

T H E

RURAL BANKER

ISSUE 6

Q2, 2019



we are
resilient

INSIDE THIS ISSUE:

- Nzema Manle Rural Bank: the hope of Nzema
- Amansie West Rural Bank: an epitome of hardwork
- Appreciating Corporate Governance



Where are they?
Dr (Mrs)
Gloria Nikoi

KUAPA KOKOO CO-OPERATIVE

Cocoa Farmers and Marketing Union Limited (KKFU)



Who we are

Kuapa Kokoo Co-operative Cocoa Farmers and Marketing Union Limited (KKFU) currently has committed membership of 100,000 cocoa farmers in six cocoa regions of Ghana who are producing an average of 150,000 metric tonnes of multiple certified cocoa annually. KKFU is under the leadership of Madam Fatima Ali, a 38-year old cocoa farmer as president. Kuapa Kokoo Limited (KKL) is a Licensed Buying Company owned by KKFU that mobilizes member's cocoa for Cocoa Board and the certified global market. Kuapa Kokoo undertakes social and economic interventions through the Kuapa Kokoo Sustainable Development Programme (KKSDP), a collaborative programme between KKFU and Millennium Promise Alliance (MPA) aimed at achieving the SDGs. KKSDP is anchored on the following key components:

Kuapa Kokoo has outlined a Sustainable Development Programme (Kuapa Kokoo Sustainable Development Programme) a collaborative programme between KKFU and Millennium Promise Alliance (MPA) aimed at developing the human capital and the productive capacities of the farmers in the creation of healthy and sustainable communities. KKSDP is anchored on the SDG framework for transforming farmers, farming and farmer communities.

The key components of KKSDP are:

Kuapa Kokoo/MPA TeleAgric

The Kuapa Kokoo/MPA TeleAgric seeks to bridge the communication gap between academia and best farm practices. It also aims at advancing Agricultural extension services in to the hard to reach farmers in Ghana. Leveraging on SDG 9 to support over 100,000 farmers with inputs and best farming practices systems in 6 local languages to aid easy communication with these farmers, Extension Officers and academia have been identified and trained to support these farmers through the TeleAgric Programme. Farmers dial in on their cell phones from their various farm locations to a TeleAgric Centre (call centre) in Kumasi, Ashanti region and speak to experienced Extension Officers and Disease and Pests Specialist about their planting, input application, disease and pests, soil and other growing challenges and receive the needed support in their own local languages. The TeleAgric programme is the first of its kind in Africa to provide real-time information to farmers and increase extension coverage.



Back 2 School Project

The aim of this project is to contribute to the achievement of the SDGs on Nutrition, Education and Child Labour (SDGs 2, 4 & 8) by introducing innovative local interventions to increase access, enrolment, quality and retention of children in schools in 12 cocoa growing districts in Ghana. The project centers around ensuring accessible, affordable, quality education at the basic level; promoting functional literacy and numeracy; fostering community involvement in sustaining educational interventions and; attracting and retaining teachers in rural schools in the project districts. Etc.



Visit by Prince Charles of Wales

In November 2018, the prince of Wales, Prince Charles recognizing the quality of cocoa beans produced by Kuapa Kokoo visited one of the KuapaKokoo farms in Kona, a community in Ashanti Region. This was a great motivation to the members of the farmers union who trooped in solidarity.



Kuapa Kokoo, Papa! Paa!!

Certified Under multiple certification schemes:



Supported by:



HEAD OFFICE: Asokwa - Kumasi Ghana
P.O.Box AN 23044, Ash-Town, Kumasi

☎ 032 202 3277 ✉ info@kuapakokoo.com

🌐 www.kuapakokoo.com 🐦 @kuapakokoo

💰 kuapakokoo 📺 www.facebook.com/kuapakokoo

CONTENTS

18 AN IMAGINARY CONVERSATION BETWEEN EQUITY & EQUALITY

In anticipation of the visitors, both children headed to the door with childish glee when a knock was ...

21 ARB APEX BANK & GHANA'S RURAL BANKS: AN INSIDER'S PERSPECTIVE

The search for a system to address the financial problems of the rural dweller started as far back as ...

43 ARE RURAL & COMMUNITY BANKS (RCBs) SAFE AND RESILIENT?

According to the Efficiency Monitoring Unit of the ARB Apex Bank Report for the fourth quarter of 2018, there are 144 RCBs with ...

48 APPRECIATING THE CORPORATE GOVERNANCE DIRECTIVE(S) ISSUED BY THE BANK OF GHANA

In recent times, many regulated financial institutions have been bombarded with issues...

54 THE NEED FOR EFFICIENT REGULATION OF MICROFINANCE IN GHANA

Most Microfinance (MFIs) in Ghana are deposit-taking institutions. Deposit-taking generally comes with a lot of risks. MFIs must be...

59 SUSTAINING GROWTH IN RURAL & COMMUNITY BANKS: BRANDING, SERVICE AND THE COMMUNITY

Sustainable growth, traditionally, has meant the realistically achievable growth that a company or national economy could ...



6 FROM THE MD'S DESK

The Rural Banking industry has come a long way. It started in 1976 when the first Rural Bank was established at Agona Nyakrom in the Central Region.

10 NZEMA MANLE RURAL BANK: THE HOPE OF NZEMA

The Western Region houses some of the strongest RCBs in the country. It, therefore, takes tact and ingenuity to stand out amongst the best. *The Rural Banker* visited the Aiyinasi Headquarters of the Bank to interact with the team and learn at first hand, how they have managed to cope for 38 years. According to Thomas Quayson, Chief Executive Officer (CEO) of the Bank, Nzema Manle Rural Bank has a total of ten branches, including the Head Office, which is located at Aiyinasi in the Ellembelle District of the Western Region.



30 AMANSIE WEST RURAL BANK: AN EPITOME OF HARDWORK

Many interventions from Amansie West Rural Bank have led to a drastic improvement in security in the Amansie East and West Districts in the Ashanti Region. In the past three years alone, the Bank has spent a total of GH¢310,575.53 on various corporate social responsibility (CSR) projects in the communities in which it operates. These came to light when *The Rural Banker* team visited the Antoakrom Headquarters of the Bank to witness at first hand, some of the groundbreaking interventions being undertaken by the Bank.



FEATURE STORY



39 A "MEETING" WITH DR (MRS) GLORIA NIKOI 2ND BOARD CHAIRPERSON OF ARB APEX BANK

In the early stages of rural banking in the country, there was a skills deficiency in the personnel of the rural banks. According to Mr Emmanuel Asiedu-Mante, a former Deputy Governor of...

20 ARB APEX BANK ASSISTS ASSOCIATION OF RURAL BANKS

The ARB Apex Bank has donated a brand new Toyota pickup truck to the Association of Rural Banks (ARB) at a ceremony in Accra. The brief but colourful ceremony was...



17 I AM PROUD OF NZEMA MANLE RURAL BANK - JOSEPH E. ANLIMAH

Joseph E. Anlimah is a sole proprietor who operates under the name, Josmagson Enterprise. His business is located at Nzema along the major Takoradi to Elubo road in the West...



37 MEET MADAM FELICITY ASIEDU: A CUSTOMER WHOSE RESTAURANT HAS RECEIVED SUPPORT FROM AMANSIE WEST RURAL BANK

The Rural Banker team visited the restaurant of Madam Felicity Asiedu, a sole proprietor operating under...



Editor-in-Chief: Kojo Mattah

Editorial Team
Gordon P. D. Dery
Halima Torto
Akorfa Kpodoh
Henrietta Malm
Veronica Ossom
Kwame Baah

Editor: Maximus Attah

Contributing Writers
Francis Enimil Ashun
Joseph Akossey
Ruth Osei-Asante
Seth Adom-Asomaning
George Atta Peparah

Design & Print
Zebra Press Limited
(A Loop Consulting Company)
No. 2C Klanana Ave.
Adenta 0244775753

The Publisher

ARB Apex Bank: No. 5, 9th Road, Gamel Abdul Nasser Avenue, South Ridge, Accra | P. O. Box GP 20321, Accra
Telephone: 0302 – 771738 / 772129 / 772034 | Fax: 233 – 302 772260 |
Email: apex@arbapexbank.com
GPS Address: GA 0537581

All questions, comments and submissions should be sent to the Editor at theruralbanker@arbapexbank.com

MOTOR INSURANCE

- Third-party fire and theft cover
- Third-party liability cover
- Comprehensive cover



COMMERCIAL FIRE

- Building against fire
- Damage to content
- Liability to third-party for body injury or death in your premises
- Collapse
- Theft



BANKERS' INDEMNITY

- Infidelity of employees
- Counterfeit currencies
- Loss of documents
- Forged cheques



MONEY INSURANCE

- Cash-in-transit
- Cash-in-safe



 info@millenniuminsurancegh.com
 www.millenniuminsurancegh.com
 0302 766 633 / 050 128 5827



Address: 8th Avenue Extension,
 Dr Issert Street, North Ridge, Accra.
 GPS: 015-2534 or 0501285827
 PO.Box KA 18210,
 Airport-Accra, Ghana

For any enquiries text MIC to short code **1406**

Your Trustworthy Partner

EDITORIAL

Maximus Attah



LET'S STOP THE PANIC NOW!

A few weeks ago, some unscrupulous persons composed some malicious messages and started circulating same on social media, announcing the doom of Rural and Community Banks (RCBs) in the country. Because of the immediacy effect of social media, malicious messages spread very fast.

Within a short time, customers had started queueing in front of some RCBs, requesting for their deposits. The situation escalated so fast that it led to a run on some of our banks, to the extent that, one particular RCB had to pay out more than GH¢1.0 million in customer deposits in a single day.

A bank run occurs when a large number of customers of a bank or other financial institutions withdraw their deposits simultaneously over concerns of the bank's insolvency. As more people withdraw their funds, the probability of default increases, prompting more people to withdraw their deposits. In extreme cases,

the bank's reserves may not be sufficient to cover the withdrawals, the result is a collapse.

One could imagine what a small RCB would be going through if it had to pay out large sums of deposits in a short time. Not even the large, High Street universal banks would be able to honour large requests for customer deposits for a sustained period.

Banks sometimes act like post offices. They receive deposits from customers and invest some of those deposits in various types of assets with different maturity dates.

Therefore, if just overnight, as a result of some false or fake news, customers begin to besiege the premises of RCBs requesting for their deposits, we can all imagine what would happen to such banks.

We know that social media is a very powerful communications tool. It is relatively cheap, fast and sometimes, real time.

While there are gatekeepers to edit false content from traditional news, anybody can compose any message anywhere and start circulating through social media, sometimes with very damaging consequences and there is nothing to sift through such news and edit out the

malicious component.

It is imperative to stress that the RCBs are the true champions of micro-credit in the rural areas and the eternal vanguards of rural financial intermediation in the country.

Their shareholders, directors, management, staff, and customers are intricately linked to the rural areas in which they operate. That interconnectedness is reflected in the names borne by most of the banks; the names of the communities in which they operate.

They interact with the local economy daily and their assets are nurtured with and shared by the rural folks. When an RCB becomes insolvent and eventually folds up, the resultant consequences in the rural economy are hurtful.

Social media has come to stay. Let us use this progressive medium to promote the value the RCBs are bringing to the rural economy. Let us use it to promote the jobs the banks have created, the businesses they are supporting and the many corporate social responsibility (CSR) programmes they are promoting.

Let us stop the panic-mongering now! 

FROM THE MD'S DESK

We are resilient

**Kojo Mattah**

Managing Director, ARB Apex Bank

The Rural Banking industry has come a long way. It started in 1976 when the first Rural Bank was established at Agona Nyakrom in the Central Region. Rural and Community Banks (RCBs) have therefore been in existence for forty-three (43) years and counting.

By 2008, the total RCB population had grown to 126 and by 2018 the number of banks had increased to 144 with Efiduase Rural Bank expected to join

the league of RCBs by the fourth quarter of 2019, making a total of 145 with more than 800 branches or agencies spread across the 16 regions of the country.

The total number of customers of the RCBs is more than twice the customers of all the 23 universal banks put together.

Currently, RCBs have over 6.5 million customers. A little over 10 years ago, that number was just a little around two million customers though the balance sheet of all RCBs put together is far less than 10 percent of the universal banking industry. The total deposits of RCBs is also about GH¢3.3 billion. RCBs also provide direct

employment to more than 15,000 people across the country, and the positive multiplier effects in the rural economy is anybody's guess. The RCBs are making a significant contribution to the growth of the rural economy. Even though, some have branches in built-up areas, their main catchment areas are concentrated in the rural neighbourhoods.

RCBs provide rural folks with loans, which most of them are able to pay back. Some of the loan products offered include SMEs, loans to salary workers, and credit to micro finance groups, facilities which have short-medium to long-tenors.

The RCBs thus take care of the marginalized, micro-business or individual who is looking for that loan of GH¢200, whose needs will not be adequately served by the universal banks. Most of these small businesses or individuals live where the RCBs are located. These people cannot afford the collateral and complex loan requirements or rigid rules set by the universal banks. Some of the RCBs even give some of their micro-loans simply based on trust. They know the customers, where they live, where their businesses are located, their behaviour and their general business conduct. So they can trust them with these little loans and advances.

▶▶ Pg. 8

MTN Business

Do business in the superfast lane

with MTN TurboNet.

Transform your business at the speed of Yello!
Purchase a **TurboNet** router and dial ***5057#** or ***170#** to buy a bundle and enjoy an amazing **4G+** experience only on Ghana's fastest network.

#WeDey4U

everywhere you go



mtn.com.gh/business

Dial 100 for more information

Terms and Conditions Apply.



Role of ARB Apex Bank

The ARB Apex Bank was set up in 2000 and began operation in 2002, to facilitate the smooth operation of the RCBs. Some of the support services offered by the ARB Apex Bank to enhance the operation of the RCBs include: cheque clearing services, bullion or cashing services (specie movement), human resource and technical training, guidance and support services for the recruitment of the best professionals, inspection and audit of on-site and off-site operations, liquidity support for member banks, funds for on-lending for specific projects, legal assistance, advise and support for cases brought against member banks, and training on all aspects of their businesses.

Over the years, the Credit and Risk Management Department of the ARB Apex Bank has also been revamped and resourced with very experienced professionals to help RCBs manage their risks very well

and to minimize loan losses and to contain their non-performing loan (NPL) books to acceptable industry levels.

RCBs have come to stay

Despite the positive indices listed above, RCBs like every other going concern, have had their fair share of ups and downs. However, their ownership structure, sound business practices and the largely rural and community-based customers have always held the RCBs' structure together like chords that cannot be broken. For example, prior to the establishment of the ARB Apex Bank, the rural banking industry had many teething problems such as cheque clearing, specie movement, poor infrastructure, etc., which were all solved with assistance from the World Bank, Government of Ghana, Danish International Development Agency (DANIDA), the Compact One of the USA's Millennium Challenge

Account (MCA) and other development agencies. Through support from many of these development agencies and the Government of Ghana, the story of RCBs have tremendously improved. Currently, most RCBs have ultra-modern offices, networked branches, high calibre of staff, innovative products, and efficient systems.

It cannot be gainsaid that RCBs are owned by the indigenes of the communities in which they are sited.

This progressive ownership structure and communal spirit are believed to be the key ingredients, which have kept them together during the recent challenges in the financial services industry.

We believe that we have become a major force to reckon with in the banking industry and this resonates well through our tagline: ***"Together for Progress"***.

With the many innovative services and interventions of the ARB Apex Bank, the Bank of Ghana (BoG), Development partners and the Shareholders and Directors of the RCBs, we can say with all certainty that the RCBs are resilient.

The RCB near you has come to stay. The shareholders are your kinsmen/women. The customers live with you. The directors are selected from among the community. The management and staff are members of the community.

