	**10,132,261**
Grade 1-3: Low - fair risk - Current		10,264,451	9,924,283
Grade 4-5: Low - watch list		104,523	108,089
Grade 6: Substandard		175,780	127,523
Grade 7: Doubtful		169,101	133,418
Grade 8: Loss		385,157	305,841
Total Gross Amount		11,099,012	10,599,153
Allowance for impairment		(525,462)	(466,892)
Net Carrying Amount		**10,573,550**	**10,132,261**
a	**Neither past due nor impaired**		
	Grade 1-3: Low - fair risk	10,264,451	9,924,283
b	**Past due but not impaired**		
	Grade 4-5: watch list	104,523	108,089
c	**Impaired classified by number of days due**		
	90-180 days	175,780	127,523
	180-360 days	169,101	133,418
	360 day +	385,157	305,841
		730,038	**566,781**
	Individually Impaired		
	Substandard	175,780	127,523
	Doubtful	169,101	133,418
	Loss	385,157	305,841
		730,038	**566,782**

Neither past due nor impaired

The quality of credit exposure to customers and other institutions that were neither past due nor impaired were assessed with reference to the Bank of Ghana prudential guidelines adopted by the bank for its internal grading purposes.

This category is made up as follows:

December 2019	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Current	9,105,346	1,275,383	718,283	11,099,012

December 2018	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Current	8,314,748	1,030,057	687,567	10,032,372

Loans and advances past due but not impaired

Loans and advances graded internally as current and OLEM may be past due but are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

December 2019	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired	-	-	-	-

December 2018	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Past due but not impaired	65,096	42,993	-	108,089

Individually impaired loans - Stage 3

The breakdown of the gross loans and advances individually impaired by class, along with the fair value of related collateral held by the bank as security , are as follows:

December 2019	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans	-	-	-	-
Fair Value of Collateral				

December 2018	Term Loans	Overdrafts	Staff loans	Total
Grade:				
Individually impaired loans	338,009	228,772	750	567,531
Fair Value of Collateral	-	-	-	-

At 31 December 2019, the Bank's loans and Advances were categorised under IFRS 9 as follows:

Stage 1 - At initial recognition - Performing

Stage 2 - Significant increase in credit risk since initial recognition - Underperforming

Stage 3 - Credit Impaired - Non-performimg

	2019 Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	4,009,527	-	-	4,009,527
Investment Securities	19,584,764	-	-	19,584,764
Investment other than Securities	76,751	-	-	76,751
Loans & Advances to Cust.	10,264,451	104,523	730,038	11,099,012
Other assets (less Prepayments)	983,814	-	-	983,814
Gross carrying amount	34,919,307	104,523	730,038	35,753,869
Loss allowances	(9,242)	(1,777)	514,443	503,424
Carrying amount	**34,910,065**	**102,746**	**1,244,481**	**36,257,292**

	2018 Stage 1	Stage 2	Stage 3	Total
Cash & Cash equivalents	3,818,081	-	-	3,818,081
Investment Securities	18,176,894	-	-	18,176,894
Investment other than Securities	76,751	-	-	76,751
Loans & Advances to Cust.	9,235,622	871,885	491,646	10,599,153
Other assets (less Prepayments)	955,619	-	-	955,619
Gross carrying amount	32,262,967	871,885	491,646	33,626,498
Loss allowances	(7,221)	(3,670)	(456,002)	(466,892)
Carrying amount	**32,255,747**	**868,215**	**35,644**	**33,159,606**

Collaterals and other credit enhancements

The bank employs a range of policies and practices to mitigate credit risk.

The most traditional of these is the taking of security for funds advanced, which is common practice.

The bank implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation.

The principal collateral types for loans and advances are:

I. Mortgages over residential properties.

II. Charges over business / personal assets such as premises, Vehicle.

III. Charges over financial instruments such as debt securities and equities

Collateral held as security for financial assets other than loans and advances depends on the nature of the instrument. Longer-term finance and lending to corporate entities or individuals are generally secured; revolving individual credit facilities are generally unsecured. In addition, in order to minimise the credit loss, the bank will seek additional collateral from the counterparty as soon as impairment indicator are identified for the relevant loans and advances. The Bank's policies regarding obtaining collateral have not significantly changed during the reporting period and there has been no significant change in the overall quality of the collateral held by the Bank since the prior year.

