

THE RURAL BANKER

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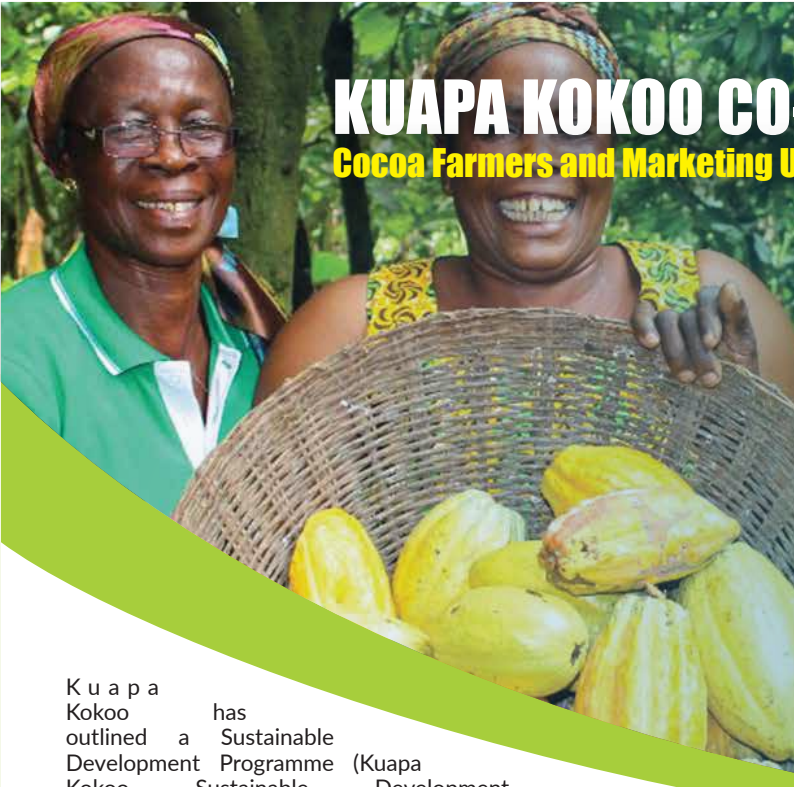
Abantaman Rural Bank, a progressive Bank, serving customers better always

*- Managing risks in Agency Banking
- Avoiding loan delinquencies during Covid-19*

MEET THE NEW DIRECTORS OF ARB APEX BANK

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 38year 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 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!!

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Susu, an age old micro-savings product, is one of the many products in the portfolio of scores of Rural and Community Banks (RCBs). The product has two components namely, susu deposit, and susu loan.

52 AVOIDING LOAN DELINQUENCIES DURING COVID-19

The advent of the Coronavirus (COVID-19) pandemic has brought in its wake disruptions to operations at Rural and Community Banks (RCBs). Some of the areas being affected most are, credit quality and risk management.



4 FROM MD's DESK SPEED OF CHANGE

Change is occurring simultaneously, accelerating at breakneck speed, and creating so much complexity and uncertainty that even the savviest executives question whether they were prepared for the disruptions the world is currently battling. The coronavirus (COVID-19) which started in Wuhan China in the latter part of 2019 became a global pandemic in 2020.



16 AHANTAMAN RURAL BANK, A PROGRESSIVE BANK, SERVING CUSTOMERS BETTER ALWAYS

The current ten-member board is chaired by Mr Vincent Blaychie Essien, who has been board chair since 2014. Other directors are, His Worship Eric Daning (Vice-Chairman), Hon. Lawyer Ebenezer Kojo Kum (Board Secretary), Dr Dolf Kofi Badu Sutherland, Hon Samuel Johnfiah, Mr Anthony Peter Amissah, Mr Ekow Mensah-Woode, Ms Elizabeth Obeng, and Rt Rev Daniel Degraft Brace. Ahantaman Rural Bank has over the years undertaken major interventions in the community as part of its corporate social responsibility.

7 MEET OUR NEW DIRECTORS

According to Dr Anthony Aubynn, who chairs the Board, “I have no doubt and illusion about the enormity of the role ARB Apex Bank has played and will continue to play in the economy of Ghana. It is my vision to work with my colleagues on the Board to deepen and broaden financial intermediation in the unbanked segments of the Ghanaian society.”



30 MANAGING RISKS IN AGENCY BANKING

A Banking Agent is a commercial entity that has been contracted or engaged by a commercial bank and approved by a Regulatory/ Supervisory Bank to provide specific services on behalf of the bank. A Banking Agent can also be defined as a retail outlet contracted by a financial institution or a financial technology (FINTECH) operator to process clients' transactions.



42 CORONAVIRUS ALLEVIATION PROGRAMME (CAP) - REVIVING DISTRESSED GHANAIA ENTERPRISES

The outbreak of the novel Coronavirus (COVID-19) pandemic across the world has challenged the health care systems of most countries. Over time, it has become clear that the COVID-19 pandemic is not only a health crisis but also carry with it economic, social, and political consequences.



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to our Communities.



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EDITORIAL

Maximus Attah

Gh-link cards and GOIL partnership – big boost to rural banks

The Ghana Interbank Payment and Settlement Systems (GhIPSS) has launched a ground breaking partnership with Ghana Oil Company (GOIL), Ghana’s leading Petroleum Company, which would allow all gh-link card holders to purchase fuel and shop for groceries at all GOIL stations across the country.

This special project, which is the first between the indigenous Ghanaian petroleum leader and GhIPSS is part of the efforts to drive the national digitization agenda and would enable all gh-link card holders the freedom of using their cards at all GOIL depots and shops across the country.

This phenomenal partnership between GOIL and GhIPSS brings two significant advantages to customers of Rural and Community Banks (RCBs) in the country.

First, it means that all gh-link automated teller machine (ATM) card holders of the RCBs can now make purchases at the over 280 GOIL service stations across the country. Therefore, RCB customers would no longer have to carry cash when going to purchase, fuel, liquefied petroleum gas (LPG), or shopping for groceries. This is real convenience to the RCB customer who just by a swipe of the ATM card at a GOIL point of sale (POS), can now achieve more, without blinking in these coronavirus (COVID-19) times.

We know that the RCB customer would welcome this revolution because it offers them three key things; convenience, security and an added advantage of the good feeling that “we have also joined the new wave of customers who can use their cards to make purchases.”

Second, which is also a major boost for the banks themselves means that, all 144 RCBs would now be pressured by customers to issue more ATM cards and in real time too. The pressure on the banks to issue more cards would be intense because as the RCB customers realize that they have now become an integral part of the electronic card ecosystem in the country, they can only demand for more, as holding an ATM

card from a rural bank means that the customer can transact more business at the over 90 RCB ATMs spread across the country and also do business on the over 2,000 gh-link ATMs of all the other banks dotted across the country.

This is also a big boost to the RCBs, who must capitalize on this window to issue more ATM cards to their customers, and as they do that, they can increase their fees, knowing full well that this network of banks command the largest retail customer segment of the banking sector.

The Rural Banker is particularly thrilled by this GOIL-GhIPSS advantage to our banks and esteemed customers and would plead with other state institutions to introduce more locally-engineered partnerships that would inure to the mutual benefits of local institutions and the RCB customers, who often do not have the benefit of experiencing modern technology in its early forms.