Indeed, without any shred of doubt, the RCBs are resilient! ↓

REMITTANCE SERVICES

*Available at all branches of ARB Apex Bank
and Rural & Community Banks*



ARB APEX BANK
Together for progress



www.arbapexbank.com
+233 30 277 1738/ 30 277 2129/ 30 277 2034

NZEMA MANLE RURAL BANK: THE HOPE OF NZEMA

Despite some initial challenges, largely from members of the community, Nzema Manle Rural Bank has braved the storm and has been performing very well amongst the league of Rural and Community Banks (RCBs) in the Western Region.

The Western Region houses most of the strongest RCBs in the country. It, therefore, takes tact and ingenuity to stand out amongst the best.

The Rural Banker visited the Aiyinasi Headquarters of the Bank to interact with the team and learn at first hand, how they have managed to cope for 38 years. We bring readers some rare insights below:

Branch network

According to Thomas Quayson, Chief Executive Officer (CEO) of the Bank, Nzema Manle Rural Bank has a total of ten branches, including the Head Office, which is located at Aiyinasi in the Ellembelle District of the Western Region. The other branches are at, Awiebo, Asasetre and Eikwe all in the Ellembelle District.

The others are Axim and Gwira Branches in the

Nzema East Municipality, Elubo Branch in the Jomoro District, Jema and Boinso Branches in the Aowin District and the Takoradi Branch in the Sekondi – Takoradi Metropolis.

Core Innovations

He stated that “some of the key innovations we brought on board include, strengthening of the Bank’s micro-finance proposition as a key focus area for deposit mobilization”.

“With my background and experience in micro-savings and credit, I decided to increase the number of mobile bankers and field monitors. I also decided to restructure the organogram of the Bank, which received overwhelming support from the Directors”, he said.

The main agenda, he noted, “was to motivate the staff and promote ingenuity among the management team, as I realized I could only succeed with well

qualified and trained staff”.

He also challenged the staff to upgrade their knowledge and skills by enrolling in distance and professional education programmes. Some members of staff even took up graduate degree programmes, while most of them who were non-degree holders were encouraged to acquire first degrees through modular programmes.

Quayson revealed that more than 90 per cent of the staff at the Bank have therefore completed their first degrees.

He added that “working with staff with the required qualification and experience makes the implementation of strategies and plans very easy and I think my decision to increase the entry qualification for new entrants from the Secondary School Certificate to first degree had yielded a lot of dividends”, he added.



THOMAS QUAYSON

Chief Executive Officer, Nzema Manle Rural Bank

Key milestones

Some key achievements under his 11-year tenure include:

- Expansion of the branch network from five to ten.
- Gold Award as Rural Bank of the Year (Loan Disbursement) at the Western Regional Financial Services Excellence Awards organized by Top Brass Ghana under the auspices of the Western Regional Coordinating Council in November 2015.
- Gold Award for Best in Customer Service in Rural Banking at the Western Regional Financial Services Excellence Awards organized by Top Brass Ghana under the auspices of the Western Regional Coordinating Council in December 2018.
- Computerization of the Bank's operations with technical support from MiDA and the ARB Apex Bank. The Bank relied on manual operations for 30 years.
- Installation of the Bank's first automated teller machine (ATM) at the Aiyinasi Branch.
- Total assets grew from GH¢1.99m in December 2007 to GH¢34.20m in December 2018.
- Total deposits grew from GH¢1.74m in December 2017 to GH¢28.70m in December 2018.

Employees lend support

According to Quayson, "working with my management team has been amazing. I cherish the support, sacrifices and loyalty they have shown through my eleven years at the helm of affairs. I think I have earned their support based on my management style".

There are mutual respect and trust between me and all the employees of the Bank. "I always encourage them to put in their best efforts and to strive to achieve more for the Bank," he added. The Bank has a total permanent staff of 136 of which 70 are male and 66 are female.



Emmanuel Yankson Kwofie (left, Board Chair) with Thomas Quayson (right, Chief Executive Officer)

Product bouquet

Nzema Manle Rural Bank has three broad product offerings for individuals, small and medium enterprises and corporate institutions. The specific products which have contributed to the growth of the Bank include:

Personal Banking Propositions

- Nzema Manle Savings Account
- Nzema Manle Fixed Deposit Account
- Nzema Manle AutoSave and Loan Account
- Nzema Salaried Worker Loan and Advances
- Nzema Manle Smart Personal Loan
- Nzema Manle Account Guadivo Loan (Group Lending)
- Nzema Manle EduCare Account
- Nzema Cocoa Farmers Loan

SME Banking Propositions

- Nzema Manle Current Account
- Nzema Manle Overdraft
- Nzema Manle Working Capital Loan
- Nzema Manle Fixed Asset Loan
- Nzema Manle Fixed Deposit Account
- Nzema Manle Church Loan
- Nzema Manle Business Flexi Save



Nzema Manle Rural Bank has three broad product offerings for individuals, small and medium enterprises and corporate institutions



Corporate Banking Propositions

- a) Nzema Manle Current Account
- b) Nzema Manle Overdraft
- c) Nzema Manle Working Capital Loan
- d) Nzema Manle Fixed Asset Loan
- e) Fixed Deposit Account
- f) Nzema Manle Business Flexi Save Account

Niche products

The Bank also has specialized products such as:

Nzema Manle Gh-Save Account

This is a Savings Account opened with remittance proceeds from abroad called Nzema Manle Gh-Save Account. It is a hybrid of current and savings account for individuals living abroad but need to cater for other obligations back home, such as monthly stipends for their aged relatives or parents or even to pay for their relations' school fees or to save for some other projects. Customers just need to send monies directly into this dedicated account through Western Union, Vigo, or RIA money transfers.

Nzema Manle Guadivo Loan (Group Lending)

This is a specialized unsecured loan

facility for petty traders who would ordinarily not be able to access traditional bank credit, due to their inability to keep proper records or to provide collateral. The petty traders must, however, form savings and credit associations to be able to access the facility.

To qualify for a facility under the scheme, group members should engage in non-farming income-generating ventures, should be traders or petty traders, and should be resident in the same town.

Nzema Manle EduCare Account

With this account, beneficiaries save towards the educational needs such as tuition, feeding fees, etc. Under the scheme, parents or guardians can save towards higher education and professional examination of their kids.

The Nzema Manle EduCare Account is designed for all income-earning individuals in both the formal and informal sectors.

A client who has a salaried or regular paying job can operate this account.



Nzema Manle Gh-Save Account

This is a Savings Account opened with remittance proceeds from abroad called Nzema Manle Gh-Save Account. It is a hybrid of current and savings account for individuals living abroad but need to cater for other obligations back home, such as monthly stipends for their aged relatives or parents or even to pay for their relations' school fees or to save for some other projects.



Thomas Quayson (third front row) with his Management Team members



Head office of Nzema Manle Rural Bank at Aiyinasi

It is a risk-free savings plan that offers flexibility in savings towards education and also provides high interest rates.

Meet Thomas Quayson, Chief Executive Officer

Appointed Chief Executive Officer in 2008, Thomas Quayson was regarded at the time as the youngest CEO in the Rural and Community Banking (RCB) sub-sector. He has led Nzema Manle Rural Bank to chalk many firsts including being the recipient of its first ever Gold Award as the Rural Bank of the Year (Loan Disbursement) at the first Western Regional Financial Services Excellence Awards organized by Top Brass Ghana under the auspices of the Western Regional Coordinating Council in November 2015. He also led the Bank to win a Gold Award for Best in Customer Service in Rural Banking in December 2018 also from Top Brass Ghana. Under his able watch, Nzema Manle Rural Bank was also ranked among the strongest RCBs in the country in 2016. He has grown the branch network from five to ten branches within eleven years.

Work life and Education

Thomas joined Nzema Manle Rural Bank on January 2, 2002, as a Project Officer, responsible for the Bank's micro-finance group savings and

lending scheme until he was appointed CEO in 2008. He has therefore been with the Bank for 18 years, eleven of which has been at the helm.

Thomas holds a Bachelor's Degree (Commerce) and an MBA in General Management both from the University of Cape Coast. He is also a product of Fijai Senior High School in the Western Region.

A member of the Institute of Directors, Ghana, and a training resource person at the Western Regional Chapter of the Association of Rural Banks, Ghana, Thomas is also a Council member at the Bonzo Kaku Senior High School in Awiebo.

In 2017, he was nominated for the prestigious Forty-Under-40 Award (Banking and Finance Category), an award that seeks to celebrate Forty Achievers and Emerging Leaders under the age of 40 years. The award was organised by Xo-Dus Communications and endorsed by the Ministry of Business Development.

Memorable moments at the Bank

He recalls that one of his most memorable moments at the Bank was when the tenth branch of the Bank was opened in Takoradi. "It was the day I will cherish for a very long time because the Takoradi Branch was so

strategic to our operations so we put in so much energy to see to its fruition", he said.

He added that the Takoradi Branch has changed the face of Nzema Manle Rural Bank and how we serve our valued customers across the region. "Another memorable moment was the automation of the bank's operations", he revealed. He added that, "I happened to witness manual banking before the introduction of the T-24 banking software by the ARB Apex Bank, and I can tell you that we used weeks in balancing our ledgers in those days, and you could imagine how we would cope if we were to be doing same manual banking with an expanded branch network".

He said the "expansion of our microfinance project led to an increase in the number of ledgers which we had to balance before the end of the month".

He said he and his team were overjoyed when the Bank's operations were automated.

Processes in the Bank have therefore been enhanced since the manual operations have been completely eliminated.

Mr Emmanuel Yankson Kwofie Chairs the Board

The current Directors include Mr Emmanuel Yankson Kwofie, Chairman, Mr N.Y. Akainyah, Vice Chairman, Dr Charles Godfred Ackah, Justice Henry Anthony Kwofie, Mr Thomas K. Tandoh, Rev Williams Sarpong, and Mr Wisdom Quaiku. Mr Kwofie has been Board Chair for the past seven years.

The Bank has more than 2,000 ordinary shareholders, spread across the length and breadth of the Western Region.

According to the Board Chairman his fellow Directors have always been punctual at meetings, they respond to directives from the chair and have been very effective during discussions at board meetings.



EduCare ACCOUNT

PRODUCTS & SERVICES

- Savings Account
- Current Account
- Fixed Deposit Account
- Business Flexi Account
- GH Save Account
- Susu Savings Account

LOANS

- Working Capital Loan
- Salaried Worker Loan
- Smart Personal Loan
- Auto Loans
- Overdraft Facility
- Fixed Asset Loan
- Cocoa Farmers Loan
- Susu Loan

Head Office
Aiyinasi
P. O. Box 43
Aiyinasi, Ellembele District, W/R

+233 (0) 31 209 2369
+233 (0) 20 222 3917
+233 (0) 20 222 3921
www.nzemamanleruralbank.com
info@nzemamanleruralbank.com

Nzema Manle Rural Bank Ltd.

where you enjoy more facilities..

Changing phases

Nzema-Manle Rural Bank (Limited), originally known as the Nzema Evaluate Awiebo Rural Bank (Limited) with registered offices at Aiyinasi in the Ellembele District of Ghana, was incorporated on July 14, 1980, but commenced banking operations on April 3, 1981.

The Bank was originally founded by the following five indigenes namely: Nana Ehoma Kpanyinli and his wife, Nana Bonya Kofi (alias Capt. Kwofie), Hon Appiah Ndan Arthur (MP), Mr Amramah (Counselor), Mr J.B. Anaman (District Chief Executive of Nkroful at the time), and Mr J.N.Y Akainyah. The first chairman of the Board of Directors was Mr J.A. Quainoo (deceased), while Mary Eva Acquah and Mary Nkrumah were the first employees of the Bank.

The name of the Bank was changed from Nzema Evaluate Awiebo Rural Bank (Limited) to Ellembele Rural Bank (Limited) on March 23, 1983, and then to the current name on October 7, 1983. Some initial challenges encountered by the Bank included attracting new people to buy shares, canvassing for customers, and stiff resistance from members of the community who did not want the Bank to succeed.

Competition

According to Mr Kwofie, “our main competitors include Ahantaman Rural Bank, Ankobrah West Rural Bank, Jomoro Rural Bank, CAL Bank, GN Savings and Micro-Finance Companies in the catchment area.

He revealed that the keen competition is the main reason why the Bank keeps diversifying its portfolios and also decided to establish a branch in Takoradi to take care of the needs of urban customers as well as “ensure efficient and timely transactions for our teeming customers”. “The competition also pushes us to go into the rural areas of the Region”, he added. Due to the competition, “we have been providing internal training for our staff, while at the same time, organizing

discussions with our customers”. He believes some of these strategies have contributed to the growth of the Bank.

Giving back to the communities

Over the years, the Bank has been engaged in many corporate social responsibility (CSR) projects in the communities in which they operate. Some of these CSR programmes are: the construction of a market centre for the Awiebo community, support for the construction of a Science block at Bonso Kaku Senior High School, donation of furniture to Awiebo Bassake DC Junior High School as well as assistance for the rehabilitation of the Resident Doctor’s bungalow at the Aiyinasi Health Centre. The Board Chairman also noted that “Nzema Manle Rural Bank offered

improved Science education at the Bonsu Kaku Senior High School. Patrons at the two health facilities we have supported are also comfortable when they attend the hospitals. Health care delivery has therefore improved a lot”.

Caution against false alarms

Mr Kwofie advised members of the public to be cautious about creating needless panic in the financial system because such false news often leads to panic withdrawals from the RCBs. He stated that on June 6, 2019, for example, Nzema Manle Rural Bank was hit by panic withdrawals by customers totalling GH¢1,331, 668.00, which negatively affected the operations of the Bank.

Even the big banks with very large balance sheets cannot survive long periods of bank runs, “therefore we should all be mindful of the false news we circulate about our banks”, he added.

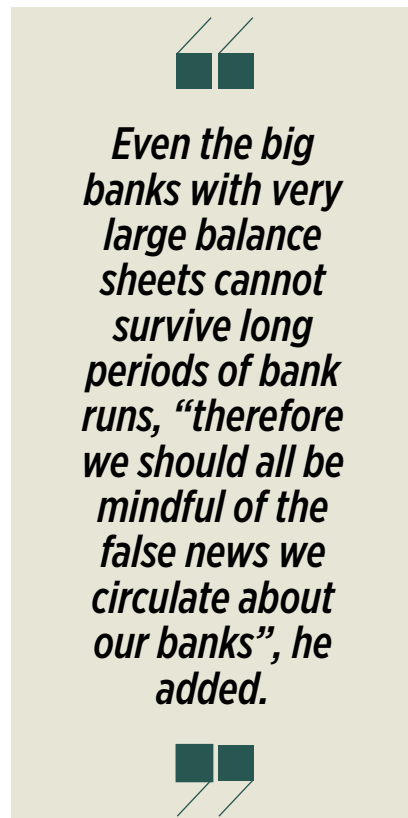
Vital Lessons

Mr Kwofie noted that Nzema Manle Rural Bank has survived for thirty-eight (38) years by paying special attention to meeting the financial needs of the communities adding that, “we have not experienced any major setback in the many decades we have been operating. This is because we have been measured in assuming certain types of risks”.

He advised fellow directors to “campaign for more customers and support their banks because that is the very reason they have been put on the boards”.