The Bank closely monitors collateral held for financial assets considered to be credit-impaired, as it becomes more likely that the Bank will take possession of collateral to mitigate potential credit losses. Financial assets that are credit impaired and the related collateral in order to mitigate potential loses as shown above.

The Bank monitors concentrations of credit risk by sector. An analysis of concentrations of credit risk on loans and advances is shown below.

	Loans and advances to customers	
	2019 Ghc	**2018 Ghc**
Carrying amount		
Concentration by product:		
Term loans	9,105,346	8,652,757
Overdraft	1,275,383	1,258,829
Staff loans	718,283	687,567
Gross loans and advances	**11,099,012**	**10,599,153**
Less: Impairment	(525,462)	(466,892)
Net loans and advances	**10,573,550**	**10,132,261**
Concentration by industry:		
Agricultural	589,861	663,068
Trading	4,687,763	4,340,073
Transport	258,913	353,505
Others	5,562,476	5,242,507
Gross loans and advances	**11,099,012**	**10,599,153**
Less: Impairment	(525,462)	(466,892)
Net loans and advances	**10,573,550**	**10,132,261**

Key ratios on loans and advances

I. Loan loss provision is 4.73% (2018 : 4.40)

ii. Gross non-performing loans and advances is 6.58% (2018 ; 5.35)

3.24 Liquidity Risk

'Liquidity risk' is the risk that the Bank will encounter difficulty in meeting obligations associated with its financial liabilities that are settled by delivering cash or another financial asset when they fall due.

The Bank maintains liquidity limit imposed by its regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets. The Bank aims to be in a position to meet all obligations, repay depositors, fulfil commitments to lend and meet any other commitments.

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the Bank.

All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports on the liquidity position of the Bank is submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on monthly basis.

3.25 CAPITAL

a. The Objectives of Capital Management

The Capital Management Objective of the Bank is to ensure that the financial net assets at the end of the financial year exceeds the financial amount of the net assets at the beginning of the year after deducting distributions and adding contributions from the owners.

This objective will be to ensure that, at anytime, the Stated Capital requirement by Bank of Ghana would be met and also to comply with the Capital Adequacy Ratio Regulatory requirements of Bank of Ghana. This will be achieved by maintaining an appreciable level of profits to meet these expected Capital increases by Bank of Ghana.

b. Regulatory capital

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole. In implementing current capital requirements, the Bank of Ghana requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's regulatory capital is analysed as follows:

Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual non-cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after tax retained earnings/surplus, retained profits and general statutory reserves and does not include regulatory credit risk reserve.

c. The Level of Capital Adequacy

	2019 Ghc	2018 Ghc
Paid Capital	1,460,308	1,402,084
Disclosed Reserves	2,061,649	1,946,653
Permanent Preference Shares	-	-
Sub-Total	3,521,957	3,348,737
Investments in Unconsolidated Subsidiaries	(76,751)	(76,751)
Tier 1 Capital	3,445,206	3,271,986
Tier 2 Capital	-	-
Regulatory Capital	3,445,206	3,271,986
Required Regulatory Capital	2,234,354	1,933,510
Surplus Capital	**1,210,852**	**1,338,476**

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank complied with the statutory capital requirements throughout the period. There have been no material changes in the Bank's management of capital during this period.

3.26 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.

	2019	2018
	GH¢	GH¢
4 INTEREST INCOME		
Advances	3,755,581	3,171,335
Investments	2,349,486	3,267,789
	6,105,067	**6,439,124**
5 INTEREST EXPENSE		
Interest on Borrowing	475,996	141,417
Savings Account & Fixed Deposits	1,492,265	1,624,382
	1,968,261	**1,765,799**
6 FEES AND COMMISSION INCOME		
Cheque Clearing Fees	33,323	-
Commission	284,487	247,886
Commitment Fees	402,206	421,431
	720,016	**669,317**
7 OTHER OPERATING INCOME		
Sundry Income	490,768	336,392
	490,768	**336,392**
8 PERSONNEL EXPENSES		
Salaries, Wages	1,452,545	1,431,337
Other Staff Cost	179,083	390,514
Provident Fund	108,617	106,094
Social Security Contributions	215,804	197,687
Medical Expenses	21,391	15,918
Staff Bonus	123,709	118,641
Staff and Directors Training	54,948	61,829
Staff Clothing Allowance	152,351	138,615
Staff Fuel and Maintenance	210,310	-
MF/Susu Expenses	441,440	315,332
	2,960,196	**2,775,967**

