

# OTUASEKAN RURAL BANK PLC

## **STATEMENT OF COMPREHENSIVE INCOME** **FOR THE YEAR ENDED 31 DECEMBER, 2023**

	<b>2023</b>	<b><u>2022</u></b>
	<b>GH¢</b>	<b>GH¢</b>
Interest Income	37,445,913	25,861,841
Interest Expense	(4,756,173)	(3,330,957)
Net Interest Income	<b>32,689,740</b>	<b>22,530,884</b>
Commission and Fees	2,872,507	2,315,667
Other Income	461,973	264,646
<b>Total Income</b>	<b>36,024,219</b>	<b>25,111,197</b>
Impairment Loss on Financial Assets	(1,582,437)	(1,896,275)
Personnel Expenses	(19,131,715)	(14,601,930)
Depreciation & Amortisation	(629,369)	(526,682)
Operating Expenses	(9,495,348)	(6,770,346)
<b>Profit Before Taxation</b>	<b>5,185,350</b>	<b>1,315,964</b>
Income Tax Expense	(1,832,872)	(839,454)
<b>Total Comprehensive Income for the year</b>	<b>3,352,478</b>	<b>476,510</b>
<b>Earnings per share:</b>		
Basic earnings per share (GH¢)	<b>0.30</b>	<b>0.05</b>
Diluted earnings per share (GH¢)	<b>0.30</b>	<b>0.05</b>

# OTUASEKAN RURAL BANK PLC

## STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER, 2023

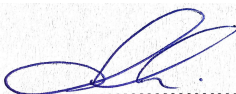
	2023 GH¢	2022 GH¢
<b><u>Assets</u></b>		
Cash and Bank Balances	50,134,109	30,973,023
Non-Pledged Trading Assets	107,532,183	86,559,522
Loans & Advances	52,252,803	42,109,659
Investment Securities	111,244	53,704
Other Assets	641,164	2,883,528
Taxation	313,194	410,306
Deferred tax-Asset	3,827,536	426,923
Intangible Asset	2,689,491	257,638
Property, Plant and Equipment	219,469	2,006,559
<b>Total Assets</b>	<b>217,721,193</b>	<b>165,680,862</b>
<b><u>Liabilities</u></b>		
Deposits from Customers	7,400,622	146,619,686
Creditors and Accruals	192,008,924	4,796,333
Provisions	2,447,540	876,242
<b>Total Liabilities</b>	<b>201,857,085</b>	<b>152,292,261</b>
<b><u>Shareholder's Fund</u></b>		
Stated Capital	3,439,835	2,807,129
Retained Earnings	8,680,722	7,828,919
Statutory Reserve Fund	3,586,618	2,688,934
Capital Surplus	63,619	63,619
Credit Risk Reserve	93,315	-
<b>Total Shareholders' Fund</b>	<b>15,864,107</b>	<b>13,388,601</b>
<b>Total liabilities and shareholders' fund</b>	<b>217,721,193</b>	<b>165,680,862</b>

Approved by the Board of Directors on 16th April, 2024 and signed  
on its behalf by:

DIRECTOR: .....



DIRECTOR: .....



# OTUASEKAN RURAL BANK PLC

## STATEMENT OF CASH FLOWS

### YEAR ENDED 31 DECEMBER

<b>Cash Flows from Operating Activities</b>	<b>2023</b>	<b>2022</b>
	<b>GH¢</b>	<b>GH¢</b>
Profit Before Tax	5,185,350	1,315,964
Depreciation & Amortisation	629,369	526,682
Impairment Loss - Land	-	365,000
Interest Received	106,733	60,995
<b>Cash Flows from Operating activities before changes in operating Assets &amp; Liabilities</b>	<b>5,921,452</b>	<b>2,268,641</b>
<b><u>Changes in Operating Assets &amp; Liabilities</u></b>		
Change in Loans and Advances to Customers	(10,143,144)	(7,734,167)
Change Other Assets	(944,008)	(879,053)
Change in Deposits and Current Account	45,389,238	29,681,115
Funds Applied	(544,050)	(567,558)
Change in Creditors & Accruals	2,604,289	1,026,708
Cash generated from Operating Activities	<b>42,283,776</b>	<b>23,795,686</b>
Tax Paid	(1,950,000)	(1,214,000)
<b>Net Cash Generated From Operating Activities</b>	<b>40,333,776</b>	<b>22,581,686</b>
<b><u>Cash Flows from Investing Activities</u></b>		
Purchase of Property and Equipment	(1,280,217)	(148,043)
Purchase of Treasury Bills and Other Eligible Bills	(57,540)	(9,328,282)
Purchase of Intangible Assets	(20,972,661)	-
Investment in Securities	-	-
Addition to Gratuity Fund	500,000	-
Disposal of Property, Plant & Equipment	6,084	-
<b>Net Cash used in Investing Activities</b>	<b>(21,804,333)</b>	<b>(9,476,325)</b>
<b><u>Cash flows From Financing Activities</u></b>		
Dividend Paid	(1,062)	-3,026
Additional Shares Issued	632,706	348,134
<b>Net Cash used in Financing Activities</b>	<b>631,644</b>	<b>345,108</b>
Net (decrease)/Increase in Cash and Cash Equivalent	<b>19,161,087</b>	<b>13,450,469</b>
<b>Cash and Cash Equivalent at beginning of Year</b>	<b>30,973,023</b>	<b>17,522,554</b>
<b>Cash and Cash Equivalent at end of the year</b>	<b>50,134,109</b>	<b>30,973,023</b>