We say kudos to GOIL and GhIPSS and can only say that we expect ever more from these two giant parastatal institutions!

FROM MD'S DESK

THE SPEED OF CHANGE



Kojo Mattah
Managing Director, ARB Apex Bank

Change is occurring simultaneously, accelerating at breakneck speed, and creating so much complexity and uncertainty that even the savviest executives question whether they were prepared for the disruptions the world is currently battling.

The coronavirus (COVID-19) which started in Wuhan China in the latter part of 2019 became a global pandemic in 2020. The impact of the outbreak has been felt worldwide. The pandemic has threatened the core of society's public health, livelihoods and social wellbeing. This disease

is heavily affecting labour markets, economies and enterprises, including global supply chains, leading to widespread business disruptions.

As Rural and Community Banks (RCBs), these emerging realities are fundamentally changing how we should develop and implement our strategies. Technology has taken over the way we operate, with many organizations avoiding face-time and working from home. Our so called territories have been invaded by the giants within the industry. We need to incorporate concrete thinking and action regarding how we can win through collaboration with others. Even more important, we need to explore how to orchestrate and participate in complex solutions to society's intractable challenges. The impact of mobile money on our operations and the growing trend of

moving our economy into a cashlite one presents us with a huge but achievable target to strategize if we intend to remain relevant in the coming years.

Today, we are starting to reorganize the entire structure of our economy around the truly fundamental needs and wants of humanity so that we can deliver the most essential requirements and desires of our customers much more effectively, justly and sustainably. Whether we continue to make positive progress, or slip into less unfortunate times, will not be determined by any single agency. Our shared future will be determined by decisions and actions taken by many actors working together.

All these progress will come at great cost. The financial sector has typically led the charge because of its reliance on absolute top speeds, and those technologies, proven in the fire of the international markets, eventually make their way into general business use.

The rural banking industry is behind our competitors in terms of innovation. Thus, the ARB Apex Bank and the RCBs are spending a lot of resources in transforming most of our operations to the digital channels in order to remain relevant; progress has been slow compared with the increase in speeds in previous months. Every fraction of the speed of light matters if we expect to keep up with the incredible amount of data we will be capable of producing in the coming years. Considering the pace at which our competitors are running, we even have a bigger task of running faster just to be able to catch up and compete fairly with our peers. Majority of organizations today are

▶▶ Pg. 6



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.

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 - Economics in Banking
 - Elements of Banking
- Principles of Management

LEVEL 2

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- Management Practices
 - Customer Services
 - 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.



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faced with several key challenges in the ever-changing world. These key challenges include providing learning at, or faster than the speed of change, closing the gap between talent and business goals, and transforming themselves from order-takers to business partners that drive organizational culture and influence strategy at the executive level all the way down to the trenches.

The future demands that, successful leaders embrace a new leadership mindset and approaches to work; that we orchestrate our ecosystem strategies around customer needs, and that we ensure that all stakeholders understand what their organization truly stands for, and why. We cannot predict everything that will happen, but we can understand the sustained trajectories that we still ride today and avoid the paralysis that stymies our progress. In doing so, we can build better and more enduring businesses that serve our shareholders, depositors, customers, communities and, yes, humanity itself.

There is a fascinating 19th century science experiment. As the story goes, researchers found that when they put a frog in a pan of boiling water, the frog just quickly jumped out. On the other hand, when they put a frog in cold water and put the water to boil over time, the frog just

boiled to death. The hypothesis is that the change in temperature is so gradual, the frog does not realize it's boiling to death.

Indeed, in times like these, we need to have a proper and a deeper understanding of our existence and the current trends. It is up to us to reposition ourselves and attempt preempting the times ahead. Being proactive and understanding our risks is key in ensuring that we are not overtaken by events. There are enough examples to show that remaining in our usual ways of business is not enough to save us from becoming irrelevant. Many businesses have collapsed because they underestimated the speed of change. The Boards and Management of RCBs must exhibit leadership and innovation. We must collaborate more and take advantage of technology. If we fail to grasp these moments, we shall only be part of the statistics which would sadly remember us as the ones who did not do anything wrong, but somehow lost everything. The change is going to be expensive, but we have to sacrifice and pay the price of our lives rather than pay the price with our lives so that together, we can progress. ■



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MEET OUR NEW DIRECTORS

A 13-member Board of Directors have been inducted to lead the vision of ARB Apex Bank for the next three years. The Directors comprise **Dr Anthony Aubynn** – Chairman, **Larry K. Jiaage (Esq.)** – Vice-Chairman and representing the Volta Region chapter of the Association of Rural Banks, **Mr Daniel Ohene Kwaku Owusu**, representing the National Association of Rural Banks, **Mr Cletus Azaabi**, representing Upper East chapter of the Association of Rural Banks, **Mr Yaw Odame-Darkwa**, representing the Brong Ahafo chapter of the Association of Rural Banks, **Mr Edwin Kwabena Adjei**, representing the Eastern Region chapter of the Association of Rural Banks, **Margaret-Ann Wilson**, representing Ministry of Finance, **Mr Philip Abradu-Otoo**, representing Bank of Ghana, **Mr Frank Owusu**, representing the Central Region chapter of the Association of Rural Banks, **Naa Adofoley Nortey (Esq.)**, representing the Greater Accra chapter of the Association of Rural Banks, and **Mr Kojo Mattah**, Managing Director of the Bank.

The remaining two Directors would later join the board to bring the total membership to 13.

Board Chair's vision

According to Dr Anthony Aubynn, who chairs the Board, "I have no doubt and illusion about the enormity of the role ARB Apex Bank has played and will continue to play in the economy of Ghana.

It is my vision to work with my colleagues on the Board to deepen and broaden financial intermediation in the unbanked segments of the Ghanaian society."

He added that "...we will do so by harnessing our human resources and deploying modern and efficient technology to support the Rural and

Community Banks in Ghana (RCBs).

We need to pivot on providing the most efficient and effective systems of support to the RCBs, working hand in hand with them. The result will be a strong and efficient RCB sector for Ghana."



Dr Anthony Aubynn
Chairman of the Board of Directors, ARB Apex Bank

Profile of Directors

Dr Anthony Aubynn-Board Chairman

Dr Anthony Aubynn has over 20 years of Senior Management experience spanning the mining industry (both gold mining, oil and gas). He has demonstrable management experience in both policy formulation and regulations as Chief Executive Officer, Ghana Minerals Commission;

Chief Executive Officer of the Ghana Chamber of Mines; Human Resources and Corporate Affairs Management in his role as Director, Corporate Affairs, Tullow Ghana Limited; Head, Corporate Affairs and Social Development, Goldfields Ghana Limited; and Head of Human Resources and Local Affairs (Abosso Goldfields Limited). Dr. Aubynn's expertise in mining policy formulation has been sought for in projects in Cameron, Tanzania, Haiti, and the Republic of Congo. He also has banking experience, having worked with the erstwhile Ghana Cooperative Bank.

Anthony was the President, Western Region Chapter of the Association of Rural Banks and Board Chairman of Amenfiman Rural Bank. He was also the Board Chairman of Investorcorp Mid-Tier Funds and a member of International Finance Corporation Advisory Group on Local Content.