9 OPERATING EXPENSES

	2019 GH¢	2018 GH¢
Directors Expenses	148,428	202,056
Entertainment	18,891	18,548
Specie Movement	31,247	31,808
Travelling and Transport	85,159	173,439
Audit & Inspection Expenses	3,330	1,639
Audit Fees & VAT Charge	11,813	10,000
Funeral Grant	2,560	943
Housing/Hotel Accommodation Expenses	16,933	13,783
Repairs and Maintenance	29,099	38,653
Office Expenses	31,648	55,308
Stationery	68,545	97,542
Rent and Rates	34,349	82,891
Police Guard	70,271	48,423
Donation	28,529	18,568
Insurance Premium	41,790	43,013
Postages and Telecommunication	19,231	20,493
Subscriptions/Periodicals	7,958	5,359
Motor Vehicle running Expense	218,388	316,222
Generator Running Expenses	28,367	27,898
Fire Expenses	6,046	3,165
Ewzich/Clearing Expenses	18,210	18,218
Cleaning and sanitation	11,316	11,796
Light and Water	161,846	151,664
Advertising and Publicity	50,692	71,955
Other Expenses	10,086	28,367
Computer Expenses	166,591	176,978
Debt Recovery Expenses	28,175	14,270
Business Promotion	42,434	65,988
AGM Expenses	39,062	62,240
Bank Charges	40,987	40,832
Chapter and ARB Ghana Expenses	31,602	45,022
Tax Audit Liability-Witholding Tax	29,319	-
Tax audit Liability-Interest	9,560	-
Ghana Deposit Protection Insurance	20,246	-
	1,562,706	**1,897,081**

10 (a) INCOME TAX EXPENSE

	2019 GHS	2018 GHS
Current Income Tax	119,013	175,964
Deferred Income Tax	(60,180)	24,729
	58,832	**200,693**

Deferred tax expense relates to the origination and reversals of temporary differences.

(b) CURRENT TAXATION

Year of Assessment	Balance at 1/1/2019 GHS	Payments GHS	Charge for the year GHS	Balance at 31/12/2019 GHS
2019	(22,785)	(70,000)	119,013	26,227
	(22,785)	**(70,000)**	**119,013**	**26,227**

All tax liabilities are subject to the agreement with the Ghana Revenue Authority.

(c) RECONCILIATION OF EFFECTIVE TAX RATE

Profit before tax	194,123
Tax at applicable tax rate at 25%	48,531
Tax impact of non-deductible expenses	167,361
Tax impact of capital allowances	(96,879)
Deferred tax	(60,180)
Current tax charges	**58,832**
Effective tax rate (%)	30%

11 (a) DEFERRED TAXATION

2019	**1/1/2019**	**Movement**	**31/12/19**
Charge / (Credit) to Income Statement			
Historical Cost- NCA	14,960	(45,538)	(30,578)
Loan Impairment	(116,723)	(14,642)	(131,366)
	(101,763)	**(60,180)**	**(161,943)**

(b) RECOGNISED DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities are attributable to the following :

	Temporary Difference GH	Tax Rate GH	Deferred Tax GH
Defered Tax Asset - Loan Impairment	(525,462)	25%	(131,366)
Defered Tax Liabilities - NCA	(122,312)	25%	(30,578)
Net deffered Tax (Assets)/Liabilities	**(647,774)**		**(161,943)**

12 EARNINGS PER SHARE

Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2019 was based on the profit attributable to ordinary shareholders of GH¢135,291 (2018: GH¢350,692) and a weighted average number of ordinary shares outstanding of 6,139,892 (2018: 5,906,996) calculated as follows:

Net profit for the year attributable to equity holders of the Bank	135,291	350,692
Weighted average number of ordinary shares	6,139,892	5,906,996
Basic and diluted earnings per share	**0.02**	**0.06**

		2019 GH¢	2018 GH¢
13	**CASH AND BANK BALANCES**		
	S/G -SSB	5,916	5,248
	Cash Balances	2,457,230	2,169,740
	ARB - Apex Bank Ltd - Clearing Account	106,701	331,335
	5% Deposit Account	1,379,977	1,285,092
	E-CASH(MMM)	59,704	26,666
		4,009,527	**3,818,081**
14	**NON-PLEDGED TRADING ASSETS**		
	At I January	18,176,894	13,640,643
	Accrued Income	1,432,102	4,536,251
	At 31 December	**19,608,996**	**18,176,894**
	Maturity within 90 day of acquisition	246,015	284,250
	Maturity after 90 days but within 182 days	7,801,487	10,550,574
	Maturity after 182 days of acquisition	11,561,494	7,342,069
		19,608,996	**18,176,894**

There was no indication of impairment of government securities held at the year end.