Editor’s note:

It is evident from the statistics showed above that Nzema Manle Rural Bank has been doing some amazing work in the Nzema area. That is why *The Rural Banker* has decided to refer to the Bank as the hope of Nzema.



assistance for the construction of the Aiyinasi Health Centre and the St. Martin de Porres Hospital at Eikwe”. Over the past three years, “we have contributed a total of GH¢154,500 towards some of these worthy causes”. Mr Kwofie stressed that “the construction of the Science block has

I AM PROUD OF NZEMA MANLE RURAL BANK - *JOSEPH E. ANLIMAH*



Inside the shop at Josmagsons Enterprise

Joseph E. Anlimah is a sole proprietor who operates under the name, Josmagsons Enterprise. His business is located at Nzema along the major Takoradi to Elubo road in the Western Region, a location which makes it very easy to attract customers. Josmagsons Enterprise has been operating with Nzema Manle Rural Bank for over 20 years.

When *The Rural Banker* team visited his shop, he indicated that Nzema Manle Rural Bank provides him with banking services such as loan facilities and savings products, which have helped him to grow his small business into a bigger one.

In addition, he added that he started with a small shop, which sold wall tiles,

plumbing materials, pipes, and other building materials, which was initially managed by his wife. Support from the Bank has however helped to open a bigger and more modern shop which he manages himself.

Anlimah is currently the highest loan client with the Bank. According to him, he sometimes repays his loans even before they fall due. He added that the bank sometimes grants him overdraft facilities when he is expecting goods and does not have enough money to clear them from the harbour. He is also given flexible payment terms which

helps him a lot.

The Bank also provides him with advice which helps him to improve his business and visits his shop regularly to enquire about the progress of his business.

He also indicated that Nzema Manle Rural Bank has made his business what it is and he would always recommend the Bank other customers. He added that he is “very proud of what Nzema Manle Rural Bank has done for me”.

Ruth Osei-Asante

AN IMAGINARY CONVERSATION BETWEEN EQUITY & EQUALITY

In anticipation of the visitors, both children headed to the door with childish glee when a knock was heard at the door. True to hope, the visitors had arrived and were beckoned in.

For reasons that Gender was still cooking dinner, both Male and Female were honoured with the duty of engaging Equity and Equality in the sitting room. The encounter revealed telling challenges faced by both children and how they are constrained to address them. The most obvious impression to be formed by an interested on-looker was how both children were enamoured by potential usefulness to their adversities and collective progress. Sensing that, there was jostling for alliances and relationships with these guests.

With dinner set, the august visitors were invited to the table. Like troublesome teenagers with an august visitor in the house, Male and Female, were instructed to go upstairs to their rooms. Dinner began with



RUTH OSEI-ASANTE
2nd Vice Chairperson ARB Apex Bank PMS/LU

both usual pleasantries between the host and the guests. It was a dinner interspersed with conversations. The following ensued:

Gender: So why do you two persons think I invited you home?

Both Guests: To meet as friends and discuss life's adventures.

Gender: What have you two been up to in recent times?

Equality: I have been attending all kinds of gatherings around the world. While some people who have been inviting for more than twenty years still value my presence, others do not believe I have any use in their life.
Equity: That seems quite interesting in a strange way! We seem to be on alternating schedules. The demand to understand me and have me speak at similar functions have soared in recent times.

Gender: Wow, so you two have been

sight-seeing and feeling the pulse of humanity!! Why do you think these people are inviting you.

Equity: From what Equality said, I now understand people are confused. They are unsure if it's me they need or Equality they need. I sat in a meeting the other day, and I heard someone say because of my absence, our joint enemy, Inequality has grown in size and increased so much that it is threatening the very survival of mankind.

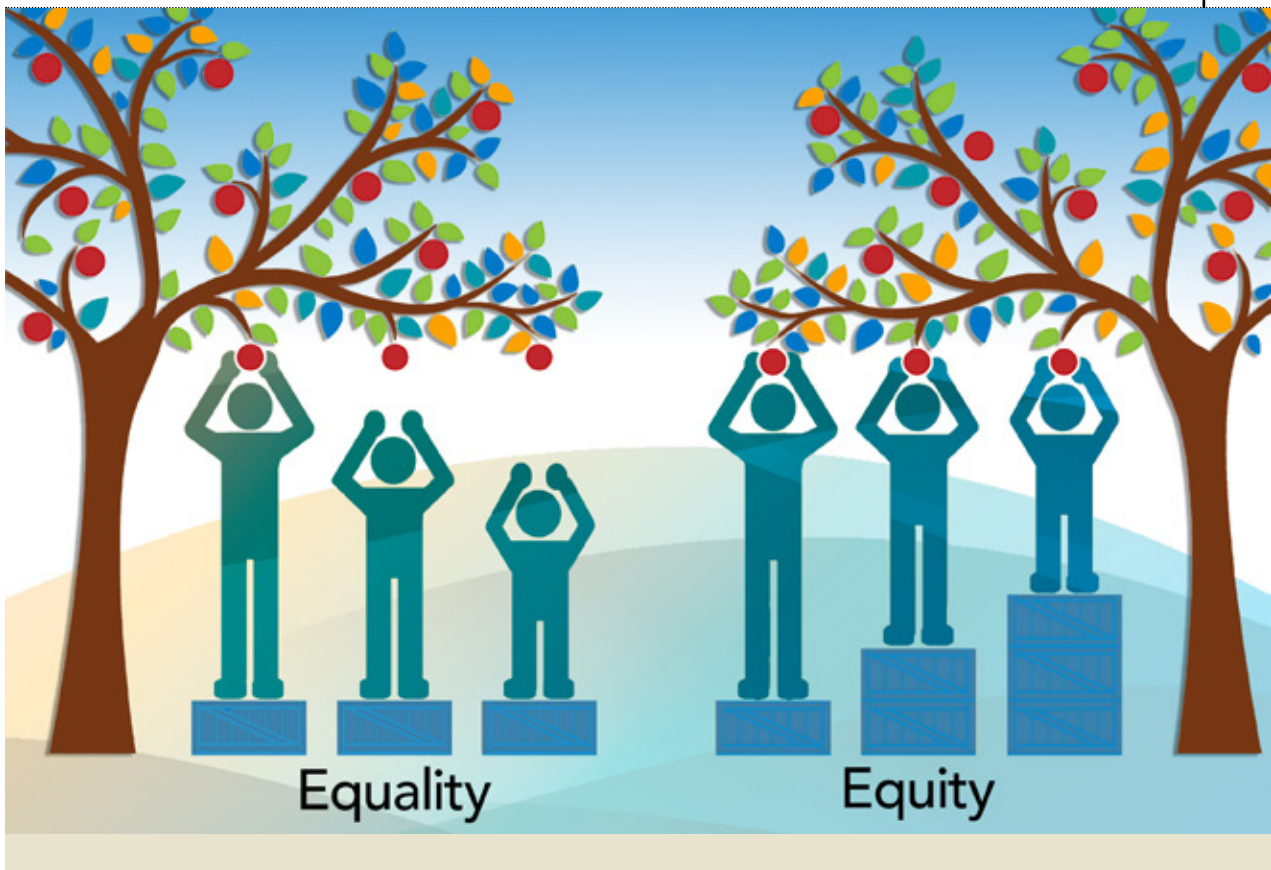
Equality: The least said about that Inequality, the better. My impression from all these years is that people thought they could use me to ensure Inequality does not appear at all and thus reduce the prospect of increase. And I have been used to some effect in this manner.

Gender: I see. Now tell me why you think I have invited you today. And why do you think the preparation of the dinner took so long?

Equity: (With widened eyes and smiling) Don't tell me you wanted us to experience your adorable children, Male and Female!!!

Gender: (Laughing and with both fingers clasped) You are right! I just did!!!
Equity and Equality: (both retort) that's not fair, Gender. Now tell us why you wanted us to meet them.

Gender: I wanted you to see things from their perspectives so we can engineer how to help me help both Male and Female.



Equality: Have they asked you for help from us? Or You think they need our help?

Gender: I would say both. Their actions tell me they need you and I believe they need you even though they have not explicitly stated so. But you have met both, so tell me your impressions about both.

Equality (Beaming with pride): I think both of them like me. However, I have a feeling that Female wanted to use me more. She complains of how Male is favoured in everything. She seemed willing to spend some time to gather support from her friends so they can solicit my help to change what they perceive as a gap in their relationships. Equity: I have a similar sentiment, except that Male came across as wanting to employ my services more because he complains that females have been citing our common enemy, Inequality, as the biggest barrier to their progress.

Gender: So now you see, I was, after all, right in my judgement of their issues. Did you think they understood a thing about what you might have said about

their plight?

Equity and Equality: (Both in strange unison), these children are no different from the people out there who have been inviting us to their meetings around the world. They have taken little time to understand what we stand for and how to better use our services. Equity: What baffles me is how they fail to grasp the fact that the two of us are from the same family with grandparents called Sustainability and Harmony.

Gender: That's quite revealing. I did not even realize. Hold on...I want to bring the Children, Male and Female to hear this in your voice. (Gender leaves and sounds are heard on the staircase) Equity and Equality: Engage in a whispering tone about when Humankind will learn to understand them.

Gender: (Re-appearing with a grimace of disappointment). Guess what, the kids are fast asleep. So unfortunate. I have an idea, I will let you do a voicemail and I will forward it to them tomorrow morning. Would you be kind enough to explain what makes

you have this enduring appeal all these years in this voicemail? Both Equity and Equality decide to do so interchangeably.

I, Equity, am the one who try to give everyone what they need to be successful. I, Equality, is the one that treats everyone in the same manner. My main interest is to promote fairness. And I work best when everyone starts from the same place and needs the same help. Equity, sensing the need for further clarity, then proceeds to add, I am actively involved in moving everyone closer to success by 'levelling the playing field'.

They continued, so to Male and Female, the next time you are troubled about your success and that of others, decide on which of us is more important and useful. Determine if all of you are starting from the same place and need the same help or some of you require a levelling of the field before the journey to success begins. But if you want free advice, take both of us on this journey of success because we have seen so many places to imagine what most people want out of life.

Enjoy your day and the years ahead. ■



ARB APEX BANK
Together for progress



Mr James Kwame Otioku (right), Board Chairman of ARB Apex Bank, handing over keys to the pickup truck to Mr D. O. K. Owusu (left), National President of the Association of Rural Banks

ARB APEX BANK ASSISTS ASSOCIATION OF RURAL BANKS

The ARB Apex Bank has donated a brand new Toyota pickup truck to the Association of Rural Banks (ARB) at a ceremony in Accra.

The brief but colourful ceremony was held at the forecourt of

the ARB Apex Bank at Ridge in Accra and witnessed by members of the Association of Rural Banks (ARB), directors, management and staff of the ARB Apex Bank.

Mr James Kwame Otioku, Board Chairman of the Bank, who handed over the keys to the vehicle to Mr Daniel Ohene Kwaku Owusu, National President of the ARB said, “the vehicle was to support the ARB in its advocacy role and outreach programmes to the Rural and Community Banks (RCBs)”.

In his remarks, Mr Owusu, expressed his profound gratitude to the ARB Apex Bank for the kind gesture and promised that the Association would use the vehicle to support its

operations and collaborations with RCBs in the country.

Other dignitaries present at the handing over ceremony include, Dr Francis Aboagye-Otchere and Mrs Comfort Owusu, Vice-President and Executive Director of the ARB respectively, Mr Kojo Mattah, Managing Director and Mr Curtis W. Brantuo Head of Legal and Compliance, of the ARB Apex Bank.

Halima Oboshie Torto

ARB APEX BANK & GHANA'S RURAL BANKS: *AN INSIDER'S PERSPECTIVE*

The search for a system to address the financial problems of the rural dweller started as far back as the 1960s.

During that period, the need for a veritable rural financial system in Ghana to tackle the needs of small-scale farmers, fishermen, craftsmen, market women and traders and all other micro-enterprises was accentuated by the fact that the commercial banks could not accommodate the financial intermediation problems of the rural poor, as they did not show any interest in dealing with these small-scale operators.

The idea of rural banking was, therefore, conceived in the early 1970s by the Bank of Ghana when it initiated a dialogue with the Ministry of Finance to establish rural financial institutions to serve the special needs of the rural population of Ghana.

Since the introduction



Halima Oboshie Torto
Business Dvt. Manager, ARB Apex Bank

of rural banking in Ghana with the establishment of Nyakrom Rural Bank in July 1976, the network of Rural and Community Banks (RCBs) has continued to grow. There is no gainsaying that the support from the Association of Rural Banks (ARB) and the ARB Apex Bank has been pivotal in improving the performance of RCBs nationwide.

Role of Rural and Community Banks (RCBs)

RCBs are the main vehicles for financial intermediation, capital formation and retention in the rural areas. Some specific roles include:

a) Rural banks undertake a mix of microfinance and commercial banking activities structured to satisfy the needs of the rural clientele.

b) They provide banking services through the mobilization of funds and the extension of credit to cottage industry operators, farmers, fishermen, traders and regular salaried employees.

c) Some of the RCBs have specific gender programmes focusing on women-in-development and credit-with-education activities for rural women.

d) Some RCBs have subsidiary companies engaged in consumer credit services and other developmental activities.

e) RCBs devote part of their profits to meet social responsibilities such as donations to support education, health, local and traditional programmes as well as support to the needy in their communities.

Association of Rural Banks (ARB)

To ensure great advocacy for the RCBs, the Association of Rural Banks (ARB) was formed in 1981.

The following are some of the main objectives:

a) To provide and exchange information on rural banking services in Ghana

b) To promote and strengthen the cordial relationship among RCBs in Ghana

c) To educate the rural communities on the purpose and work of RCBs.

d) To place the services of the Association at the disposal

of Bank of Ghana and other organizations.

e) To project RCBs as partners in national development in rural areas.

Constraints

As with many formal organisations, the operations of rural banks were initially fraught with the following constraints:

a) Delays in clearing and payment of cheques through commercial banks.

b) Payment with mutilated notes and coins by commercial banks.

c) Weak management as a result of RCBs' inability to attract qualified and suitable personnel.

d) Unsatisfactory cheque clearing arrangements resulting in lack of public confidence in cheques from the RCBs.

e) Poor technology and lack of adequate communication facilities to promote modern banking operations.

f) Inadequate bookkeeping, poor internal control measures and lack of regular auditing and inspection.

g) Inadequate training due to the inability of some banks to afford the cost.

Need for an Apex Bank

To address these challenges, the Association of Rural Banks (ARB) together with Bank of Ghana embarked on training programmes and other technical support activities for the benefit of the RCBs. Unfortunately, in 1994, the Bank of Ghana withdrew the technical banking services such as account keeping, cheque clearing, specie supply and treasury management to the RCBs. This action compounded the problems of the rural banks and it became clear that only an institution which would focus on the problems of the rural banks in a holistic way would provide the necessary solution.

In conjunction with the Bank of Ghana and the World Bank, the Association of Rural Banks commissioned a study into the viability of the establishment of an Apex Bank to provide technical, managerial and financial support



Leaders of the various Rural and Community Banks and officials of the ARB Apex Bank at a conference to address issues concerning the industry

services to the rural banks.

The study eventually led to the establishment of the ARB Apex Bank, which was finally registered as a public limited liability company in January 2000. It was granted a banking licence in June 2001 and was admitted to the Bankers' Clearing House as the 19th member in August 2001. The ARB Apex Bank had its certificate to commence business in November 2001 and commenced banking business in July 2002. Its shareholders are the RCBs.

To deliver on its mandate, the ARB Apex Bank and the RCBs over the years benefited from numerous government interventions in terms of computerization, capacity building and institutional support. The RCBs have so far benefited from three (3) major computerisation projects namely:

a) The Rural Financial Services Project (RFSP) from 2001 – 2007, which ensured the institutional building and operational support for the Apex Bank and the RCBs.

b) The Rural Banks' self-sponsored computerization from 2006 – 2009, which

In conjunction with the Bank of Ghana and the World Bank, the Association of Rural Banks commissioned a study into the viability of the establishment of an Apex Bank to provide technical, managerial and financial support services to the rural banks.