A member of UNITAR Experts on Artisanal Small-Scale Mining for West Africa. He is currently a member of the Executive Council, Ghana Football Association. He joined the Board of the ARB Apex Bank in March 2020 as the Representative of Western and Western North Regions and was elected as the current Chairman of the Board of Directors of ARB Apex

Bank. He is also the Board Chairman of Amenfiman Rural Bank.

Dr. Anthony Kwesi Aubynn graduated from the University of Ghana with a Bachelor of Arts Degree in Geography and Political Science, and obtained a Diploma in International Law from University of Helsinki. He holds a PhD in International Development from the University of Tampere, and was a PhD Fellow at the United Nations University, IAS, Tokyo, and was awarded a DBA (Honoris Causa), Oil and gas by the Commonwealth University of London.

He also holds an MPhil (Development Geography) from the University of Oslo, Master of Social Science (International Relations) and an MA (Development and Environmental Studies) all from the University of Tampere. He also holds other qualifications including; a Certificate in Natural Resources and Development from the Oxford University Blavatnik School of Government (UK), Harvard University's Executive Programme on Global Markets. Dr. Aubynn is currently reading Law at the Ghana Institute of Management and Public Administration (GIMPA).



Larry Kwesi Jigge (Esq.) - Vice Chair

Larry is an accomplished Insurance and Risk Management Practitioner and Lawyer with combined experience spanning almost four decades. He is currently the Chief Executive Officer (CEO) of Risk Management and Advisory Services Limited.

Prior to that he was the Managing Director (MD) /CEO of Nsia Ghana Insurance Company Limited, MD/CEO of CDH Insurance Company Limited and General Manager of Hollard Insurance Company Limited (formerly Metropolitan Insurance Company Limited).

Presently, Larry is a member of the Ministerial Committee working on a new Insurance Bill to replace the current regulatory law and the Commissioners Committee on Compulsory Fire and Liability insurances, which he chairs. He delivers lectures across West Africa covering Insurance and Risk Management, the International Motor Insurance (Brown Card), Strategic Management, and acts as a consultant to insurance companies, institutions and individuals.

He is a Lecturer at the West African Insurance Institute in the Gambia and the Insurance College in Ghana where he teaches Law relating to business and Insurance, Liability Insurance, and Surety Contracts, among others. He is an active Rotarian and a member of the Rotary Club of Accra South and

Seke Social Club.

Mr. Jigge is a senior member of the Ghana Bar Association (GBA), Board Chair of Anlo Rural Bank Limited and represents the Volta Chapter of the Association of Rural Banks. He was elected to the Board of ARB Apex Bank Limited in January 2016 and then elected Vice-Chair of the Board in March 2020. Other previous directorship roles include: Director, Bank of Baroda Ghana Limited; Director, CDH Insurance Company Limited; Director CDH Life Insurance Company Limited; Chairman, ECOWAS Brown Card, Ghana Bureau; and Chairman ECOWAS Brown Card Permanent Secretariat, Lome, Togo.

He holds an Executive MBA from the Ghana Institute of Management and Public Administration (GIMPA); Barrister Certificate (BL); a Fellow of the Chartered Insurance Institute of London (F.C.I.L.); holds a Diploma in Insurance; and a BA Hons. (Social Sciences) from the Kwame Nkrumah University of Science and Technology, Kumasi.



Daniel Ohene Kwaku Owusu - Member

Daniel Ohene Kwaku Owusu was appointed as a member of the Board of Directors of the ARB Apex Bank on May 2, 2019.

As the incumbent President of the Association of Rural Banks, he represents the National Association of Rural Banks on the Board. He was elected as the National President of the Association of Rural Bank at the 20th Biennial General Meeting held at Bolgatanga in November 2018. He is a Director of South Akim Rural Bank, in the Eastern Region.

Mr Owusu is a qualified educationist and taught for many years at the Accra Technical University.

A seasoned banker, he worked in various capacities at the Bank of Ghana (BoG) for almost 30 years until he retired as an Assistant Director. He worked with the Banking Supervision Department of the Central Bank. He also worked as the Head, Policy, Licensing and Legislation and Administration Office; Head, Investigation and

Consumer Reporting Office; Head, Market Conduct and Licensing Authorization Office; and Head, Technical Office.

He also served as a Bank of Ghana representative on the Boards of Agona and Bawjiase Area Rural Banks at various times. DOK as he is popularly referred to, coordinated the implementation of credit referencing in banking system at the two banks.

He is currently the Advisor, Mponua Rural Bank, and Chairman, Board of Governors, St. Francis Senior High Technical School.

Mr Owusu holds an MBA (Accounting), University of Cape Coast, Bachelor of Commerce (Hons), University of Cape Coast, Advanced Diploma in Economics of Banking, Finafrica, Milan, Italy.



Edwin Kwabena Adjei - Member

Edwin Kwabena Adjei has over thirty years stint with the banking industry. He started with the defunct Rural Banking Department of the Bank of Ghana and was responsible for establishing the office. His duties included: Procurement of relevant logistics, cocoa process schedules, administrative duties, among others for the Rural and Community Banks (RCBs).

He also worked at Human Resources Department and his role included: Head Pensions Unit-Co-ordinated and supervised the pensioners of the Bank; compiled, arranged and implemented training programmes.

Based on hard work he was moved to the Banking Supervision Department (BSD) as the substantive Administrative Officer with the roles of human resource and other administrative duties. He was later assigned to the Examination Office in the same department. "As a Bank Examiner my core assignments were off-site and on-site examination of banks and specialized deposit taking institutions."

He was transferred to a novel department created by the Bank called Other Financial Institutions Supervision Department (OFISD), where he was the Head, Forex Bureaux Examination Office until his retirement in April 2017 on the Grade of Chief Manager.

He is currently an Executive Member of the Association of Rural Banks (ARB) Eastern Region Chapter. He is a board member of Anum Rural Bank

and is Chairman of the Risk, Audit and Compliance (RAC) Committee, IT Steering Committee and Adhoc Building Committee at the same bank.

Mr Adjei is a member of the Institute of Directors (Ghana) and a Chartered Banker (CIB-GH) and holds a Bachelor of Law (LLB) degree from the Ghana Institute of Management and Public Administration (GIMPA). He also holds Executive Master of Business Administration (Finance), Bachelor of Science in Administration and a Diploma in Public Administration from the University of Ghana Business School, Legon.

He loves reading, traveling and facilitating banking and other educational programmes.

Mr Adjei joined the Board of ARB Apex Bank in March, 2020 as the Eastern Region Representative of the Association of Rural Banks.



Yaw Odame-Darkwa - Member

Yaw Odame-Darkwa was appointed as a Board Member of the ARB Apex Bank Limited on 1st January, 2016.

He is the Chairman of Wenchi Rural Bank Limited and represents the Brong Ahafo Chapter of the ARB.

He is an Administrator and Researcher. He has exceptional knowledge in administrative procedures and rules of mortgage

lending. He worked as Monitoring and Risk Management Officer at Sinapi Aba Trust. He also worked as Senior Loan Consultant of Showcase Financial Mortgage, Houston, Texas, US with seventeen (17) years of working experience in Monitoring and Risk Management and Banking.

He holds a Certificate in Loan Processing and Underwriting from Tomball College, Houston, BA (Hons) Social Science, Specialization in Law and Sociology from Kwame Nkrumah University of Science and Technology.