# OTUASEKAN RURAL BANK PLC

## STATEMENT OF CHANGES IN EQUITY

<u>2023</u>	<u>STATED</u> <u>CAPITAL</u> GH¢	<u>RETAINED</u> <u>EARNINGS</u> GH¢	<u>STATUTORY</u> <u>RESERVE FUND</u> GH¢	<u>CAPITAL</u> <u>SURPLUS</u> GH¢	<u>CREDIT RISK</u> <u>RESERVE</u> GH¢	<u>TOTAL</u> GH¢
At 1 January, 2023	2,807,129	7,828,919	2,688,934	63,619	-	<b>13,388,601</b>
Profit for the year	-	3,352,478	-	-	-	<b>3,352,478</b>
Dividend Paid	-	(1,062)	-	-	-	<b>(1,062)</b>
Issue of additional shares	632,706	-	-	-	-	<b>632,706</b>
Transfers to statutory Reserve	-	(59,564)	59,564	-	-	-
Transfer to Statutory Reserve	-	(838,120)	838,120	-	-	-
Transfer to credit risk Reserve	-	(93,315)	-	-	93,315	-
Transfers to Development Fund	-	(838,120)	-	-	-	<b>(838,120)</b>
Transfers to Gratuity Fund	-	(670,496)	-	-	-	<b>(670,496)</b>
<b>At 31 December, 2023</b>	<b>3,439,835</b>	<b>8,680,722</b>	<b>3,586,618</b>	<b>63,619</b>	<b>93,315</b>	<b>15,864,107</b>

<u>2022</u>	<u>STATED</u> <u>CAPITAL</u> GH¢	<u>RETAINED</u> <u>EARNINGS</u> GH¢	<u>STATUTORY</u> <u>RESERVE FUND</u> GH¢	<u>CAPITAL</u> <u>SURPLUS</u> GH¢	<u>CREDIT RISK</u> <u>RESERVE</u> GH¢	<u>TOTAL</u> GH¢
At 1 January, 2022	2,458,995	7,579,930	2,629,370	63,619	22,695	12,754,609
Profit for the year	-	476,510	-	-	-	<b>476,510</b>
Dividend Paid	-	(3,026)	-	-	-	<b>(3,026)</b>
Issue of additional shares	348,134	-	-	-	-	<b>348,134</b>
Transfer to Statutory Reserve	-	(59,564)	59,564	-	-	-
Transfer to credit risk Reserve	-	22,695	-	-	(22,695)	-
Transfers to Other Funds	-	(187,626)	-	-	-	<b>(187,626)</b>
<b>At 31 December, 2022</b>	<b>2,807,129</b>	<b>7,828,919</b>	<b>2,688,934</b>	<b>63,619</b>	<b>-</b>	<b>13,388,601</b>

## VALUE ADDED STATEMENT FOR THE YEAR ENDED 31 DECEMBER

	2023	<u>2022</u>
Interest earned and other operating income	40,318,419	28,177,508
Direct cost of services and other costs	(13,343,826)	(9,530,236)
Value added by banking services	<b>26,974,594</b>	18,647,272
Non-banking income	461,973	264,646
Impairments	(1,582,437)	(1,896,275)
<b>Value added</b>	<b>25,854,129</b>	<b>17,015,643</b>

Distributed as follows:

### To employees

Directors	(907,695)	(845,046)
Other Employees	(19,131,715)	(14,327,951)
	<b>(20,039,410)</b>	<b>(15,172,997)</b>

To Government

Income Tax	<b>(1,832,872)</b>	<b>(839,454)</b>
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### To providers of capital

Dividends to shareholders	-	-
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### To expansion and growth

Depreciation and amortisation	<b>(629,369)</b>	<b>(526,682)</b>
<b>Retained Earnings</b>	<b>3,352,478</b>	<b>476,510</b>

**Reporting entity**

Otuasekan Rural Bank Limited is a bank incorporated in Ghana. The address of the Bank's registered office is: Kofiase, Mampong, P. O Box MA339, Mampong.