THE CHARTERED INSTITUTE OF MARKETING, GHANA

CIMG CONSULT



PROVIDING INNOVATIVE MARKETING AND BUSINESS SOLUTIONS

OUR SERVICES

- Marketing Recruitment Services
- Distribution Channels Development
- Product Planning and Development
- Customer Relationship Management
- Mystery Shopping
- Training and Manpower Development
- Organizing Conferences
- Integrated Marketing Communications Services
- Professional Membership
- Marketing Education and Tuition
- Marketing & Business Advocacy
- Marketing Consultancy
- Business Development
- Marketing Audit
- Feasibility Studies /Business Plans

For further enquires, contact:

THE EXECUTIVE DIRECTOR, CHARTERED INSTITUTE OF MARKETING, GHANA.
P. O. BOX GP 18235, ACCRA.

Mobile: 0244 220 427/ 0540 105 562. E mail: info@cimghana.org Visit: www.cimghana.org



The head office of ARB Apex Bank

provided logistics especially WAN connection for branch network computerization. The computerization was decentralized with each bank managing its database and server. The branch networked system gave the opportunity to customers to transact business with the RCBs from any of their branches.

c) Ghana Rural Banks Computerization and Interconnectivity (GRBCIP) - the third phase which was funded through the Millennium Development Challenge Account from 2008 to 2012. This phase saw to the creation of a data centre to host and process data for all the over 140 RCBs and their sites and also the deployment of VSAT-based satellite solution connecting all sites in a private network.

The computerisation of the RCBs has led to operational efficiency, growth, and improved access to financial services for the rural dwellers. The technology has aligned RCBs with present and future trends to enable them to continue to remain relevant and competitive business entities.

Mission

To provide banking and non-banking services to the satisfaction of the RCBs and other stakeholders.

Vision

To remain the most effective and efficient service provider to the RCBs.

How ARB Apex Bank serves RCBs

As a “mini” central bank for the rural and community banks, the ARB Apex Bank has as its primary function, to provide banking and non-banking support services to the rural and community banks to improve their operational efficiency. Through the various interventions and support, the Bank has been able to provide the following services to the RCBs:-

- a. Provision of cheque clearing services to address the constraints of delays in cheque clearing through the commercial banks.
- b. Provision of specie movement services to ensure effective and efficient management of the cash of RCBs.
- c. Keeping of accounts and primary cash reserves of the RCBs.
- d. Development of new and innovative banking products to enable more rural dwellers to have access to banking products.
- e. Provision of audit and inspection services; both on-site and off-site inspection services to ensure adherence to internal control measures.
- f. Provision of Information & Communication Technology (ICT) support to ensure efficient handling of data/information.
- g. Sourcing of funds for on-lending to RCBs and development of

credit assessment procedures for monitoring of loans and advances.

h. Liquidity management for the RCBs.

i. Provision of funds management services.

j. Guarantee of payment instruments for the RCBs.

k. Training of staff and directors of RCBs to enable them to acquire the requisite skills to operate professionally.

l. Provision of Magnetic Ink Character Recognition (MICR) cheque books for RCBs and their customers.

m. Facilitation of cocoa purchases by acting as a financial intermediary. RCBs receive money from the Licensed Produce Buying Companies (LPBCs) for onward disbursement to farmers and purchasing clerks through the Apex Bank.

n. Development of products to the satisfaction of the RCBs and their customers. Some of these products include:

i. Apexlink Domestic Funds Transfer

This is a domestic money transfer product that provides the platform to transfer money to all parts of the country.



To deliver on its mandate, the ARB Apex Bank and the RCBs over the years benefited from numerous government interventions in terms of computerization, capacity building and institutional support.



It is an instant money transfer product which has proved to be safe, reliable and convenient to traders, businessmen and all manner of persons who transfer funds. Remitters and recipients do not necessarily need to have an account with a rural bank to enjoy this service.

ii. Mobile Money Business

The ARB Apex Bank collaborates in all the mobile money platforms namely MTN Mobile Money, Airtel-Tigo cash and Vodafone Cash on behalf of the RCBs.

iii. Collaboration in Foreign Funds Remittances

Inward foreign remittances are channelled to the RCBs for payment to beneficiaries in the rural areas. This collaboration has brought much relief to beneficiaries who hitherto had to travel long distances to the big towns to receive such funds.

Some of the remittance collaborators include:

- Western Union Money Transfer
- Vigo Money Transfer
- Unity Link
- RIA
- Xpress Money
- World Remit

iv. Correspondence Banking Services

The Apex Bank collaborates with other commercial banks to enable the RCBs to provide quality banking services to their clients on their behalf at the various outlets where these commercial banks are not represented. These correspondence services are in the form of cash payments and collections from commercial banks' corporate clients.

vi. Treasury Management Services

The ARB Apex Bank offers the following treasury management services to the RCBs:

- Brokerage services

for the purchase of Government of Ghana (GoG) Treasury Bills and Bonds.

- Maintenance of the Central Securities Depository.
- Secondary Trading of securities which includes rediscounting and discounting of bills and bonds.

vii. Payment of Pensions and Government Salaries

The Bank serves as a conduit for payment to government and non-government salary workers through the RCBs. SSNIT pensions and Government workers' salaries are, therefore, paid by the Accountant-General through the intermediation of the RCBs.

viii. Microfinance and Fund Management Services

This service allows the ARB Apex Bank to collaborate with the Government of Ghana, corporate institutions and other collaborating and development partners who are interested in providing microfinance support to the poor and low-income earners to help them take advantage of economic opportunities within their environment.

The main objective of the collaboration is for the Apex Bank and the rural banks to assist in the reduction of poverty through the management and disbursement of these funds.

ix. E-Zwich and EMV Gh-Link Cards

All the 144 RCBs, together with over 700 agencies/branches across the country offer E-zwich services. The Apex Bank and rural banking network control over 30 per cent of the E-zwich volumes in the country. The network is considered the market leader in terms of E-zwich card issuance. This achievement has been

Mission

To provide banking and non-banking services to the satisfaction of the RCBs and other stakeholders

Vision

To remain the most effective and efficient service provider to the RCBs

duly acknowledged by the Ghana Interbank Payment and Settlement Systems Limited (GhIPSS).

The Apex Bank and the rural banking fraternity was the first to issue a local EMV Gh-Link compliant automated teller machine (ATM) cards. The ARB Apex Bank has so far deployed more than 70 ATMs, with the number expected to grow to more than 100 by the end of 2019. As part of the Bank's enhanced service delivery channels, some RCBs issue ATM cards to their customers to use on other universal banks' ATMs. This offers a huge advantage of convenience to RCB customers.

x. Agency Banking

This is a World Bank-sponsored project to sign up over 5,000 agents (or Agency Bankers) across the country. With a secure point of sale (POS) devices, customers can access several banking services without necessarily walking into a banking hall. The ARB Apex Bank-RCB Agency Banking Business Suite is expected to further deepen rural financial inclusion and intermediation in the country.

The Agency Banking would again lead to the creation of many jobs in the rural economy of the country as many small and medium-sized businesses and individual shop owners with secure business locations can sign up to become Bank Agents.

Performance of RCBs

To date, over 110 RCBs representing 76 per cent of the total number of rural banks have met the GH¢1 million minimum capital requirement. Plans and programmes are underway to ensure compliance for the rest of the rural banks. This will include strategic investors as well as mergers of some of the banks.

The performance of the RCBs in terms of the major financial indicators have also been improving. Details of RCBs' performance over the past ten (10) years are provided in the table below:

Financial indicators and outreach details of RCBs (2008 - 2018)

DESCRIPTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total No. of Agencies	368	378	435	479	490	507	533	750	779	790	814
Total No. of RCBs	126	131	133	134	134	136	141	141	141	143	144
Total Assets (GH¢'M)	463	626	876	1,157	1,524	1,829	2,112	2,546	3,040	3,603	4,090
Total Deposits (GH¢'M)	344	460	682	910	1,186	1,359	1,626	1,986	2,378	2,848	3,321
Total Loans (GH¢'M)	225	263	334	472	649	765	861	960	1,092	1,279	1,451
Short-term investments (GH¢'M)	98	188	284	334	442	518	646	923	1,174	1,376	1,525
Networth (GH¢'M)	62	84	105	136	189	244	281	337	408	478	501
Paid-up capital (GH¢'M)	17	23	28	37	45	57	72	102	123	164	195
Total Profit (GH¢'M)	16	24	27	36	62	74	68	75	102	106	86
Total No. of Depositors (M)	2.9	3.1	3.4	3.8	4.2	4.5	4.6	5.1	5.6	5.3	6.6
Total No. of Borrowers (M)	0.6	0.7	0.8	0.8	0.9	0.7	0.8	0.9	1.0	1.1	1.3

From the table, it is evident that the branch network of the RCBs has increased by 78 per cent over the past 10 years, which is a total number of RCBs and Agencies.

Total assets of the RCBs grew by over 900 per cent from GH¢463 million in 2008 to GH¢4 billion as at the end of 2018, an average of 10 per cent annual growth.

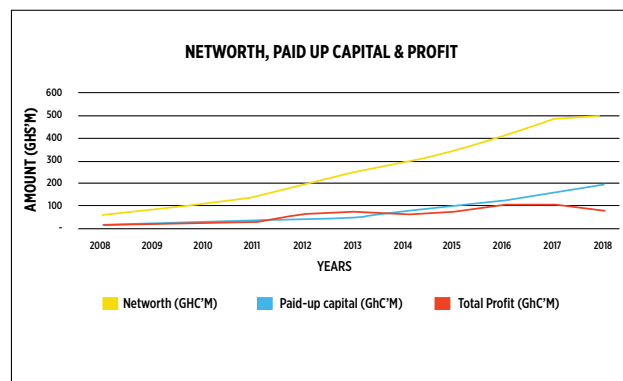
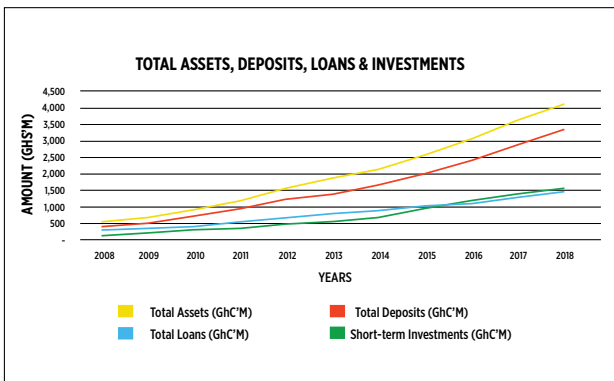
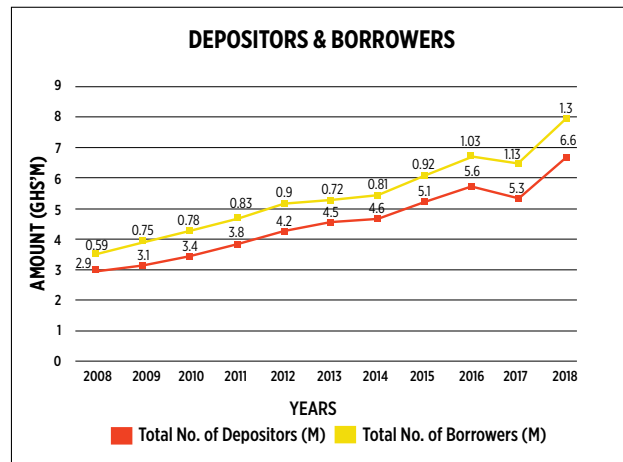
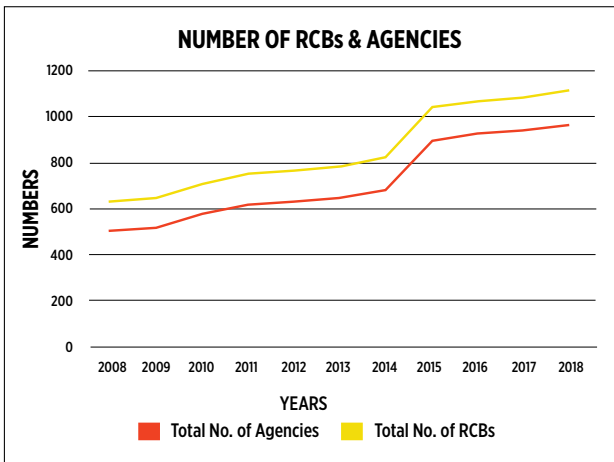
Total deposits also witnessed an exponential growth of 900 per cent. The total number of RCBs' depositors and borrowers continue to increase over the years by 131 per cent and 119 per cent respectively over the 10 years.

The RCBs also became more profitable. However, the review of the corporate tax from 8 per cent to 25 per cent in 2018 affected the RCBs' net retained

funds. From GH¢15 million in 2008 to GH¢106 million in 2017, RCBs' profitability reduced by 19 per cent from the GH¢106 million to GH¢86 million as at the end of 2018.

All the major financial indicators of the RCBs, however, continue to move northwards.

RCBs' progress over the past 10 years is also depicted below:



All the variables in the graphs above emphasise the upward movement of RCBs' verifiable indicators of growth and resilience over the past years, re-emphasising their firm role in rural financial intermediation.

Monitoring and Controls

Support from the ARB Apex Bank in terms of critical in-depth analysis (both quantitative and qualitative)

and inspection services by the Bank's Efficiency Monitoring Unit (EMU) and Inspection and Audit teams have assisted to ensure sound financial and operational efficiency at most of the RCBs keeping them within acceptable industry standards. The Bank continues to assist a few ailing RCBs with "intensive" programmes to operate efficiently.

Conclusion

The Government of Ghana through its implementing agencies, the Bank of Ghana and a host of development partners continue to support the operations of the ARB Apex Bank and the RCBs to collaborate effectively in the various government interventions to fight the poverty war. A few of such projects that have made a tremendous impact on the rural economy are presented in the table below:

Some major projects

NO.	PROJECT	PURPOSE
1.	COMMUNITY INVESTMENT FUND (CIF)	This project supported the protection of High Forest Biodiversity Areas by providing fringe communities in the rural areas with alternative livelihoods via the provision of loans.
2.	Food and Agriculture budgetary Support (FABS)	Ensured funding support to rural farmers through the agriculture value chain to reduce post-harvest losses.

NO.	PROJECT	PURPOSE
3.	Ghana Energy Development and Access Project (Solar-GEDAP)	The project provided electricity to off-grid rural areas by providing loans and grants to the rural poor for the purchase of solar systems.
4.	GHANA SOCIAL OPPORTUNITIES PROJECT (GSOP)	Supported livelihood activities of vulnerable people living in rural areas with the provision of grants.
5.	Micro finance and Small Loans Centre (MASLOC) – Numerous interventions	Provided micro loans for productive activities such as the production of oil palm, cassava, ginger, and support to women in agriculture and promotion of fish processing activities in rural coastal areas.
6.	MOWAC -JICA JAPANESE	The project supported women microfinance groups with small grants and micro loans to promote their small scale businesses.
7.	Planting for Food and Jobs	The intervention is gradually addressing the declining growth of Ghana's agricultural sector by providing funding to modernize agriculture to increase food productivity and ensure food security for the country.
8.	Roots and Tubers Improvement and Marketing Project (RTIMP)	The project promoted the production and marketing of roots and tubers with the provision of grants to farmers.
9.	Rural Enterprises Project (REP)	This intervention promoted the establishment of small and medium scale enterprises in rural areas with the provision of loans and grants and supported the establishment of the Efficiency Monitoring Unit at the Apex Bank to standardize monitoring and evaluation of RCBs and enhance information sharing on the activities of RCBs for accelerated growth of the rural economy.
10.	Rural Finance Wholesale Fund (RWF)	Supported RCBs' clients to undertake long term projects with the provision of loans for the purchase of productive assets.
11.	Social Investment Fund (SIF): Urban Poverty Reduction Project (UPRP), Integrated Rural Dev. Project (IRDP)	The projects promoted agriculture value chain financing and supported the reduction of poverty in urban areas through the provision of loans.
12.	UNICEF Water Sanitation & Hygiene (WASH) Project	An intervention aimed at improving access to healthy and safe water, adequate sanitation, and improved hygiene through the provision of loans for the construction of toilets in various households in the rural economy.