		2019 GH¢	2018 GH¢
15	**LOANS AND ADVANCES**		
	Loans	9,823,630	9,340,324
	Overdraft	1,275,383	1,258,829
		11,099,012	10,599,153
	Less: Loan Impairment Charge	(525,462)	(466,892)
		10,573,550	**10,132,261**

		2019 GH¢	2018 GH¢
15b	**Impairment Allowance for Loans & Advances**		
	Balance at 1 January	466,892	452,185
	IFRS 9 Impact	-	(35,644)
	Bad debt Written - off	-	-
	Loan Impairment Charge	58,570	50,351
	Balance at 31 December	**525,462**	**466,892**
15c	**Bank of Ghana Provisions**		
	Balance at 1 January	501,484	452,185
	Bad debt Written - off	-	-
	Provisions made	105,235	49,299
	Balance at 31 December	**606,719**	**501,484**

Loan provisioning/impairment are carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income. Where provisions per IFRS is more than the provisions per Bank of Ghana guidelines, no regulatory credit reserve is required. When the credit loss provision calculated under IFRS principles is less than that of Bank of Ghana, transfers are made from the income surplus account into the non-distributable regulatory credit reserves.

16 INVESTMENT SECURITY - AVAILABLE FOR SALE

At 1 January	76,751	76,751
Change in the fair value	-	-
At 31 December	**76,751**	**76,751**

This represents investment in ordinary shares of ARB Apex bank limited and WERBA

17 OTHER ASSETS ACCOUNT

	2019 GH¢	2018 GH¢
Int.& Comm. Accrued	100,383	2,343
Stationery Stock	78,967	67,051
Prepayment -Insurance	17,004	15,899
Prepayment	68,621	81,473
Interagency account	360,272	318,268
Rent Pre-paid (staff)	28,075	17,702
Rent Prepaid (office)	-	282,645
Office Account (DR)	1,700	35,525
Ezwich Cash Account	127,874	5,295
Uncleared Effects	314,617	244,492
	1,097,514	**1,070,693**

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER, 2019

18a PROPERTY, PLANT AND EQUIPMENT
COST / VALUATION

	Improvent to Rented Pre. GH¢	Right of used assets GH¢	Computers & Accessories GH¢	Office Furn & Fittings GH¢	Office Equipments GH¢	Bungalow Furn. & Fitings GH¢	Motor Veh. (SCH. 2) GH¢	Motor Bikes GH¢	Land GH¢	TOTALS GH¢
Balance at 1/1/2019	602,045	-	283,044	130,469	638,200	2,912	663,804	45,229	87,800	2,453,503
Transfers:										
From other assets to ROUA		282,645								
Balance after IFRS 16 application	602,045	282,645	283,044	130,469	638,200	2,912	663,804	45,229	87,800	2,453,503
Additions	2,326	2,264	186,069	7,317	109,897	-	168,102	13,017	-	488,991
Transfer	-		(2,800)	(11,034)	13,834	-		-	-	-
Balance at 31/12/2019	**604,371**	**284,909**	**466,313**	**126,752**	**761,931**	**2,912**	**831,905**	**58,246**	**87,800**	**2,942,493**
DEPRECIATION										
Balance at 1/1/2019	305,627	-	183,665	54,778	331,522	2,912	261,641	30,724	-	1,170,869
Charge for the year	80,523	46,459	68,932	22,906	152,534	-	184,392	16,248	-	571,994
Balance at 31/12/2019	**386,150**	**46,459**	**252,597**	**77,684**	**484,057**	**2,912**	**446,033**	**46,972**	**-**	**1,742,863**
NET BOOK VALUE AT 31 DECEMBER, 2019	**218,221**	**238,450**	**213,716**	**49,068**	**277,875**	**0**	**385,872**	**11,273**	**87,800**	**1,482,275**