Margaret-Ann Wilson - Member

Margaret-Ann Wilson is currently the Principal Economic Officer at the Office of the Chief Director at the Ministry of Finance.

She started her career as a National Service Person, World Bank Unit at the Ministry of Finance in 2003. She was later appointed Assistant Economic Officer at the same Unit, where she monitored project disbursements and provided guidance to the Project Management Unit.

Her success story did not end there as she was soon elevated to the position of an Economic Officer and further to Senior Economic Officer at the same

Ministry.

Madam Wilson was a member of the Core National Planning Committee for the Third High Level Forum on Aid Effectiveness.

She was also a member of a Steering and Technical Committee of the Economic and Private Sector Development Projects. She also undertook preparatory work on Fiscal Regimes and Fund Types for the drafting of the Oil and Gas Law. She joined the Board of ARB Apex Bank in March 2020 as the Representative of the Ministry of Finance.

She holds a Master of Arts degree in Economic Policy Management, and a Bachelor of Arts degree in Economics from the University of Ghana.



Naa Adofoley Nortey (Esq.) - Member

Naa Adofoley Nortey has over 15 years' working experience as a Lawyer with capacity extending from Litigation, Commercial Law, Real Property Law, Criminal Law, Family and Probate Matters.

She also worked with Zoe, Akyea & Co., where she practiced Criminal Law for three (3) years and worked on Land Litigation and Recoveries on behalf of bank and non-bank clients. She is currently a Junior Partner at the Accra-based Beyuo and Co., a Law Firm.

Naa's many years of Legal experience fetched her a lot of contracts where she was engaged by some financial and nonfinancial institutions to recover loans from recalcitrant customers.

Some of the banks she worked for include Zenith Bank, Ghana, Standard Chartered Bank, Ivory Finance, Abokobi Rural Bank etc. Her work extends beyond Ghana to other countries. Naa worked for Gapuma Limited and Emeraude Limited, both in the United Kingdom (UK) just to mention a few. Naa has also worked for the Legal Aid Board, Ghana where she organized workshops on behalf of the Board. She is the current Chairperson of Abokobi Rural Bank and joined the Board of ARB Apex Bank in March 2020 as the Representative

of the Greater Accra Chapter of the Association of Rural Banks.

In 2018, Naa was appointed a member of the Normalization Committee formed by the Federation Internationale de Football Association (FIFA) and the Confederation of Africa Football (CAF) in consultation with the Government of Ghana to replace the Ghana Football Association Executive Committee. She was a member of a team made up of Lawyers from West Africa, led by the Chief Justice, to put together a viable and sustainable working document on Alternative Dispute Resolution in Ghana. The document was a huge success and is currently being used as a guidance tool by The Gambia.

She obtained her LLB from the Ghana School of Law and was called to the Ghana Bar and holds a Bachelor of Arts degree in Law and Sociology.



Philip Abradu-Otoo - Member

Philip Abradu-Otoo is an Economist with track record in Policy Analysis and Implementation at Bank of Ghana and International Monetary Fund and has over 30 years' experience in the banking industry.

Mr. Abradu-Otoo was employed by Bank of Ghana as an Analyst and Research Officer to assist the Research Department.

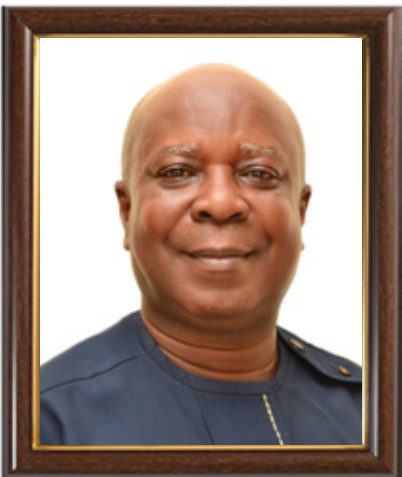
He was later appointed as a Desk Economist at the Central Bank and then as Head, Special Studies Unit at the Research Department. Through hard work, he was promoted to the position of Director of Research, a position he currently holds.

He also served as an Economist and Advisor at the Office of the Executive Director, International Monetary Fund (IMF). As the Director of Research, Mr. Abradu-Otoo is currently working on understanding the transmission mechanism of Monetary and Fiscal Policies in selected West African Countries.

He is a member of the Bank of Ghana's Monetary Policy Committee and serves on various boards including, Ghana Statistical Service, National Pension Regulatory Commission, Ghana Tourism Development Corporation, and Ghana

Export Promotion Authority. He joined the Board of ARB Apex Bank in March 2020 as the Representative of the Bank of Ghana.

Mr. Abradu-Otoo holds a Master of Science in Economics from University of Warwick, UK, and Bachelor's Degree in Economics and Statistics from University of Ghana. He has undertaken several courses and attended several training programmes including; Macroeconomic Analysis, Monetary Policy Analysis and Applied Economics.



Frank Owusu - Member

Frank Owusu is a seasoned educationist with over 10 years of experience in Education.

He was a Lecturer at both Koforidua Technical University, and the Institute of Distance Learning at the Kwame Nkrumah University of Science and Technology (KNUST), Kumasi. He served as the Dean of the School of Business at the Koforidua Technical University, and is an Examiner at the Institute of Chartered Accountants, Ghana.

He has served as President of the Association of Rural Banks, Central Region Chapter. Prior to that, he served as Chairman of Sachet Water Management Committee, Development and Planning Committee, and Appointment and Promotion Committee.

He joined the Board of ARB Apex Bank in March 2020 as the Representative of the Central Region Chapter of the Association of Rural Banks.

Mr Owusu holds a Master of Science degree (Accounting option) from the Ghana Institute of Management and Public Administration (GIMPA).

He is also a Chartered Accountant from the Institute of Chartered Accountants and a product of Ghana Institute of Taxation.



Cletus Azaabi - Member

Cletus Azaabi is currently the Head, Information and Communication Technology (ICT) Unit at Bosco College of Education, Navrongo.

He is also a Tutor at the same College. He is a part-time lecturer at the University of Cape Coast, where he teaches Management Information Systems to Undergraduates at the College of Distance Learning. In addition, he was a Manager, Management Information Systems at Garu Tempene District Mutual Health Insurance Scheme.

He also serves as the Chief Executive Officer of Knowledge House Consult.

He is currently the Chapter President, Association of Rural Banks, Upper East and also serves on various boards including: Bessfa Rural Bank, and Presbyterian Health Services. He served as a board member of the Regional Lands Commission in Bolgatanga. He joined the Board of ARB Apex Bank in March 2020 as the Representative of the Upper East Chapter of the Association of Rural Banks.

Cletus is noted for his leadership role as he was elected an Assembly Member

for Yabrago Electoral Area and the National President of the National Union of Kusasi Students, Ghana and Vice President of Kusasi Students Union, UCC. Prior to that, his leadership roles started when he was elected the Senior Prefect and SRC President of Bawku Senior Secondary School.

Mr. Azaabi is currently a PhD (Computer Science) candidate at the University of Energy and Natural Resource, Sunyani. He holds a Master of Science in Information Technology from the Kwame Nkrumah University of Science and Technology, Kumasi, a Bachelor's Degree in Computer Science and Education, University of Cape Coast, a Post-Graduate Diploma in Management Information Systems from the Ghana Institute of Marketing and Public Administration (GIMPA), and a Teacher's Certificate from the Pusiga Training College.