RCBs currently has the largest network of banks in the country with over 6.5 million customers spread across all the 16 regions, supporting and deepening Ghana's financial inclusion agenda.

At the ARB Apex Bank and the Rural and Community Banks – “Together for progress” is our commitment to partner you, grow with you and thrive together in the socio-economic development of our country.

YES, WE ARE RESILIENT!!

About the Author:

Halima Oboshie Torto, is the Business Development Manager at ARB Apex Bank. She can be reached at htorto@arbapexbank.com

**ROBERT
& SONS
LIMITED**

Optical Services

Have you seen an

Eye Specialist / ophthalmologist
lately?

if not; visit our Ophthalmologist SOON
for comprehensive eye testing

CALL & BOOK NOW

Tel: 0302 - 222 601 Mobile: 050 - 151 9111



ADABRAKA | DANQUAH CIRCLE | TEMA COMMUNITY 6 | WEIJA | KUMASI | ADENTA

Telephone: 0302 - 222 601 Mobile: 050 - 151 9111

www.robertandsonsoptical.com

 Robert&Sons Ltd. Optical Services

 robertnsonsltd

 robertnsonsltd

AMANSIE WEST RURAL BANK: AN EPITOME OF HARDWORK

Many interventions from Amansie West Rural Bank have led to a drastic improvement in security in the Amansie East and West Districts in the Ashanti Region. In the past three years alone, the Bank has spent a total of GH¢310,575.53 on various corporate social responsibility (CSR) projects in the communities in which it operates.

These came to light when *The Rural Banker* team visited the Antoakrom

Headquarters of the Bank to witness at first hand, some of the groundbreaking interventions being undertaken by the Bank.

Mills Opoku Boateng, General Manager

A professional banker and member of the Chartered Institute of Bankers (Ghana), Mills Opoku Boateng also holds a GCE Advanced Level Certificate and has been working with the bank since February 2002. He was promoted to the General Manager role on August 1, 2016.

Before joining Amansie West Rural Bank, he worked with the erstwhile Bank for Housing and

Construction for 13 years in various capacities.

Initiatives

According to Mills Opoku Boateng, since assuming the helm as General Manager, he has brought on board many initiatives to reposition the Bank as a very strong brand, delivering consistent value to the Shareholders. Some of these initiatives include: writing off by the Bank of Ghana (BoG) an amount of GH¢2.452 million, thereby reducing the portfolio at risk to 5.19 per cent, which is now well within the BoG benchmark of 10 per cent.

Others include, “expeditious responses to correspondence from the bank’s Regulators – the BoG and ARB Apex Bank; re-introduction of an annual meet the customer series to exchange ideas with customers, intensification of electronic marketing of the Bank’s products, and an improvement in staff training, which is meant to bring the best out of every member of staff.

He said the V-Sat communication equipment has also been replaced with radio masts and antennas, to reduce costs, adding that, the Bank would be providing Mobile Banking Services to its numerous customers through

technology, as soon as practicable.

Achievements

According to Boateng, due to his hard work and support from the Board of Directors, the Bank has so far established a mobilization centre at Datano in 2017. A branch has also been established at Sofoline in Kumasi in 2018, while two (2) automated teller machines (ATMs) have also been installed on the campuses of Opoku Ware Senior High School and Komfo Anokye Senior High School to bring greater convenience to students, teachers and other customers in the catchment areas.

Excitement

He recalled one of his memorable moments as General Manager as the two customer interaction sessions held in Kumasi and Anwia Nkwanta, titled: “Meet the Customer”, during which “we received brilliant ideas, and had wonderful moments with customers”. He said many of the ideas have since gone into improving “our product offerings to customers”.

Boateng also recalled his joy when they commissioned and handed over a Tent City to the Poano Police in the Ashanti Region in September 2017. He said the commissioning of the Police Post, in particular, brought him joy “because it has led to a substantial improvement in overall security in the area”.

Team profile

Amansie West Rural Bank has a total staff strength of 354, made of 154 mainstream staff, 47 security staff and 153 outsourced staff. More than 60

▶▶Pg. 32



MILLS OPOKU BOATENG

General Manager, Amansie West Rural Bank

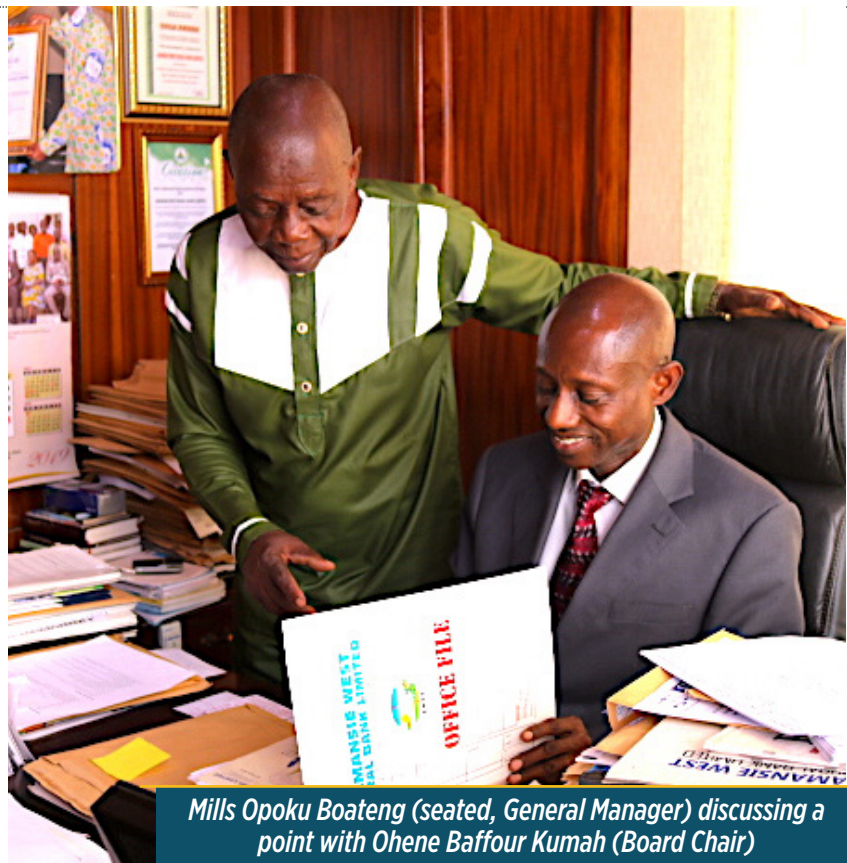
per cent of the staff have education qualifications ranging from Senior High School Certificates to Higher National Diploma while about 35 per cent of the staff are Chartered Accountants, Chartered Bankers and members of other professional bodies.

The staff members are relatively young with 20 per cent 30 years and below, 55 per cent fall between 30 and 45 years, with only 25 per cent a little above 45 years.

Branch network

The Bank has a total number of 12 branches located at, Antoakrom (head office branch), Anwia Nkwanta, Manso Adubia, Bekwai – Ashanti, Asem (KASS) – Kumasi, Central Market – Kumasi, Ahodwo – Kumasi, OWASS – Kumasi, Akrokeri, Sofoline – Kumasi and Datano Mobilization Centre.

According to the General Manager, Antoakrom, the town in which the head office of the Bank is located was named after the first inhabitant of the place, in the person of Kofi Antoa. The town, therefore, has no relationship with the feared Ashanti deity, “Antoa Nyamaa”.



Mills Opoku Boateng (seated, General Manager) discussing a point with Ohene Baffour Kumah (Board Chair)

Product offerings

The bank generally deals in deposit and credit products as well as remittances business. Thus, the bank deals in:

- a) Current Account
- b) Savings Account
- c) Fixed or Time Deposit Accounts, and
- d) Susu Accounts as deposit products.

Other bespoke products of Amansie West Rural Bank are:

- a) Yen Nkwadaa Daakye
- b) Me Daakye Anidaso (surplus pension scheme)
- c) Asore Mpontuo (for religious organizations /bodies)

Their credit products offered by the Bank consist of loans and overdrafts as outlined below:

- a) Commercial Loans
- b) Salaried Loans
- c) Transport Loans
- d) Agricultural Loans
- e) Micro Finance Loans
- f) Funeral Loans
- g) Asore Mpontuo Loans

Niche product offerings

Apart from the general products listed above, Amansie West Rural Bank also offers two innovative salaried loan products namely:

- a) ‘Si me So’ Loan (Top up or additional loan)
- b) Amawest Express Loan (for workers paid by the Controller & Accountant General’s Department)

“We also provide international money remittance services including Western Union, RIA, and Unity Link Money Transfer”, he said, as well as Apex-Link Money Transfer, an instant domestic money transfer service, which does not require an individual to open an account with a Rural and Community Bank (RCB) to be able to operate.



*Frank Kyei Kwakye
Deputy General Manager*

**...Your FUTURE
GUARANTEED
PRODUCTS!**



AMANSIE WEST

RURAL BANK LIMITED

HEAD OFFICE: ANTOAKROM-ASHANTI, GHANA
P.O.BOX 348, BEKWAI-ASHANTI TEL: 02779959442/0202533983
EMAIL: amawestrbl@gmail.com/ info@amansiebank.com
WEBSITE: www.amansiebank.com

Performance highlights

The Bank’s three-year financial performance is highlighted below:

PERFORMANCE INDICATOR	2016 (GH¢)	2017 (GH¢)	2018 (GH¢)
DEPOSITS	54,332,219	63,325,357	82,607,936
LOANS/ADVANCES	20,857,599	29,627,390	39,213,363
INVESTMENT	29,661,816	31,791,816	39,481,816
TOTAL ASSETS	71,759,792	80,146,658	103,875,339
PROFIT BEFORE TAX	1,608,863	1,887,061	2,123,022
SHARE CAPITAL	2,551,968	2,667,525	2,766,283
SHAREHOLDERS FUNDS	7,468,612	8,936,573	9,993,644

Board Chairman’s take: early years
Headquartered in Antoakrom in the Amansie West District of the Ashanti Region, Amansie West Rural Bank was founded in 1983 by: Mr G. K. Broni, Mr Kujo Duodu, Mr Kwaku Mensah, Mr L. K. Ameyaw, Mr O. B. Kumah, Mr Osei Kofi, Mr Kwaku Gyamfi, and Mr Kofi Owusu.

According to Mr Ohene Baffour Kumah, Chairman of the Board of Directors, the Bank faced some initial hurdles in its early years of operations including, “difficulty in raising the initial capital required by Bank of Ghana, lack of transportation to help in the collection of loans and to sell shares to members of the communities and the general lack of the culture of savings”.

Current Directors

The current directors of the Bank are: Mr Ohene Baffour Kumah (Chairman),

Dr Eric Owusu Adjei (Vice Chairman), Mrs Grace Boakye Boateng, Isaac Otchere-Antwi (Esq.), Mr James Asafo Akowuah, Mr George Osei-Mensah, and Very Rev Agyeman Opambour. The Bank currently has many retail investors and some corporate bodies as its shareholders. Mr Kumah who assumed the role as Chairman of the Bank in April 2019 said he is looking forward to an exciting time ahead as “fellow Directors have so far been supportive in the realization of the vision of the Bank, which states: ‘to be a centre of excellence in rural banking in Ghana’.

Giving back

Mr Kumah stressed that “Amansie West Rural Bank is heavy on CSR projects. The Bank’s major CSR projects include: construction of Police Tent City at Poano, purchase of two (2) giant



Frank Kankam
Head, Central Accounts

Poly-tanks for potable water supply to improve water supply in Antoakrom, supply of Medical equipment to St. Martin’s Catholic Hospital at Agroyesum, supply of 200 bags of cement to Manso-Adubia community for the construction of Amansie South District Assembly office, and the supply of 150 bags of cement to some schools in Amansie East and West Districts”.



Mills Opoku Boateng, General Manager (seated in the middle) with his management team



Mr Ohene Baffour Kumah (in cloth at head of table) Chairman of the Board of Directors and other members at a board meeting

The three-year break down of CSR spend at the Bank is:

YEAR	AMOUNT (GH₵)
2016	122,623
2017	88,167
2018	99,784
Total	310,575



Gabriel Asamoah
Branch Manager - Antoakrom Branch

He advised sister RCBs to endeavour to support community development projects because that was the only way communities would embrace them as good corporate citizens.

He stated that since the erection of a tent city for the police, “armed-robbery on Anwia Nkwanta-Antoakrom road has minimized considerably”, adding that due to the provision of health facilities, patients get good medical attention at the St. Martin’s Catholic Hospital, Agroyesum, while students and parents have also got a big relief due to the provision of classroom blocks by the Bank.

Major concerns

Some assets have been locked up with Fund Managers, a situation which is causing difficulty in liquidity management at the Bank. There have also been panic withdrawals at the Bank, due to some malicious news which was circulated on the RCB sub-sector. Mr Kumah revealed that “the panic withdrawals to some extent has been controlled, adding that customers are also refusing to save with the Bank due to safety concerns”.

Plea to sister RCBs

Mr Kumah advised sister RCBs to be “mindful of where to invest their



Michael Adams
Accountant

funds, adding that Directors should always work to protect and defend shareholders and customers’ funds”. He also cautioned that banks should also seek expert opinion from BoG and the ARB Apex Bank when in doubt.

He noted that “to remain resilient, institutions and structures must be allowed to work, Board and Management should work together with their staff and the corporate governance structures must be allowed to work”.

24/7
ATM

Like cash in your hands, you can enjoy real time banking with our ATM Cards.



ARB APEX BANK
Together for progress



www.arbapexbank.com
+233 30 277 1738/ 30 277 2129/ 30 277 2034

MADAM FELICITY ASIEDU: A CUSTOMER WHOSE RESTAURANT HAS RECEIVED SUPPORT FROM AMANSIE WEST RURAL BANK



Madam Felicity Asiedu in a photograph with officials from Amansie West Rural Bank and a team member of The Rural Banker

The Rural Banker team visited the restaurant of Madam Felicity Asiedu, a sole proprietor operating under the name, Amansie Home Touch. She is based at Amansie Township in the Ashanti Region. She has been doing business with Amansie West Rural Bank for the past 25 years.

The Bank provides her with various banking services, including loan facilities, savings products and daily “susu”, which has helped her grow her restaurant into one of the best in her district.

Madam Felicity started a small

local bar many years ago but was faced with an unfortunate situation.

Her restaurant caught fire and the entire place got destroyed by the fire. She recalled that some management and staff of Amansie West Rural Bank visited her to console her on her loss.

The Bank promised to assist her to resurrect her business. Amansie West Rural Bank kept their word and granted her a credit facility to establish her current restaurant, which facility is bigger, modern and attractive, drawing patrons from all over the District and even others in transit from other parts of the Ashanti Region.

She is one of the prestigious small customers of the Bank and her restaurant is one of the biggest in Amansie.

The Bank also supports her with advice, which helps her to improve her business. The Bank’s ‘susu’ team visits her daily and that encourages her to save regularly.

Madam Asiedu indicated that “with the financial support from Amansie West Rural Bank she has been able to build a very strong customer base and she is able to host a large number of people during festive occasions such as, weddings and other large gatherings.