b PROPERTY, PLANT AND EQUIPMENT

COST / VALUATION	Improvent to Rented Pre.	Right of used assets	Computers & Access-ories	Office Furn. & Fittings	Office Equip-ments	Bungalow Furn. & Fiitings	Motor Veh. (SCH. 2)	Motor Bikes		
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢		
Balance at 1/1/2018	636,564	-	210,274	74,411	356,543	2,912	326,020	41,479	87,800	1,736,003
Additions	113,348	-	44,009	35,708	182,900	-	337,784	3,750		717,500
Transfer	(147,867)	-	28,760	20,350	98,757	-	-	-	-	
Balance at 31/12/2018	**602,045**	**-**	**283,044**	**130,469**	**638,200**	**2,912**	**663,804**	**45,229**	**87,800**	**2,453,503**
DEPRECIATION										
Balance at 1/1/2018	234,017	-	128,455	37,190	230,584	2,912	112,771	20,691		766,619
Charge for the year	71,610	-	55,211	17,588	100,938	-	148,870	10,033		404,250
Balance at 31/12/2018	**305,627**	**-**	**183,665**	**54,778**	**331,522**	**2,912**	**261,641**	**30,724**	**-**	**1,170,869**
NET BOOK VALUE										
AT 31 DECEMBER, 2018	**296,419**	**-**	**99,379**	**75,692**	**306,678**	**-**	**402,163**	**14,504**	**87,800**	**1,282,634**

		2019	2018
19	**DEPOSITS AND CURRENT ACCOUNTS**	**GH¢**	**GH¢**
	Savings Account	11,718,370	10,178,187
	Current Account	4,028,247	4,484,187
	Fixed Deposit	9,587,589	9,488,788
	Susu & Others	4,451,299	3,454,790
		29,785,505	**27,605,952**
20	**CREDITORS AND ACCRUALS**		
	Payment Order	448,743	164,955
	Accrued Interest	424,605	557,943
	Accrued Audit Fees	11,813	10,000
	Office Account - (Cr)	166,319	184,276
	Unearned disc. On T. Bills	147,490	147,490
	E-zwich & U-connect operation	-	14,235
	End of Service Benefit	-	2,000
		1,198,970	**1,080,899**
21	**LONG -TERM BORROWING**		
	APEX	1,054,820	300,264
	REP Loan	-	462,800
	Wash Loan	267,999	765,405
	BABMA EU Fund	161,641	-
	RDF-Ghana	842,105	1,000,000
		2,326,565	**2,528,469**

22	**STATED CAPITAL**	**No. of Shares 2019**	**No. of Shares 2018**	**Proceeds 2019 GH¢**	**Proceeds 2018 GH¢**
	Authorised:				
	Ordinary Shares	10,000,000,000	10,000,000,000		
	Issued:				
	Issued for Cash	6,139,892.00	5,906,996	1,460,308	1,402,084

There were no Share in Treasury and no Call or instalment unpaid on any Share.

Stated capital and reserves

Share capital

The bank classifies capital and equity instruments in accordance with the contractual terms of the instrument. Incremental costs that are directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

23 RETAINED EARNINGS

This represents the residual of cumulative annual profits that are available for distribution to shareholders

24 STATUTORY RESERVES

Statutory reserves are based on the requirements of section 34 of the Banks and Specialised Deposits -Takiing Institutions Act 2016 (ACT 930). Transfers into statutory reserves are made in accordance with the relationship between the Bank's Reserve fund and its paid up capital, which determines the proportion of profit for the period that should be transferred.

(i) Where the reserve fund is less than fifty percent of the stated capital, an amount not less than 50% of net profit for the year is transferred to the reserve fund.

(ii) Where the reserve fund is more than 50% but less than 100% of the stated capital, an amount not less than 25% of net profit is transferred to the reserve fund.

(iii) Where the reserve is equal to 100% of the stated capital, an amount not less than 12.5% of the net profit for the year is transferred to the reserve fund.

25 CAPITAL SURPLUS

This represents increase in share value with the ARB Apex Bank Ltd.

26 DEVELOPMENT FUND

This represents 10% of the profit for the year and it is earmarked for the construction of a head office building for the bank.