Kojo Mattah - Managing Director

Kojo Mattah was appointed Managing Director on 1st June 2017.

He holds a Master's degree in Business Administration, with Distinction, from Cardiff University in Wales, United Kingdom. He is a member of the Institute of Chartered Accountants (Ghana), a member of the Chartered Institute of Marketing (CIM) UK and Ghana, and is a former President of the Chartered Institute of Marketing, Ghana (CIMG). He is also a member of the Institute of Directors (Ghana).

He has over thirty years' wealth of experience spanning banking, auditing, financial management, project and operations management, internal control, systems design and improvement.

Mr Mattah had consulted for Rural and Community Banks, Financial Services as well as Savings and Loans companies. He was the National Director of SOS Children's Villages

Ghana, where he spearheaded the construction of Kumasi and Tamale Children's Villages. He also worked with Metropolitan and Allied Bank (which was acquired by UT Bank, now defunct) as Senior Manager in charge of Strategy, Finance and Management Information, and as Finance Manager at Barclays Bank Ghana Limited.

Before joining Barclays Bank, he was Audit Manager at Benning Anang & Partners, a firm of Chartered Accountants.

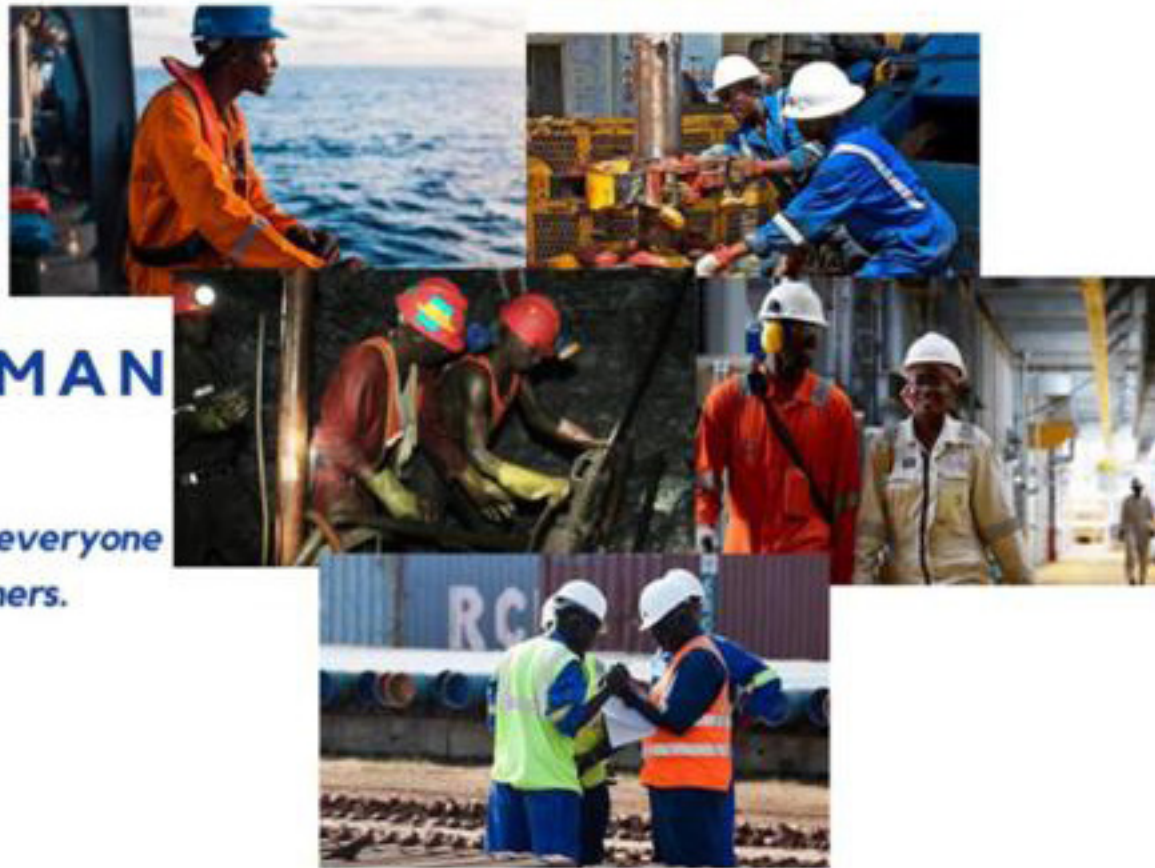
He is currently a Trustee of Teachers Fund, he was a member of the Board of the Ghana Broadcasting Corporation (GBC) and Anlo Rural Bank Limited. ■

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AHANTAMAN RURAL BANK, A PROGRESSIVE BANK, SERVING CUSTOMERS BETTER ALWAYS

Incorporated in 1984 as Ahanta West Rural Bank, it commenced operation on November 23, 1984 with Mr John Egyin Buadu, Mr Anthony Kofi Amoah, as the founding shareholders, with each subscribing to ₵3,000 (now GHS0.30) worth of shares. The name of the Bank was changed from Ahanta West Rural Bank to Ahantaman Rural Bank on January 25, 1991.

The first directors of the bank included, William Kojo Thompson, William Eric Inkumsah, Peter Kwame Ansah, James Mike Abban, Joseph Kobina Koomson, William Ekow Inkumsah, Philip Erasmus Cobbinah (Bank of Ghana Representative), Michael Morant Ezan, Francis Henry Commey, and Nana Nzafram III.

Current Direction

The current ten-member board is chaired by Mr Vincent Blaychie Essien, who has been board chair since 2014. Other directors are, His Worship Eric Daning (Vice-Chairman), Hon.

Lawyer Ebenezer Kojo Kum (Board Secretary), Dr Dolf Kofi Badu Sutherland, Hon Samuel Johnfiah, Mr Anthony Peter Amissah, Mr Ekow Mensah-Woode, Ms Elizabeth Obeng, and Rt Rev Daniel Degraft Brace.

Community Interventions

Ahantaman Rural Bank has over the years undertaken major interventions in the community as part of its corporate social responsibility. In the last five years alone, it has spent almost GHS1.0 million on a number of community development projects including:

- a) Sponsorship of Mock Exams for BECE candidates in the Ahanta West Municipality
- b) Scholarship Scheme for students in its catchment area. An average of GHS100,000 is spent per year on this scheme.
- c) Assistance for renovation of school blocks and health facilities
- d) Donation of computers and

- accessories to institutions
- e) Provision of potable water facilities
- f) Sponsorship of Community Games (Annual Otumfuo Baidoo Bonsoe Football Challenge Cup), and
- g) Donation of critical equipment to health facilities

The man who leads the vision

Mr. Vincent Blaychie Essien, a professional banker with 25 years' working experience has been chairing the board of directors of Ahantaman Rural Bank since 2014.

He started his banking career with Ahantaman Rural Bank in 1995. He is currently the Head of Investment

...providing the right solutions that combine
...ologies, expertise and financial strength.
...will create customer loyalty, shareholder
...and employee satisfaction.'

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CONFIDENTIALITY
RESULT-ORIENTED
INTEGRITY
TEAMWORK
INNOVATION
CUSTOMER SATISFACTION



Benjamin Afful-Eshun,
Chief Executive Officer, Ahantaman Rural Bank



Head Office staff of Ahantaman Rural Bank at Agona Nkwanta

Department at GCB Bank Limited. He also has vast experience in Venture Financing and Fund Management and has worked with Activity Venture Finance Company, as a Financial Analyst from 2006 to 2008.