As a happy customer of the Bank, she called on other small business operators to call on Amansie West Rural Bank. She added that both management and staff are very friendly and indicated that she never liked the idea of taking loans from a bank until she started doing business with Amansie West Rural Bank. She said words cannot explain how she feels about the Bank. ■



Chartered Institute of Bankers (Ghana)

MISSION

To develop fully the academic and professional potential of practitioners in the financial services sector and those seeking to be practitioners by a course of study in banking and financial services.

VISION

To become the prime school for financial services education in Ghana and West Africa to produce outstanding, highly trained and honest bankers. This will be achieved through training, professional standards setting, research and development and advocacy.

PROFESSIONAL COURSES OFFERED

LEVEL 1

- Principles of Banking Law
- Introduction to Accounting
- Economics in Banking
- Elements of Banking
- Principles of Management

LEVEL 2

- Law Relating to Banking
- Management Practices
- Customer Servivers - Marketing & the Competitive Environment
- The Monetary & Financial System
- Quantitative Methods for Decision Making

LEVEL 3

- Financial Reporting, Planning & Analysis
- Bank Strategic Information Management
- International Trade Finance
- Credit Management - Lending
- Banking Operations - Regulation, Market Practice & Treasury Management
- Practice of Banking - Law & Practice

LEVEL 4

- Retail Banking (Commercial)
- Mortgage Finance
- Executor and Trustee Business
- Corporate & International Finance
- Corporate Governance and Risk Management

We also offer **Certificate in Banking Operations Course**, targeted at supervisory and management staff of **Community and Rural Banks**, and **Microfinance Institutions**.



GA-416-1116, TRINITY AVENUE, OKPONGLO



0302541308 | 0302541309 | 0302541614 | 0243690343



www.cibgh.org | info@cibgh.org



Dr (Mrs) GLORIA NIKOI
2nd Board Chairperson, ARB Apex Bank

“MEET” DR (MRS) GLORIA NIKOI 2ND BOARD CHAIRPERSON OF ARB APEX BANK

In the early stages of rural banking in the country, there was a skills deficiency in the personnel of the rural banks. According to Mr Emmanuel Asiedu-Mante, a former Deputy Governor of the Bank of Ghana, “Dr (Mrs) Nikoi was quick to notice this and she arranged for personnel from the Bank of Ghana working on rural banks as well as the Association of Rural Banks to be trained as trainers at the Coady Institute in Canada. These people came back after their training in Canada and acted as Resource Persons in the training of staff of the rural banks”.

From 1999 to 2002, she served as a member of the Transitional Apex Steering Committee (TASC), charged with coordinating the establishment of the Association of Rural Banks’ Apex Bank.

Peers who served with her noted that her insightful comments and useful contributions ensured the ground was well prepared for the takeoff of the ARB Apex Bank.

It was therefore not surprising that she was subsequently chosen to chair the Board of the ARB Apex Bank when the Bank of Ghana decided to hand over the management of the ARB Apex Bank to a ‘locally elected Board’

– independent of the Bank of Ghana. The initial Board was chaired by Mr Emmanuel Asiedu-Mante, who was a Deputy Governor of the Bank of Ghana. Dr (Mrs) Nikoi chaired the Board of the ARB Apex Bank from 2004 to 2006 when she was appointed to serve on the Board of the Bank of Ghana. She had to relinquish her role on the Board of the ARB Apex Bank, to avoid a conflict of interest situation.

“At the time she joined the Bank of Ghana Board, she was the only female among the all-male Board at the Bank of Ghana. That however, did not deter her from making her views known. She had a passion for the development of rural Ghana and she believed that could be done through rural financial intermediation. That belief of hers resonated in her contributions even in the boardroom at the Bank of Ghana”, Mr Asiedu-Mante wrote of her.

The ARB Apex Bank had this to say of her:

Dr (Mrs) Nikoi was a phenomenon! She identified the need for human resource development in the rural banking sector and therefore had a capacity building component incorporated in the Rural Finance Project, which saw the legendary contribution of Messrs Sycip, Gorres, Velayo & Co (SGV & Co) towards training of the rural banks from 1991 to 1994.

She was magnanimous with her time and energies in support of the rural banking system and gave the ARB Apex Bank the direction towards its sustainability when she became Chairperson of the Board from 2002 to 2006.

Brief bio of Dr (Mrs) Gloria Nikoi

Early life and education

Dr (Mrs) Gloria Henrietta Adwoa Nikoi was born on June 6, 1927, in Cape Coast and the second child of Frederick Bartrop Addae, a former Senior Housemaster of Mfantshipim School and Elizabeth Matilda Abenatiaa Addae, former Headmistress of Wesley Girls High School.

She had her primary school education at Mmofraturu in Kumasi and went on to Achimota School (the then Prince of Wales College) in 1940 for her secondary education. She received an Intermediate B.A. (University of London) in 1947 and proceeded to St Andrews University in Scotland where in 1952, she graduated with a Master's (Honours) degree in Economics and Modern History.

Stellar career and family life

Dr (Mrs) Nikoi returned to Ghana and worked for two years as a Research



Dr (Mrs) Gloria Nikoi as Commissioner for Foreign Affairs

Fellow at the then University of the Gold Coast (now University of Ghana). In 1954, she joined the Public Service and through 1958, held the positions of Assistant Secretary in the Ministries of Trade and Finance and also with the National Development Planning Commission.

In 1959, she became an Assistant Secretary at the Ministry of Foreign Affairs, beginning a stellar career in Ghana's Foreign Service. She was posted to Ghana's Permanent Mission to the United Nations (UN) in New York as First Secretary and worked as a Political Officer at the UN Secretariat.

Marriage to Dr Amon Nikoi

In June 1959, she married Dr Amon Nikoi who was also working at the UN. Dr Amon Nikoi later became Economic Counsellor/Deputy Chief of Mission at the Ghana Embassy in Washington, D.C. Dr (Mrs) Nikoi's years in Washington were full. On the home front, she had started raising a family with three children namely: Naa Dei, Nii Kote and Nana Tiaa.

She returned to Ghana with her family in late 1969 and after becoming a Secretary in the Civil Service, worked through 1974 as the Supervising Director of the Economic Relations

The ARB Apex Bank had this to say of her:

Dr (Mrs) Nikoi was a phenomenon! She identified the need for human resource development in the rural banking sector and therefore had a capacity building component incorporated in the Rural Finance Project, which saw the legendary contribution of Messrs Sycip, Gorres, Velayo & Co (SGV & Co) towards training of the rural banks from 1991 to 1994.

Department at the Ministry of Foreign Affairs. From 1974 through 1978, she was a Permanent Member of the National Economic Planning Council (NEPC) with responsibility for determining and monitoring foreign financing related to the Ghana's third five-year Plan.

She returned to the Ministry of Foreign Affairs in 1979 as Senior Principal Secretary and Head of the Economic Relations Department where she concurrently chaired the Ministry of Finance-convened Inter-Ministerial Committee responsible for reviewing the country's external debt and coordinating repayment schedules.

First female Foreign Affairs Minister

In January 1979, Lt General F.W.K. Akuffo, Ghana's 7th Head of State and Leader of the military regime, the Supreme Military Council (SMC) II appointed her as the Commissioner for Foreign Affairs, making her the first Ghanaian woman to occupy the high office. That appointment meant she also became one of four civilian technocrats appointed to help usher Ghana into its 3rd Republican era. After the overthrow of the SMC II Government in 1979, Dr (Mrs) Nikoi worked with the new military junta, the Armed Forces Revolutionary Council (AFRC) to complete the transition to civilian rule in September 1979.

During her tenure as Commissioner for Foreign Affairs, she headed the country's delegations to a number of meetings of the African Union (the Organization of African Union) and to various Commonwealth and Non-Aligned Movement (NAM) Conferences. She also participated in the meetings that established the Lomé Convention and the ECOWAS Treaty.

Retirement from civil service and consulting career

In 1980 and after more than 25 years, Dr (Mrs) Nikoi retired from the Public and Diplomatic Services. She launched her consulting career with special focus on international development and emphases on rural credit, gender, technology transfer and human resource development.

Around the same time, she became Chairperson of the Board of Directors of Akuapem Rural Bank. The board directorship provided her with the platform to spearhead and champion initiatives that promoted the uptake of banking services by the people of Okere Traditional Area, particularly women entrepreneurs and to pursue empowering endeavours in the areas of mobile banking and school children's savings.

Her passion for microfinance was immediately apparent to all and her enthusiasm was evident in her work



In January 1979, Lt General F.W.K. Akuffo, Ghana's 7th Head of State and Leader of the military regime, the Supreme Military Council (SMC) II appointed Gloria Nikoi as the Commissioner for Foreign Affairs, making her the first Ghanaian woman to occupy the high office.



Dr (Mrs) Gloria Nikoi with former UN Secretary-General Kurt Waldheim at the UN Headquarters

as the Vice President of the National Association of Rural and Community Banks.

From 1983 to 1986, Dr (Mrs) Nikoi and her husband, Amon, were Canadian International Development Agency (CIDA) Visiting Senior Fellows at the Lester B. Pearson Institute for International Development, Dalhousie University in Halifax, Canada. During that period, she served as a resource person in the areas of North-South relations, women in development and rural credit. She was also a role model and mentor to graduate students – national and international alike, who were pursuing studies in Political Science and International Development.

In the late 1980s and 1990s, she continued to be active on a number of fronts. She served as Chair of the Council of the University of Cape Coast between March 1987 and December 1988; she was the External Member of the Advisory Council of the Cooperative Programme of International Development at Scarborough College, University of Toronto in Canada; she played a significant role in the development of the African Development Bank's Women in Development Strategy; she was a member of the Technical Advisory Committee of the Family and Development Programme (FADEP) in the University of Ghana's Department of Geography and Resource Development; and for six years (1987 to 1993) was Chairperson of the Board of the defunct Bank for Housing and Construction.

In late 1990, she was appointed the first Chairperson of the Council of the country's newly-established Ghana Stock Exchange (GSE), a position she held until mid-1995.

In 1997, she became Chair of the Council for the Centre for Policy Analysis (CEPA), ending her service in 2009. She served two terms from 2001 to 2008 as an External Director on the Board of the Bank of Ghana. Note that the husband Dr Amon Nikoi was Governor of the Bank of Ghana from 1973 to 1977.



Dr (Mrs) Gloria Nikoi after receiving the Order of the Star of Ghana in 2006

Awards

In March 1988, a honorary Doctor of Laws degree (Honoris Causa) was conferred on her by the University of Cape Coast in recognition of her distinguished public service to the nation, the international community and to the University in particular. In 1978, she was awarded the Grand Medal (Public Administration) by the Government of Ghana on the occasion of the 21st Independence Anniversary Celebrations.

In March 2004, the West African Examinations Council (WAEC) named her a "Distinguished Friend of the Council".

In recognition of her service to the State, she was also awarded the Order of the Star of Ghana on June 30, 2006.

Editor's note:

Dr (Mrs) Gloria Nikoi, the first female Board Chair of the ARB Apex Bank and Ghana's first female Minister of Foreign Affairs, died peacefully on November 5, 2010 at the graceful age of 83 years. This feature tribute was compiled from articles, books, and tributes written in her memory by friends and loved ones. May her gentle soul continue to rest in perfect peace!

In March 1988, a honorary Doctor of Laws degree (Honoris Causa) was conferred on her by the University of Cape Coast in recognition of her distinguished public service to the nation

Joseph Akossey

ARE RURAL & COMMUNITY BANKS (RCBs) SAFE AND RESILIENT?

According to the Efficiency Monitoring Unit of the ARB Apex Bank Report for the fourth quarter of 2018, there are 144 RCBs with over 700 branches spread across the country.

The rural banking sector has been performing exceedingly well when it comes to promoting rural financial intermediation. This has resulted in impressive financial inclusion especially among people in the rural communities. The RCBs have also contributed positively towards corporate social responsibility activities in their catchment areas.

Banks and Specialized Deposit Taking Institutions such as RCBs accept customer's deposits for safe keeping. However, the financial turmoil triggered by the collapse of some seemingly strong and giant banks in 2018 and the recent revocation of licenses of insolvent Micro Finance Institutions have created



Joseph Akossey
Head, Proven Trusted Solutions

a general sense of mistrust in the banking sector. Bank customers have therefore become choosy, suspicious, sophisticated and discerning when it comes to selecting a bank to transact business with.

Potential customers are much more concerned about the ability of banks to protect their deposits and giving them assurances of accessing their funds at any point in time without hindrance. They also desire to deal with Banks and Specialized Deposit Taking Institutions that can manage their funds prudently and engage in practices and behaviour that keep them safe and sound.

Customers are confronted with high perceived risk about depositing their

funds with banks. No wonder there is a movement of deposits from perceived weaker banks to stronger banks. This implies that most Ghanaians would like to do business with Banks and Specialized Deposit Taking Institutions which are perceived to be safe and resilient.

The question therefore arises, "are Rural and Community Banks safe, strong and resilient?" This article will discuss the above-mentioned thought-provoking question.

Even though the rural banking industry might have its challenges like any human institution, the industry as a whole can be described as strong and resilient. This could be justified using financial and non-financial soundness indicators.

Financial and Non-financial Soundness Indicators

Capital Adequacy Ratio (CAR)
Capital adequacy ratio is one of the key financial soundness indicators of banks. The current prudential limit set by the Bank of Ghana is 10 per cent. According to the Efficiency Monitoring Unit Report of the ARB Apex Bank for quarter four of 2018, the rural banking industry recorded an average CAR of 16.97 per cent at the end of December 2018. This was higher than the regulatory benchmark of 10 per cent. This is an indication that the rural banking industry as a whole is solvent, strong, safe and resilient.

▶▶ Pg. 45



Waiting for your
PAYDAY?

**But badly need a payday Loan?
Are you a salary worker?**

**Apply for a Salary Loan
Processing within 72 hours**

VISIT ANY LCB BRANCH NOW

Terms and Conditions apply.



+233303969393



www.lacommunitybank.com



customerservice@lacommunitybank.com



La Community Bank Ltd.

The capital adequacy ratio is a key indicator used to measure the solvency of a bank. It measures a bank's capital in relation to its risk-weighted assets. In other words, CAR is expressed as a ratio of a bank's capital to its risk-weighted assets (Adjusted Capital base as a percentage of Adjusted Asset Base). Scores of rural banks have capital adequacy ratios which far exceed the prudential benchmark of 10 per cent.

Liquidity

Liquidity has been described as the lifeblood of Banks and Specialize Deposit Taking Institutions. Therefore it has become one of the key financial soundness indicators used by regulators and key stakeholders to measure the resilience of banks.

Liquidity is the ability of a bank to meet its financial obligations as they fall due for payment. Customers expect to have access to their funds when they visit the banking hall. Therefore, liquidity challenges which make it difficult for customers to access their funds would result in loss of confidence and trust. In an extreme situation, it can lead to panic withdrawals and bank run. Liquidity risk can result in the collapse of a rural bank.

It has been argued that financial institutions with strong liquidity without profitability can survive for a while but not without cash. This underscores the importance of adequate liquidity in the banking business.

According to the ARB Apex Bank's quarter four report for 2018, the industry's liquid assets to total assets was 51.50 per cent which is above the benchmark of 40 per cent. This shows that the industry, in general, is liquid.

Performance in Ghana Club 100

The Ghana Club 100 (GC 100) is an annual compilation of the top companies in Ghana to give due recognition to successful enterprise building. GC 100 is about corporate excellence and participants serve as role models for the private sector.



GC 100 Award is organized by the Ghana Investment Promotion Centre (GIPC). RCBs are performing exceptionally well in the GC 100 rankings.