	2019	**2018**
	GH¢	GH¢
Balance at 1 January	100,272	124,791
Add:Transfer from Profit	13,529	35,069
Less: Utilised	-	(59,589)
Balance as at 31 December	**113,801**	**100,272**

27 CORPORATE SOCIAL RESPONSIBILITY FUND

This represents 5% of the profit for the year and it is to take care of the bank's corporate social responsibilities.

Balance at 1 January	17,534	62,396
Add:Transfer from Profit	6,765	17,535
Less: Utilised	(10,000)	(62,396)
Balance as at 31 December	**14,299**	**17,534**

28 RELATED PARTY TRANSACTIONS

Advances due from Directors and Staff of the bank amounted to GHS819,882 (2018: 836,691.00) and it comprises :

	2019	2018
Directors and related Interest	101,598	148,374
Officers and Employees	718,283	688,317
	819,882	**836,690**

SCHEDULE 1

IMPROVEMENT TO RENTED PREMISES: COST	AT 1/1/19 GH¢	ADDITIONS GH¢	AT 31/12/2019 GH¢
Bekwai	41,657.32	-	41,657.32
Edwinase Branch	64,829.30	-	64,829.30
Bibiani Branch	68,634.76	-	68,634.76
Micro - Finance	40,469.54	-	40,469.54
Abuakwa	99,457.28	-	99,457.28
Boako Mobilization Center	27,137.56	-	27,137.56
Asawinso Branch	146,511.60	-	146,511.60
Bodi Branch	113,348.07	2,325.60	115,673.67
	602,045.43	2,325.60	604,371.03

DEPRECIATION	AT 1/1/19 GH¢	CHARGE FOR THE YEAR GH¢	AT 31/12/2019 GH¢
Bekwai	41,657.32	-	41,657.32
Bibiani Branch	68,634.76	-	68,634.76
Edwinase Branch	55,093.79	9,735.51	64,829.30
Micro - Finance	32,375.52	8,093.88	40,469.40
Abuakwa	36,706.60	10,260.00	46,966.60
Boako Mobilization Center	27,137.56	-	27,137.56
Asawinso Branch	44,021.25	29,302.32	73,323.57
Bodi Branch		23,131.23	23,131.23
	305,626.80	80,522.94	386,149.74

SCHEDULE2

Motor Vehicles:- **COST**	**AT 1/1/19 GH¢**	**ADDITIONS GH¢**	**AT 31/12/2019 GH¢**
Nissan Hardbody GR 6920 - 11	39,424.99	-	39,424.99
Toyota Hilux GX 634 - 16	162,300.88	-	162,300.88
Toyota Corolla AS 9466 - 16	34,000.00	-	34,000.00
Nissan Navara AS 8311 - 17	107,896.00	-	107,896.00
Toyota Prado GW 3181 - 18	320,181.68	-	320,181.68
Nissan Hardbody Pick-UP-GT 1938-19	0.00	125,896.50	125,896.50
Suzuki Alto 800DX-GR 2128-20		42,205.00	42,205.00
	663,803.55	168,101.50	831,905.05

DEPRECIATION	**AT 1/1/19 GH¢**	**CHARGE FOR THE YEAR GH¢**	**AT 12/31/2019 GH¢**
Nissan Hardbody GR 6920 - 11	39,374.99	-	39,374.99
Toyota Hilux GX 634 - 16	93,831.07	40,575.24	134,406.31
Toyota Corolla AS 9466 - 16	19,125.00	8,499.96	27,624.96
Nissan Navara AS 8311 - 17	35,934.72	26,973.96	62,908.68
Toyota Prado GW 3181 - 18	73,374.90	80,045.40	153,420.30
Nissan Hardbody Pick-UP-GT 1938-19	0.00	28,851.24	28,851.24
Suzuki Alto 800DX-GR 2128-20	0.00	-	0.00
	261,640.68	184,945.80	446,586.48

PROXY AUTHORIZATION FORM

I/We...of...

Shareholder/shareholders of Sefwiman Rural Bank Limited, hereby appoint

Dr/Rev/Mr/Mrs/Miss/Opanin
....as a

Proxy at the Annual General Meeting of Shareholders of the Bank to be held Virtually and streamed live via zoom from the head office of Sefwiman Rural Bank Limited, BIBIANI, On Saturday 5th September, 2020 at 10:00am

Signed the..day of ....20......

....
Shareholder's Signature

NOTE: Completed proxy form should be returned to the General Manager, Sefwiman Rural Bank Limited, not later than 2nd September, 2020.