During this period, he reviewed and implemented various projects in Education, Manufacturing, Agro-processing, Recreational and Information Technology.

Mr Essien has been a part-time lecturer in Banking and Finance degree programmes in various tertiary institutions including: University of Education Winneba, Kumasi Campus, University of Professional Studies, and Regent University College of Science and Technology. He has been a facilitator at various training programmes for bank employees.

Subjects he lectured includes but not limited to the following: Laws Relating to Banking, Finance of International Trade, Banking Operations, Negative Employees Behaviours Affecting Customer Service, and Change Management. He has a strong passion for corporate development.

He holds a Bachelor of Commerce Degree from the University of Cape Coast, MBA in Marketing from University of Leicester UK, a Professional Certificate in ACI Operations from the Financial Markets Association and a Professional Qualification in ACIB from Chartered Institute of Bankers Ghana.

Prior to his elevation to the Chairmanship of the Board in August 2014, he was the Vice Chair, and Chairman of the Finance, Audit and Compliance Sub-Committee of the Board.



Prior to his elevation to the Chairmanship of the Board in August 2014, he was the Vice Chair, and Chairman of the Finance, Audit and Compliance Sub-Committee of the Board.





Vincent Blaychie Essien
Board Chair, Ahantaman Rural Bank

Behind the veil

According to Mr Benjamin Afful-Eshun, Chief Executive Officer (CEO) of the Bank, “...the secret behind the success of Ahantaman Rural Bank is good leadership, which hinges on two major pillars, namely: firstly, a strong board with diverse knowledge background, and secondly, a dedicated and disciplined management team.”

Products and service offerings

The bank is home to an attractive suite of products and services, divided into assets and liabilities, domestic and international money transfer services, and investments. Below are the specific offerings:

Liabilities class

- a) Savings and Current Accounts
- b) Susu Savings and Loans Scheme
- c) Fixed Deposit Accounts
- d) Daakyee Investment Account

- e) Group Savings/ Loans Scheme

Assets class

- a) Salary Advances for Workers
- b) Festivity Loans for Salaried Workers
- c) Asomdwee Car Loans for Salaried Workers
- d) ‘Ahantaman 24 Hours’ Loan for Government Employees
- e) Private Enterprise Loans
- f) Transport Loans for Commercial

- Operators & Transport Unions
- g) Akuafu Boafu for Cocoa, Oil Palm, Rice and Rubber Farmers
- h) Outboard Motor Assistance Scheme

Remittances

- f) Domestic Money Transfer Services; Apex Link, MTN Mobile Money, Vodafone Cash, Airtel-Tigo Money
- g) International Money Transfer Services; Western Union Money Transfer.
- E-zwich Services

Investment

- a) Treasury Bills Purchases

Special products

Akuafu Boafu – The Bank’s Agricultural Finance Product

In the field of Agricultural Finance, the Bank has a special credit product termed ‘AKUAFO BOAFO’ (farmers’ helper), which supports cocoa, oil palm, rubber, and rice

farmers.

Mr Afful-Eshun noted that “this product ensured the provision of inputs such as fertilizers, agrochemicals and equipment to farmers.”

Again, “under the SOLIDARIDAD Project, the Bank financed the West Africa Oil Palm Project by supporting over one thousand (1,000) smallholder farmers to rehabilitate their farms by providing credit for farm maintenance and acquisition of farm inputs.”

In the cocoa sector “the Bank teamed up with COCOBOD and input suppliers such as RMG, Huger Limited and YARA to provide spraying machines, fertilizers, insecticides and fungicides to farmers. Support for cocoa purchases was provided through the reintroduction of the Akuafu Cheques. This ensured that the farmers received payments for their produce on time,” Mr Afful-Eshun added.

The Bank has also assisted a number of rubber farmers to expand their farms and acquire vehicles to cart their produce. It also provides financing to private rubber



Christopher K. Dentu
Head, Finance & Operations



The Management team of Ahantaman Rural Bank. L-R; Front Row: Samuel Nyanzu Ackah(Head, Internal Audit), Benjamin Afful-Eshun(CEO), Barbara Nkansah(Procurement & General Services Manager), Timothy Fenyi-Baah(Finance Manger). Back Row: Joseph Ato Haizel(Head, ICT), Christopher K. Dentu(Head, Finance & Operations), Emmanuel K. T. Turkson(E-banking Manager), Jerome Hilary Annan(Ag. Head, Human Resource)

purchasing companies.

Energy sector related businesses

According to Mr Afful-Eshun, “the Bank deals with a lot of companies that provide services in the oilfields.

Most energy sector workers receive their salaries through branches of Ahantaman Rural Bank. The Bank has over the period provided financing for artisans who are sub-contracted to provide services to some of the companies working in the oilfields to enable them execute their contracts.”

He said “in the downstream segment of the industry the Bank also finances the trading activities of customers to enable them fund their bulk supplies.”

Silverwares

Due to a consistent stellar performance over the years, the bank has received many awards and recognitions.

Prominent among them are:

- a. Ghana Club 100 Awards – The Bank has consistently featured in the rankings since 2003.
- b. Pillars of Modern Ghana Award – 2013
- c. 6th Business & Financial Services Excellence Awards -2013
- d. Gold Award for being the Rural Bank of the Year in Advisory Services at the 2nd Western Region Financial Excellence Awards
- e. The Bank was inducted as a member of the Africa Rural Agricultural Credit Association

(AFRACA) during the 19th General Assembly on Rural and Agricultural Finance held in Dakar, Senegal in November, 2016.

- f. Most Innovative Rural Bank Award – Received at the Top Brands Awards in 2018
- g. 1st Runner Up for Loan Financing – RCBS Excellence Awards (2017)

Legacy of CEO

Mr Afful-Eshun who manages a 332-man team made up of 151 male and 171 females believes that the greatest legacy he brought to the bank “is disciplined leadership.

This has resulted in the successful implementation of a number of projects and introduction of new products and services.” Some of



Visit to Stevo's Building & Furniture Works, a modern blocks and concrete products factory at Agona Nkwanta, financed by Ahantaman Rural Bank



Some awards received by the Bank

the landmark projects include:

- a) Expansion of the branch network of the Bank from 12 to 18 with a branch cited at Twifo Praso in the Central Region,
- b) Save and Win and Shares Promotions,
- c) Improvement in the conditions of service of staff, and
- d) Establishment of the E-Banking, Business Development and Marketing, Risk and Compliance Units.

He said his efforts are complimented by experienced staff with varied qualifications ranging from Higher National Diplomas (HNDs) to Master's in Business Administration (MBA) degrees.