Twenty Four RCBs were recognized as part of top performing companies in Ghana in the 17th edition of the club 100 award organized in 2018. Sefwiman Rural Bank was ranked 18. The excellent performance of RCBs in Ghana Club 100 over the years is an indication that the sector as a whole is strong and resilient.

Years in existence

The rural banking concept was introduced in Ghana in 1976 and this implies that the concept has been in operation over 40 years despite the initial challenges. Scores of RCBs have been in existence over three decades and are performing exceedingly well. Consider the following RCBs and the years in existence.

NAME OF RCBs	YRS. IN EXISTENCE
Manya Krobo	1978 (41 Years)
Mumuadu	1982 (37 Years)
Fiaseman	1983 (36 Years)
Atwima Kwawoma	1983 (36 Years)
Ahantaman	1984 (35 Years)
Juaben	1984 (35 Years)
Adansi	1980 (39 Years)

Twenty Four RCBs were recognized as part of top performing companies in Ghana in the 17th edition of the club 100 award organized in 2018. Sefwiman Rural Bank was ranked 18. The excellent performance of RCBs in Ghana Club 100 over the years is an indication that the sector as a whole is strong and resilient.

According to some experts, more than half of all new businesses fail during the first year. The Small Business Association (SBA) also argues that 50 per cent of businesses fail during the first five years. Again the fact that scores of RCBs have been able to survive for more than three decades suggests that the industry is resilient.

Largest branch network

The resilience of RCBs is evident in the number of branch network across the country. The banks collectively have more than 700 branches spread across the 16 regions of Ghana.

This implies that they have the largest branch network in the country and this leverage, therefore, allows both existing and prospective customers to access their services in urban, peri-urban and especially rural areas. It is worth mentioning that a lot of people in rural Ghana are benefiting from the financial inclusion agenda because of the rural banking model which was introduced in 1976.

A catalyst for rural and community development

The vast majority of RCBs have been complementing the government's effort in rural community development. This is seen in terms of RCBs' active engagement in corporate social responsibility activities such as scholarships, cash donations, construction of classroom blocks, the supply of medical equipment to health facilities among others. For example, Atwima Kwanwoma Rural Bank in the Ashanti Region has constructed a Senior High School (Atwima Kwamwoma Presby Senior High) for Pakyi Number 2 community. The bank makes a cash donation of Ten Thousand Ghana Cedis (GH¢10,000) every year to support the school. In addition to the cash donation, the bank has been supporting the school with study materials and other logistics. It is noteworthy to mention that school enrolment in the community has increased.

Ownership structure

RCBs are community-based financial institutions owned, managed and patronized by people in their respective communities. The people in the communities have active participation in the running of affairs of the bank. This implies that the RCBs are neither sole proprietorship businesses nor are they owned by a few individuals.

Every year the RCBs hold Annual General Meetings to pave the way for Board of Directors to account for their stewardship to shareholders. It is worth noting that the ownership structure and mode of operation of the RCBs help to minimize certain vulnerabilities and deficiencies prevalent in some Micro Finance companies owned by individuals.

Conclusion

From the discussion so far, it can be concluded that the rural banking industry as a whole is safe, strong and resilient based on key financial soundness indicators and other non-financial indicators. The general public, as well as customers, should, therefore, have implicit trust and confidence in the RCBs and continue to transact business with them.

About the author

Joseph Akossey is the Head of Proven Trusted Solutions, an employee training and development and marketing research firm.

Tel: 0207725859 / 0244517833

*Email: jakossey@yahoo.com;
proventrustedolutions@yahoo.com*

Editor's note

This feature article is a sequel to an earlier article written by the author on the topic: "How safe are the Rural and Community Banks", and published in Issue # 5 of this magazine.



The resilience of RCBs is evident in the number of branch network across the country. The banks collectively have more than 700 branches spread across the 16 regions of Ghana. This implies that they have the largest branch network in the country and this leverage, therefore, allows both existing and prospective customers to access their services in urban, peri-urban and especially rural areas.





IoD-GH CORPORATE GOVERNANCE TRAINING

The Institute of Directors-Ghana (IoD-Gh) is a professional institution established in 1999 to promote good corporate governance in Ghana through training, consultancy services, advisory services, research, and advocacy. The Institute organizes a six-week training programme as a route to membership. The objects of the training are to enable Directors to;

1. Add value to corporate activities
2. Improve their skills and competencies
3. Introduce professionalism into their practice

DURATION

The course runs on three streams namely; weekend and weekday (Morning and Evening). The weekend stream is conducted on Saturdays only for now. The duration is six (6) Saturdays and six (6) workdays respectively and is equivalent to thirty-six (36) credit hours.

TARGET GROUP

Board and Council Members, Chief Executives, Senior Managers, Board Secretaries, Partners, Entrepreneurs, Professionals, Academicians, Clergy and Civil Society.

CERTIFICATE

A professional certificate is issued to participants who complete the course. Such participants are admitted into full membership of the Institute of Directors-Ghana. Members are entitled to use the designation MIoD after their names.

COURSE MATERIALS

Each participant receives comprehensive course materials containing lecture notes, articles, case studies and essential documents for use during the training program. This toolkit also serves as a reference manual thereafter.

FACULTY

The IoD-Gh's unique professional training is endowed with a faculty composed of talented and broadly experienced professionals. These professionals include Lawyers, Accountants, Bankers and other industry experts drawn from both the private and public sectors of the economy. They possess excellent skills in teaching and have a deep passion for good corporate governance.

Seth Adom-Asomaning

APPRECIATING THE CORPORATE GOVERNANCE DIRECTIVE(S) ISSUED BY THE BANK OF GHANA

In recent times, many regulated financial institutions have been bombarded with issues concerning how their institutions should be governed to satisfy regulations, rules, conditions and benchmarks determined or set by their regulators.

There are many and different kinds of regulators in charge of various sectors and institutions. The Bank of Ghana (BoG), Securities and Exchange Commission (SEC), and the Minerals Commission are a few which readily came to mind.

This discourse focuses mainly on Banks, with special emphasis on the Rural and Community Banks (RCBs).

In 2018, the BoG put out a set of Corporate Governance rules and regulations which sent shivers down the spines of many universal banks and RCBs. Indeed, we are all aware that some seven indigenous banks have had their licenses withdrawn by the BoG because they are



Seth Adom-Asomaning
Board Chairman, Mumuadu Rural Bank

alleged to have flouted some corporate governance rules and regulations, which in the main, culminated in their being insolvent. In the 2018 directives the RCBs, among other things, were to have term limits for Chief Executive Officers (CEOs) or General Managers (GMs) and Board of Directors.

Amid representations by the Association of Rural Banks (ARB) and other stakeholders, the BoG has revised its directives to exclude Leasing Companies, Mortgage Financing Companies, RCBs as well as Microfinance Institutions. This is contained in its Explanatory Notes on the Revised Corporate Governance Directive issued in December 2018 for

Banks, Savings & Loans Companies. This is also found in section 5 on Interpretations.

In a further response to the representations by the ARB, the BoG has recently published new draft directives specifically for RCBs. The differences, if any, between the original directives and the new ones for the RCBs, could be said to be at best, minimal or cosmetic. For example, term limits for Directors, CEOs or GMs are repeated in the new draft directives designed for only RCBs.

The main thrust of the directives for the RCBs, as well as those for the universal banks and other financial institutions, is focused on managing our institutions with prudence and integrity. While it is a welcome news that RCBs have been excluded from some of the very strict directives, it behoves us to put our house in order to meet the corporate aspirations of our shareholders, workers, the communities in which we operate and the general public, since our existence has wide ramifications for the entire economy of Ghana.

This need to act and govern our banks properly and prudently is encapsulated in the objective(s) of the directives which are to “promote the interest of depositors and other stakeholders by enhancing corporate performance and accountability of the “regulated” financial institutions.

- d) Has been a director, key management personnel associated with the management of an institution which is being or has been wound up by a court of competent jurisdiction on account of bankruptcy or an offence committed under an enactment;
- e) Is a director or key management personnel of another bank, specialized deposit-taking institution or financial holding company in the country;
- f) Is under the age of eighteen (18) years;
- g) Does not have the prior written approval of the Bank of Ghana; or
- h) Has defaulted in the repayment of the financial exposure of that person.

I believe the objectives of the Corporate Governance Directives for the universal banks are of universal application and so will mutatis mutandis apply to RCBs as well.

These objectives are:

- a) To require Banks to adopt sound corporate governance principles and best practices to enable them to undertake their licensed business sustainably.
- b) To promote the interest of depositors and other stakeholders by enhancing corporate performance and accountability of the Banks.
- c) To promote and maintain public trust and confidence in the Banks by prescribing sound corporate governance standards which are critical to the proper functioning of the banking sector and the economy as a whole.

Business Strategy – Board Responsibility

- a) Pursuant to its overall responsibility, the Board shall approve and monitor the overall business strategy of the Bank, taking into account long-term financial interests of the Bank, its exposure to risk, and its ability to manage risks effectively.
- b) The Board shall approve and oversee the formulation and implementation of the following in relation to the Banks;

- i. Overall risk strategy, including its risk tolerance/ appetite;
- ii. Policies for risk, risk management and compliance, including anti-money laundering and combating the financing of terrorism (AML/ CFT) risk;
- iii. Internal controls system;
- iv. Corporate governance framework, principles and corporate values including a code of conduct or comparable document; and
- v. Compensation system.

Need for Directors and Key Management Personnel to be knowledgeable

I cite as an example, the true story of a bank which collapsed in the 1990s. The story is captured in a book titled: *“The Rogue Trader,”* which narrates the events leading to the collapse of the Barings Banks.

Barings Bank was a major investment bank affiliated to the British monarchy, where the Queen and Lady Diana maintained accounts. Over time, the Bank hired a young British banker called Nick Leeson from Stanley Morgan Bank and placed him in a position of authority. He was posted to their branch office in Singapore, where he took advantage of the thriving Asian market to make risky trades.

Leeson was an ambitious young man, who wanted to achieve results to impress his employers. The bosses trusted him so much so that they did not exercise any strict supervision of his activities. He started making losses, which he hid from everybody, including the Bank’s internal auditors. The Directors were more enthusiastic in earning huge bonuses and allowances from false profits Leeson was supposed to have made. The bigger the so-called profits, the bigger the bonuses and allowances.

Nick Leeson cover was blown only when the Bank hired an investment Banker, Peter Norris at a time when losses had mounted massively into millions which eventually reached €827m, twice Barings’ trading capital and the company went into liquidation.



I am of the considered view that RCBs should take a cue from BoG’s protocol on the “Relevant Legal Requirements” for its regulated financial institutions which elaborate the conditions under which Directors, employees and key management personnel could be excluded or prevented from playing any part in the running and management of a bank.





**ATWIMA
KWANWOMA**
RURAL BANK LIMITED

YAW BAAH COMMUNITY LIBRARY-KROFROM

WE GIVE BACK TO THE COMMUNITY

On 24th May, 2019 Atwima Kwanwoma Rural bank Limited donated five (5) sets of computers and accessories to the newly opened Yaw Baah Community Library in the Krofrom East Electoral Area of Manhyia North Sub Metro in Ashanti Region as part of its Corporate Social Responsibilities.

Within the same year, the bank has constructed three (3) unit classrooms block with office for Semenhyia Primary School for their Nursery school, gave Semenhyia Junior High School Twenty (20) bags of cement for their classrooms renovation and Iwo Hundred (200) bags of cement for Pakyi No. 2 Presby B Junior High School in the Amansie West Constituency for the construction of Three(3) Unit Classrooms block.

This signifies that, the bank consider education as a major priority in its Corporate Social Responsibilities.

P. O. BOX 6921. Kumasi-Ghana | 03222 98900 / 0576 202687 | www.akrbank.com | info@akrbank.com

Peace Satters In Rural Banking

All this could happen because Leeson was a highly intelligent creature, very good at manipulating people around him.

I have decided to highlight this to put the Board of Directors on their guard against the know-all employees in positions of trust and influence. We should be wary of such persons who may sound so convincing at Board meetings but may have cobwebs hidden in their cupboards.

This brings me again to the regrettable collapse of seven indigenous Ghanaian banks in the space of two years. I do not personally think or believe that all these banks collapsed or went under because of the top management and members of the Board of Directors were dishonest or lacked integrity. I hold the view that they might have supervised and approved certain facilities, operations and dealings they might not fully appreciate or understand.

The Bible tells us that, “for the lack of knowledge, my people perish”. We should, therefore, as Directors, equip ourselves with that relevant knowledge so that we and our banks do not perish.

This discussion will make sense if we look at the definition of Corporate Governance and juxtapose it with some of the non-Corporate Governance practices we carry out in the running of our banks.

“Corporate Governance” means the manner in which the business and affairs of a Bank, in our context, is governed by its Board and senior management including how its strategy and objectives are set; its risk appetite/tolerance is determined; its day-to-day business is operated, interests of depositors are protected and shareholders’ expectations are met, taking into account the interests of other recognized stakeholders; and aligning corporate activities and behaviour with the expectation that it will operate safely and soundly, with integrity and in compliance with applicable laws and regulations. In this definition, we can add the duty of a director to act in utmost good faith,

towards the bank and to act at all times in the best interest of the bank to preserve its assets, further its business and promote the purpose for which it was established.

The director also owes it as his/her duty of loyalty not to act in his/her interest, or the interest of another person(s) so as not to conflict with the interest of the bank or the director’s fiduciary duty to the bank.

Avoiding non-corporate governance practices – a Ghanaian cultural perspective

It is an understatement to observe that some Ghanaian cultural practices are inimical to the sound running of local companies, including banks.

We start with the “whom you know syndrome”. Many of our banks have close to 60 per cent or more of the employees as our close relatives, children, children of friends and friends of friends and other “related persons”. The Corporate Governance Directive defines related persons to include a spouse, son, daughter, stepson, stepdaughter, brother, sister, father and mother, cousin, nephew, niece, aunt, uncle, step sister and step brother of a shareholder, director or key management personnel. I have

widened this group to include in-laws. In the life of one of our RCBs, the son of a director once embezzled funds. I had to threaten court action before the parents found money to pay off the stolen funds.

It is obvious that the Board of Directors and management will find it difficult or be unwilling to punish deviant behaviour of any of the members mentioned above of staff or workers. This practice, unfortunately, permeates appointments to some boards. I recall vividly an incident that occurred in the early days of the Rural Banking industry.

The elders and opinion leaders of one of the new banks in the Central Region insisted and imposed a certain man as a manager on the new bank. This was against the confidential advice from the Barclays Bank where the young man was a former employee and had been dismissed for fraud. Over time, that manager embezzled the bank’s funds and brought the bank to its knees. It is also part of the Ghanaian culture for top or influential people to interfere in the disciplinary procedures laid down by institutions.



Fiduciary duty

The director also owes it as his/her duty of loyalty not to act in his/her interest, or the interest of another person(s) so as not to conflict with the interest of the bank or the director's fiduciary duty to the bank.

It is not uncommon for “invisible orders from above” to scuttle disciplinary regimes instituted by corporate bodies. The story is told of an incident during the administration of the second Supreme Military Council (SMC 2). A “powerful” woman imported lorry tyres illegally into the country. The tyres were carted from the Tema Harbour to the lady’s residence at Mamprobi. Police officers were detailed to arrest the woman and confiscate the tyres. On arrival at the lady’s residence, she had the impudence and audacity to ask of their mission and ordered them to return to whoever sent them.

Before the policemen could utter a word, they received orders on their walkie-talkies asking them to leave the woman’s house immediately. They were reprimanded and asked who sent them there. “Case die” as is said in the local jargon. This practice still permeates the governance of our corporate institutions.