**Basis of accounting**

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

**Functional and presentation currency**

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

**Use of judgements and estimates**

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of the Bank's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

**Significant Accounting Policies**

The principal accounting policies of the Bank have been applied consistently to all periods in these financial statements. The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and adopted by Institute of Chartered Accountants, Ghana (ICAG). Additional information required under the Companies Act, 2019 (Act 992) and the Banks and Specialised Deposits-Taking Institutions Act 2016 (Act 930) have been included, where appropriate.

**Risk Management Framework**

The risk management framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposure in a consistent and effective manner across the Bank. Through the framework, risk is managed with the objective of maximizing risk-adjusted returns within the context of the Bank's risk appetite. The Board of Directors have overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board's commitment to good risk management is supported by their continuing professional development in the field of risk management and their support for the implementation and continued improvement of the risk management framework within the Bank. In addition, there are in place the Audit, Risk & Compliance Committee, the Credit Committee, the ICT Committee and Assets and Liability Committee (ALCO), which are responsible for developing and monitoring risk management policies in their specified areas.

## Quantitative Disclosures

	2023	2022
	%	%
Capital adequacy ratio	22.18	14.94
Non-performing loans to Gross loans	4.23	2.91
Loan loss provision	2.69	3.91

## Defaults in statutory liquidity and accompanying sanctions

	2023	2022
a) Default in statutory liquidity	Nil	Nil
b) Sanctions	Nil	Nil

## Report of the Directors

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2023 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 Otuasekan Rural Bank Limited, comprising statement of financial position at 31 December, 2023, the statements of comprehensive income, changes in equity 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.

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.

The auditor is responsible for reporting on whether the financial statements give a true and fair view in accordance with the applicable financial reporting framework.

### Nature of Business

The Bank is authorized by Bank of Ghana to receive deposits from and grant loans to customers and also provide any other service ancillary to financial services allowed by the regulator.

### Dividend

The Directors do not recommend the payment of dividend for the year ended 31 December 2023.

**Auditor**

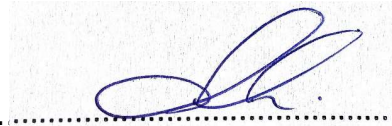
The auditor, Owirededu Yeboah Consult will continue in office in accordance with Section 134 (5) and Section 81 of the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930).

**Approval of the Financial Statements**

The financial statements of the Bank were approved by the board of directors on 16 April 2024 and were signed on their behalf by:



.....  
Dr. Prince Stephen Adom - Attakora  
(Chairman)



.....  
Mr. Christopher Appiah- Mensah  
(Member)

**Independent Auditor's Report on the Condensed Financial Statement  
To the Members of Otuasekan Rural Bank Limited****Opinion**

The condensed financial statements, which comprise the statement of financial position at 31 December 2023, and the statements of comprehensive income, statement of changes in equity and statement of cashflows for the year then ended, and the notes to the financial statements which include a summary of significant accounting policies and other explanatory notes of Otuasekan Rural Bank PLC for the year ended 31 December 2023.

In our opinion, the accompanying condensed financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis described in the notes.

**Condensed Financial Statements**

The condensed financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930) applied in the preparation of the audited financial statements of Otuasekan Rural Bank PLC. Reading the condensed financial statements and our opinion thereon, therefore, is not a substitute for reading the audited financial statements and our report thereon. The condensed financial statements and the audited financial statements do not reflect the effects of events that occurred subsequent to that date of our report on the audited financial statements.

**The Audited Financial Statements and Our Report Thereon**

We expressed an unmodified audit opinion on the audited financial statements in our report dated 18<sup>th</sup> April 2024. That report also includes the communication of 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 for the current period.

**Directors' Responsibility for the Condensed Financial Statements**

The directors are responsible for the preparation of the condensed financial statements in accordance with the basis described in the notes.

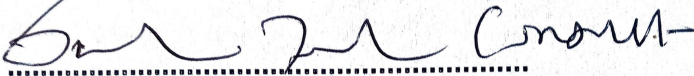


### **Auditor's Responsibilities**

Our responsibility is to express an opinion on whether the condensed financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The engagement partner on the audit resulting in this independent auditor's report is

**Eugene Owiredu-Yeboah (ICAG/P/1229)**



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**Owiredu Yeboah Consult (ICAG/F/2024/144)**

**Chartered Accountants**

**Sahara-Dansoman**

**P.O.Box AN 7872 Accra North**

**Accra**

18-04-.....2024