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Key Performance Indicators

Below are highlights of the performance of the bank:

NO.	INDICATOR	2016	2017	2018	2019	Jun-20
1	Total Income	21,226,713	26,714,976	28,235,565	27,016,727	13,625,054
2	Total Operating Cost	17,353,027	22,203,693	25,729,164	24,896,909	11,872,999
3	Deposits	54,145,626	67,228,617	79,527,360	89,962,409	103,725,139
4	Investments	22,597,322	23,012,003	25,963,485	45,593,013	55,273,554
5	Advances (Net)	28,730,102	41,528,582	43,401,616	36,116,020	35,293,693
6	Shareholders' Funds	8,775,546	11,397,341	11,485,505	11,405,472	13,183,977
7	Paid-up Capital	1,630,846	2,163,929	5,481,697	5,627,678	5,654,126
8	Profit Before Tax	3,873,686	4,511,282	2,506,401	2,119,817	1,752,055
9	Total Assets	68,971,966	87,801,696	95,299,699	105,215,064	121,148,045
10	Capital Adequacy Ratio	20.73%	12.74%	11.54%	11.16%	15.55%

Fall-out from financial sector clean-up

According to Mr Afful-Eshun, “the financial sector clean-up affected the Bank in two major areas, namely, fear and rumour mongering leading to panic withdrawals, and locked-up funds with Fund Management Firms.

Fortunately, Mr Afful-Eshun added, “the Bank had more assets in advances and Government Securities and has thus been able to weather the storm. It is hoped that the remaining locked-up funds will be released to further boost the liquidity position of the Bank.”

On the other hand, he said “the Bank has taken advantage of the collapsed of the Microfinance and Savings and Loans Companies to increase its customer base and deposits.”

His rich resume

Professional life

Mr Benjamin Afful-Eshun was

appointed CEO on July 1, 2014. Prior to that he acted as the Chairman of the Interim Management (IMC) from June 2013 to June 2014. He therefore has varied experience in the Bank, having started as a Credit Officer and subsequently moving to the Information Communication Technology (ICT) Department, all of

which have equipped him to handle the CEO position in an ICT driven banking services era.

Mr Benjamin Afful-Eshun was born to the Very Rev John Afful-Eshun, a Minister of the Methodist Church Ghana and Mrs Margaret Afful-Eshun (both deceased). He is the



Benjamin Afful-Eshun,
CEO, Ahantaman Rural Bank

third son of seven siblings.

He had his secondary education at Wenchi Secondary School, where he obtained both his GCE Ordinary and Advanced Level Certificates in 1984 and 1986 respectively. He then proceeded to the Kwame University of Science and Technology in Kumasi and graduated in 1991. After undertaking his National Service with the Coconut Rehabilitation Project at the Ministry of Agriculture in Sekondi, Benjamin took up an appointment as a Tutor at St Mary's Boys Secondary School, Apowa-Takoradi from 1992 to 2001.

He served in several positions including Form Master, Dining Hall Master, Entertainment Master, Housemaster, Parent-Teacher Association (PTA) Secretary, and Coordinator of the Science Resource Centre. He won the District Best Teacher Award in 1997.

He joined the Bank in September 2001 as a Project Officer and rose through the ranks from Assistant Banking Officer, Banking Officer, to Assistant Manager. In 2005 he was transferred to head the newly created ICT Department to oversee the computerization programme of the Bank, a task he accomplished with distinction. He was appointed the Chairman of the three-man IMC of the Bank in June 2013 following the resignations of the CEO and Deputy CEO and subsequently elevated to the position of CEO in July 2014.

Mr Afful-Eshun holds a Bachelor of Science Honours Degree in Agriculture from the Kwame University of Science and



George Owusu Buabin
Acting Head of Credit

Technology (KNUST) - Kumasi, Diploma in IT & MCSE from IPMC College of Technology, ITIL (Foundation) Certification from GIMPA, and Commonwealth Executive Master's degree in Business Administration (CEMBA) from KNUST.

Social Life

On the social side, Ben has served in various positions in Church and Society. He served in various executive positions in the National Union of Methodist Singing Bands from 1992 culminating in his election as the National President in 2008. He also served as the Connexional Organiser of the Methodist Lay Movement Council from 2015 to 2017. He is currently the Circuit Steward of the Kwesimintsim Circuit of the Methodist Church Ghana, and a member of the Diocesan Synod.

He is also the Secretary to the Managers' Group of the Western Chapter of the Association of Rural and Community Banks (WERBA).

He is married to Mrs Rosa Amenlemah Afful-Eshun (a teacher by profession), and they have four children, namely: Benedicta (First Lady), Marian (Iron Lady), Benjamin Jnr (Golden Boy), and Michael (Angel Boy). He is also blessed with two adorable granddaughters.

His hobbies are choral music and photography ■

ADOPTING AGILE MANAGEMENT FOR RESILIENT GROWTH

Francis Enimil Ashun

What is Agile Management?

Agile Management is an iterative management methodology that values human communication and feedback, adapting to change, and producing working results. Organizations that have adopted Agile Management principles have reduced overhead costs, improved their customer experience and become more profitable in the long term.

Agile management enables organizations to solve clients' problems in a micro fashion and to build on these changes incrementally. Adopting Agile management would enable Rural and Community Banks (RCBs) to reconfigure quickly as and when changes are needed to be carried out.

Banks spend millions on legacy operational models

of banking even in this era of digital banking but adopting or adapting to agile strategy would enable them drastically reduce their overhead costs.

Modern theories and management practices have rendered legacy banking models out of sync with the realities of the fast-changing digital age. The current status at the RCBs is therefore not sustainable for their growth in the long term.

Values underpinning agile management

- working software over comprehensive documentations
- customer collaborations over generalized processes
- responding to real-time change over following a routine plan
- personalized customer advice over a pre-configured advice template
- uniquely developed products and services
- third party processes collaboration
- scale and efficiency

How do RCBs become Agile?

RCBs can become agile banks with agile management by refocusing and concentrating on customer satisfaction, unconventional collaboration and adaptive operational models.



Francis Enimil Ashun
Manager, Lower Pra Rural Bank

According to Accenture, there are five distinct characteristics of agile banks:

1. Fast Twitch – Dynamically expanding and contracting the operational processes and policies in response to a granular understanding of the catchment area in order to make decisions quickly and frequently.

2. Test, Learn and Tweak – Replacing outmoded and time

▶▶ Pg. 27

EXTERNAL AUDITORS

D. D. Offoe & Associates
(Chartered Accountants)
P. O. Box KS 6755
Kumasi

BANK'S LOCATION

The Head Office of the Bank is located at
Antoakrom in **Amansie West District** in
Ashanti Region

HEAD OFFICE - ANTOAKROM

BOX 348, BEKWAI, ASHANTI
TEL: 0277599442/0202533983
E-MAIL: amawestrbl@gmail.com
info@amansiebank.com