I have cited the above incidents to illustrate how directors of our banks could overtly and covertly conduct the activities of their banks which will expose them to conflict of interest situations which the new Corporate Governance Directive frowns upon. Conflict of interest situations could also arise due to nepotism, old boyism and political patronage. In times past, (I don’t know about now) wards and children of heads of most second cycle institutions did not attend the very schools their parents and very close relatives headed. The reasons and rationale are sound and obvious.

Conclusion

I wish to conclude this article by entreating those of us Directors who have become “Mugabes” on our various boards to start numbering our days. In the draft corporate governance directives for RCBs, the BoG has proposed term limits for Directors and General or Supervisory Managers. Some of us Directors are living on borrowed times.

Until the time comes, I urge all directors to remain relevant by keeping abreast with the rapidly changing banking landscape. In this era of digitalization, we should all strive to be “digital citizens”. We should also have succession plans and encourage young knowledgeable and enterprising members of our shareholders to gear themselves up to take the mantle.

Finally, we should do peer review to learn about best practices elsewhere and in the corporate world. ■

Author

Seth Adom-Asomaning, Board Chairman – Mumuadu Rural Bank. He is also the President, Eastern Region Chapter of the Association of Rural Banks

Email: sethasomaning@yahoo.com

George Atta Peprah

THE NEED FOR EFFICIENT REGULATION OF MICROFINANCE IN GHANA

Most Microfinance (MFIs) in Ghana are deposit-taking institutions. Deposit-taking generally comes with a lot of risks. MFIs must be able to lend profitably enough to pay for and protect the deposits they mobilize.

They must also be able to cope with temporary downturns when these arise. Failure to do so can quickly harm financial stability and deprive small depositors of their deposits.

For this reason, Ghana these MFIs are governed by strict prudential regulations. There are several players in the microfinance sub-sector. However, Rural and Community Banks (RCBs) constitute the largest players in the rural formal banking sector. RCBs are unit banks owned by community members and stand out as the largest financial players in terms of their geographical coverage.

According to ARB Apex Bank, there are presently 144 RCBs with more than 700 branches and more



George Atta Peprah
Operations Officer, Atiwa Rural Bank

than six million customers spread across the country. Nevertheless, RCBs are generally rather small, catering for the needs of micro-small-and medium loan customers.

It is noteworthy that the Bank of Ghana (BoG) is the statutory organisation which protects the interests of depositors and also ensures sanity in the overall financial system.

Before 2006 Ministry of Finance with support from the United Nation Development Programme started drafting Ghana Microfinance Policy (GHAMP) to provide guidelines on the microfinance system in Ghana.

The GHAMP then became one major

strategy being pursued by the government to achieve its microfinance development agenda. The GHAMP in itself is not a regulatory document but it provided the Microfinance Unit at the Ministry of Finance the road map of microfinance activities in Ghana and to inform government and development partners about policies that will make microfinance work in Ghana.

The main reason was in response to the public outcry and the frequent folding-up of MFIs (Bank of Ghana, 2011).

The gravamen of the regulation was to protect depositors and ensure a sound financial system within the microfinance sector.

The operational guidelines require that MFIs constitute a strong board of directors with diverse backgrounds to ensure effective strategic planning for the companies. Before that, most MFIs in the country operated as one man companies. The transition from one man companies to companies governed by boards began to change the dynamics.

Institutions are to feed the BoG with updated records of the serving board of directors. This became a huge challenge to MFIs which operated as sole proprietor companies. The relationship between the new boards, management and employees, therefore, became difficult because it



VOLTA SERENE HOTEL-HO
(Member of the First Sky Group)



SIMPLY ELEGANT

The beauty of having a panoramic view of the Ho Township and the morning sunrise from our apartments make Volta Serene Hotel the catch phrase on every lip of our clientele.

160 ROOMS RANGING FROM...

- DELUXE ROOMS
- EXECUTIVES SUITES
- 2 & 3 BEDROOM
- LOCALLY CRAFTED CHALETs
- TWIN BED DELUXE ROOMS
- SERENE VILLAGE HOMES

Tel: +233 (0) 362 025243 / 362 028805

Tel: +233 (0) 205 038762 / 205 038763

Email: info@voltaserenehotel.com

www.voltaserenehotel.com

 @voltaserenehtl  Volta Serene Hotel-Ho  voltaserenehotel_ho



was a novel thing in these MFIs. The prudential requirements set 30 per cent of deposits and paid-up capital to be kept as reserves in an escrow account.

This means that excess reserves meant for operations will be 70 per cent. The question is: will the remaining 70 per cent be sufficient for effective and efficient operations of the MFIs?

What about the implications for outreach? The BoG has already increased the minimum capital requirement for the MFIs. This and lack of prudential management has led to the closure of some MFIs by the BoG. It is my considered opinion that the Regulators weigh their actions against the costs and benefits of such

regulatory actions. We are minded to stress that, from a policy point of view, optimum regulation needs to ensure sanity in the microfinance sector by protecting the consumer and allocating scarce financial capital among the poor households.

Even though the MFI sector soundness is a necessary ingredient for the efficient financial system, there is the need for carefully designed regulation and supervision of these institutions, as too stringent regulations might hamper the development of the sector and too lax regulations will also exacerbate the inherent risks in the sector.

Designing effective regulation and supervisory rules for MFIs will require

commitment from the institutions themselves, apex bodies, the government and the general public as well.

About the author:

George Atta Peprah is an Operations Officer at Atiwa Rural Bank in the Eastern Region.

Email: attageorge3@gmail.com

PICTURE GALLERY



Kojo Mattah, Managing Director and his team members at the frontage of the Head Office of the ARB Apex Bank on the eve of Eid ul-Fitr (Tuesday, June 4, 2019)



Staff of ARB Apex Bank on Africa Union commemoration day



Alex Kwasi Awuah (Deputy Managing Director, ARB Apex Bank) and Francisca Naa Adei about to present a certificate to a training participant



Staff of ARB Apex Bank on Africa Union commemoration day



Alex Kwasi Awuah, Deputy Managing Director of the ARB Apex Bank (4th from right on the front row) with female officers of ARB Apex Bank after a workshop



Professor Patricia Fosh, Women Empowerment Specialist, and a former professor of the London School of Economics, UK, with female officers of ARB Apex Bank after a workshop

this is US!

We stand to consolidate and sustain our gains in Leadership in Rural Banking in Ghana.

#ThisIsOurVision

SEND AND RECEIVE MONEY

Across our Remittance & Transfer Platforms



AMENFIMAN
RURAL BANK

...Your Success Our Pride!

Reach us on our hotlines:

020 203 0060,
020 203 0063

Website: www.amenfimanbank.com

E-mail: info@amenfimanbank.com



Francis Enimil Ashun

SUSTAINING GROWTH IN RURAL & COMMUNITY BANKS: BRANDING, SERVICE AND THE COMMUNITY

Sustainable growth, traditionally, has meant the realistically achievable growth that a company or national economy could maintain without running into problems. It is the growth that a firm enjoys within its current resources without running into problems.

All businesses, including banks such as Rural and Community Banks (RCBs), face challenges of creating long term growth with limited resources. RCBs are particularly limited within a certain catchment area and face a herculean task of a limited pool of clients among other things. For businesses to sustain their long term growth, they must have clear purposes, partner and collaborate with industry players. In addition, they must have and project a strong and unique brand and be able to attract potential clients while maintaining existing clients. This feature article focuses on the unique branding,



Francis Enimil Ashun
Manager, Lower Pra Rural Bank

service and product delivery as well as community development of the RCBs.

Branding RCBs

Branding is the process of promoting a product, service or a company by means of advertising the distinctive designs that make them stand out of the crowd. It is a concept that seeks to etch the name, symbol or the characteristics of a service, product or company in the minds of their intended public. The RCBs established in early 1970 suffered a series of credibility challenges because every news item about the banks at the time was not favourable. However, with the advent

of the ARB Apex Bank and the support of other international agencies, RCBs have emerged from the doldrums and are taking their rightful positions as the go-to financial institutions by small savers, farmers and small and medium enterprises (SMEs) in small towns and peri-urban communities of Ghana. It is instructive to note that of all the recent turmoil in the banking sector in Ghana, not a single RCB has been heard of as being unable to meet their clients' withdrawals or any of their clients' banking obligations. This is something that must be celebrated.

In the area of branding, some individual RCBs have done very well in positioning their unique brands in the minds of people in their catchment areas and beyond. Banks such as Lower Pra Rural Bank (Shama), Ahantaman Rural Bank (Agona Nkwanta), Fiaseman Rural Bank (Bogoso) all in the Western Region; Atwima Kwanwoma Rural Bank in the Ashanti Region, Adonten Community Bank and South Akim Rural Bank all in the Eastern Region just to mention a few, have all done well to become household names in their respective catchment areas.

What the other banks must do is to pay special attention to the image they project to the people in the communities.

By carefully constructing their unique brands through outdoor programmes, relationships, marketing messages and visual assets, RCBs can seize the opportunity to shape their existing and potential clients' expectations of their banks and create a unique bond that would go beyond just the day to day depositing and withdrawal of funds. Brand image when properly managed establishes a special long-term emotional connection between the RCBs and their customers.

Offerings

RCBs today essentially deliver similar products and services like all universal banks. The difference is in how those services are delivered. RCBs are however in the position to provide better services than other financial institutions which compete with them in their catchment areas as they have branches even in the remotest parts of the rural areas. RCBs must pay attention to product/service delivery to enable them to attract more clients from mainstream banks and other non-bank financial institutions.

RCBs can achieve these by:

a) Offering a better quality service to clients, such as faster turnaround time, door- to -door cash delivery or lodgement services to those of their clients who by the nature of their businesses cannot come to the banking hall all the time.

b) Increasing the delivery speed of their services to their clients. It is very disheartening to want a service such as a loan from your bank in the shortest possible time but it takes an unduly long time between processing and approval and final disbursement. UT financial Services were known for "a loan in 48 hours" that others have had to copy. That unique positioning identified UT Financial Services and gave them an edge over their competitors such that the competition had no better response than to copy them.

Individual RCBs must look for something to be identified with, which makes them stand out from their competitors. Lower Pra Rural Bank in the Western Region, for example, became known for their group loans to




Lower Pra Rural Bank, Shama


market women, artisans and fisher folks that even the World Bank noticed them and sent experts from as far as USA, Mali, Germany, and the Philippines to understudy their banks.

c) Provide additional expert advice to clients other than the normal day-to-day banking advice. It is an open secret that many RCBs operate in rural areas where financial literacy is low. This places *The Rural Banker* in a position to offer advice to guide their clients in their businesses or even in which financial instruments or investment they should put their funds. During the height of the Menzgold investment frenzy, the six people who came to my office to move their funds to Menzgold either ended up investing in fixed deposits from my bank or were convinced to reduce drastically, their intended investment in Menzgold. This all happened because I provided them with expert advice on why my bank's investment products were safer and more protected. But this requires the RCB staff to be on top of issues in the financial and investment environment in Ghana and beyond.

They must also have a deeper knowledge and understanding of their own banks' comparative advantages. No staff can give any good advice to a client if they are not knowledgeable enough on the strengths of their products and services vis-a-vis similar services and products of their competitors.



Branding is the process of promoting a product, service or a company by means of advertising the distinctive designs that make them stand out of the crowd. It is a concept that seeks to etch the name, symbol or the characteristics of a service, product or company in the minds of their intended public.





d) Add simplicity to customer interactions with the Banks and let clients feel easy and welcome and eager to do business with you. It is important for RCBs to have a one-stop desk where all general information a potential or existing client may need can be accessed without delay. This enhances turnaround time and attracts other clients to do business with the bank. And above all, customer service should be enhanced. It is not very good to tell clients that the system is down or you are having some form of systems or operational difficulty and therefore cannot provide banking services. All alternatives must be explored for continuous services to clients while the problem is attended to. Clients do not care about whether your systems are down or not, all they need is the provision of the services you promised to offer them when they opened accounts with you. That is your charge to keep.

Identifying and building relationships in the Community

RCBs exist in communities where people, other RCBs and other entities interact in different ways. For the necessary long term growth, RCBs must identify with the community they are established to attract, especially the youth to do business with them. It is not enough to think that once a bank or branch is established in the community, the people would identify with it, accept it and do business with it. Communities are vital enablers for sustainable growth because they provide the RCBs with the structures they need to support them. RCBs must get involved in programmes organized by the communities and then monetize their involvement by providing goods and services which serve the needs and passions of the community. This approach can help them attract new clients and maintain the existing one to enjoy sustainable growth. Community building must start within the bank's employees. It is unwise to start a new bank or branch with all employees

drawn from outside the community. Even if some staff must necessarily come from outside the community encourage such staff to identify with the community as their own. It will be unwise for RCB staff not to be seen to be partaking in, for example, community festivals in which all the local leaders are involved. Such an attitude would send the signal that the bank does not belong.

For RCBs to ensure continuous or sustainable growth, they must also embrace a social cause that extends customer impacts. Banks which support local programmes and extend social help to their local communities etch themselves firmly in the minds, of the people in the community. Community building by RCBs must also involve developing a value-driven presence on Social Media. The philosophy behind building a Social Media presence within the community is to share contents that enhance the lives of customers while creating in their minds, a constant reminder of the presence of the bank. The very nature of a Social Media community is that participants share contents that support their members. Sharing not only keeps the community together, but it also brings in a constant flow of new members, each of whom may be a potential customer to the banks.

Conclusion

These are not the only drivers of sustainable growth. Individual RCBs must put in the time and resources to uncover and fix their unique growth roadblocks given the peculiar terrains they operate in. Once you know what is in your way, you can then figure out the best levers to pull to drive sustainable growth.

About the author:

Francis Enimil Ashun (MBA, MA, B.Com) has extensive experience in Rural Banking in Ghana. He is a researcher in current trends in Human Resources Management and Development and Rural Banking. He may be reached on enimilashun@gmail.com Cell: +233 050 636 3388

SB9

2-POCKET VALUE COUNTER UV, MG, IR, CIS, MT

COUNTERFEIT INSURANCE COVER



Dzifa Gray



Head Office: No. 91 Afajato St. Off Outer Ring Rd, New Abosse Okai (Kaneshie First Light) Accra,
E-mail: sales@alsaleservices.com | alsalegh35@gmail.com | Web: www.alsaleservices.com

0275 354 752 / 0244 617 170 / 0302 309 705



CERTIFIED
BY
THE BANK OF GHANA

Connecting Consumers & Businesses through Technology

Over the past 10 years, we have pioneered platforms that help businesses to connect to their consumers seamlessly, speedily and securely.



e·BANK⁺

Empower your customers to bank on-the-go and perform mobile money transactions simply and securely.

e·MOBI⁺

EMOBILIZATION

Bring your customers simple and secure banking teller operations, no matter where they are.

e·Collect⁺⁺ :: RedPoint

Businesses depend on Revenue Generation, Collection and Cash Flow in order to provide adequate liquidity. We ensure that REVENUE COLLECTION, which is a critical element in any Clientele's business, is enhanced. When funds are locked up, businesses are at their REDPOINT

PayStore⁺

Empower your customers to perform fixed line payments, bill payments and mobile airtime top-ups simply and securely.

Customer Service Via SMS and USSD

Extend your customer service solutions to your clients near or far via SMS and USSD.

Let's help you connect meaningfully with your customers today.

Location: 1st Floor, No.1 Airport Square, Airport City, Accra Ghana.
T: +233 243 555 005 / **A:** P.O. Box 4822 Accra-Ghana / **E:** info@textgenesys.com
W: www.textgenesys.com



TextGenesys Limited
Smart Business Communications

Read The Rural Banker

for information about the Rural Banking sector



Digital versions available at
www.arbapexbank.com/publications or www.theruralbanker.com