BRANCHES

CENTRAL MARKET: 050 1332 546/0202533965

KASS CAMPUS: 020 2533 967 / 020 2533 961

BEKWAI: 020 2533 963/ 020 2533 959

MANSO NKWANTA 020 2533 984 /020 2533 969

MANSO ADUBIA: 0502500429

AKROKERRI: 050 1500 428 / 050 1500 427

ANWIANKWANTA: 020 2533 966/020 2533 962

AHODWO: 020 2533 960 / 020 2533 970

ANTOAKROM: 050 1579 935

OPOKU WARE: 020 2533 973 / 020 2533 968

DATANO: 024 3821 576

SOFOLINE: 050 1584 604

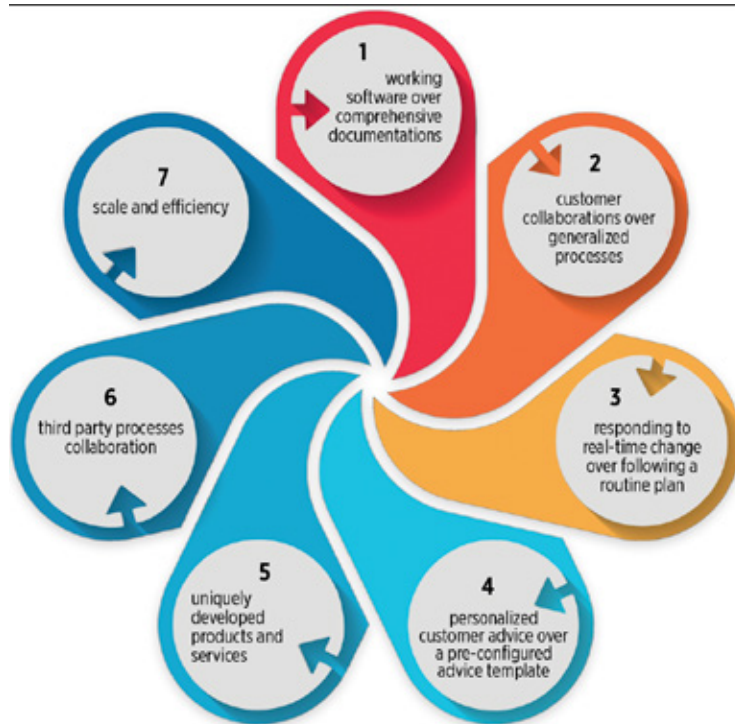


AMANSIE WEST RURAL BANK LIMITED

The Best Always Comes From The West!





The 7 values underpinning agile management



consuming and repetitive processes with quick responsive and real-time operational policies based on demand forecasts and continually adjusting as the market dictates.

3. Right Channeling – Developing new intelligent and lean processes: a flexible infrastructure that optimally combines the digital and existing physical infrastructure to grow exponentially without the need to establish traditional branches. Explore and develop branchless operations based on easily accessible technology.

4. Client First – Creating products and services that deliver personalized solutions to unique customer experiences and specific segments of RCBs’ clientele. Client first agile approach offers customers what they need instead of what the bank has on offer or what the bank thinks their customers need.


Agile banking demands responding to the unique characteristics of each market a branch is sited and operates from. This means particular products and services must be created for such unique locations and even if same products are offered, rules and policies regarding them must take into consideration the unique locations of the branches.


5. Revenue Ready – Transforming fixed costs into variable costs and investing the savings in revenue generation opportunities. RCBs can do this by divesting themselves of fixed assets such as buildings and rather opt for long leases. This would release funds that can be invested to generate more income. This divesting of assets is being pursued by many traditional banks, making available a lot more funds for investing in increased advances and other investment portfolios.

Adopting agile banking would demand shifting focus from what we want to offer to what the clients demand to satisfy their individual or business purposes. Agile banking demands responding to the unique characteristics of each market a branch is sited and operates from. This means particular products and services must be created for such unique locations and even if same products are offered, rules and policies regarding them must take into consideration the unique locations of the branches.

For instance, if it is a bank’s policy to advance only short-term loan facilities and now it opens a branch in an area where the market conditions demand that long term loans are given, then agile banking management processes demand the bank must vary its long cherished rules to accommodate the peculiarities of the new location. Rules made for the large urban centres cannot be applied in a typical rural setting; it must be tweaked to suit the characteristics of the new catchment area.

Again, the policies and operational competencies needed in Adansi Rural Bank in Fomena would be different from that which may produce an optimal output in La Community Bank in Accra. Therefore, if an RCB has operational presence that straddles different heterogeneous regions, districts or traditional areas, then the focus should be on agile management, which looks at the micro level of customer satisfaction instead of one-size-fits-all policy which may



An agile bank's leadership must think outside the box of legacy or traditional roles of leadership and implement empowered team roles. All aspects of leadership must sign up to changing from "this is how we have done it all along" to "this is how our clients want it done". Everyone must be on board.



not be able to tap into the full potential of an area. This is one of the reasons why a bank may not be doing well in an area but another will come in with localized policies and make huge impact.

An agile RCB would have to understand their clients very well and infuse a disciplined customer first approach into all facets of their operations. In making decisions, banks including RCBs must focus on strengthening internal processes and hope it triggers an efficient customer experience. RCBs should focus on satisfying their clients' demands. The focus should be how the needs of a particular region or unique locality is satisfied by not designing one-size-fits-all policies for all geographical areas that the bank may be operating in.

How Adopting Agile management will change the face of RCBs

There are so many advantages to RCBs which adopt agile management processes. These include: changing and disruptive technology, daily operational processing, asset and risk management, and fast evolving client expectations. Adopting agile management practices should look beyond their legacy hierarchical structures and adopt agile leadership to enable them reduce the lag time in

decision making.

Changes to legacy hierarchical order

An agile management team involves doing away with or modifying legacy leadership styles and adopting a more responsive approach to management based on agile principles. To undertake a successful top-down leadership transformation. An agile bank's leadership must think outside the box of legacy or traditional roles of leadership and implement empowered team roles. All aspects of leadership must sign up to changing from "this is how we have done it all along" to "this is how our clients want it done". Everyone must be on board.

Reduced Decision-Making Time

There are a lot of redundancies in legacy management practices. Agile management processes reduce time to decision making in banks that have adopted agile banking . Banks including RCBs are very conservative and decision making has to go through time tested processes that have been used over the years. Banks are more comfortable with tested methodologies than experimenting with cutting-edge decision-making processes.

Thus, decision making within legacy management processes may take a longer time than decisions based on





the principles of agile leadership. Agile management processes are uniquely suited to improving collaboration and streamlining decision making to help reduce inefficiencies and costs.

RCBs adopting agile management will have the ability to quickly address problems as soon as they rear their heads, analyze all possible outcomes and apply the best solutions. All these cannot be done if management is still steeped in legacy hierarchical structures of the yesteryears.

Siloed Technologies


Effective information technology (IT) systems are essential to RCBs' operations. Agile management makes IT solutions adapt quickly to the ever-changing client needs. IT integration is a disruptor and agile management would enable the RCBs to remain at the cutting edge of streamlined processes to remove redundancies and help the banks improve their daily operations resulting in resilient growth.

There are many banks that still hold on to their legacy processes even though there are existing technologies that can


help simplify their processes and thus reduce turnaround time. Many banks remain steeped in collecting client data manually while the existing T24 Emerge system has all the modules in them to enable them go paperless or at least reduce their manual data collection and storage to the barest minimum.

Conclusions

Agile management allows both employees and management to play to their individual strengths and leverage their talents to perform to their best. Agile management solutions drive innovation, help identify growth opportunities, and improves customer service. Agile teams are empowered to deliver value and achieve optimum performance outcomes and quality bottom-line. RCBs which adopt agile banking would continue to grow exponentially, delivering the best results to their stakeholders. ■



Every RCB must roll out area specific strategies that can help their bank to keep up with customer expectations. The world is becoming increasingly highly digital with each passing day and millennials and Generation Z, are leading the shift toward digital banking. Specifically, mobile banking is rising in popularity among consumers. Financial institutions must therefore create mobile banking platforms and web apps to attract and secure these customers through these channels.



About the Author

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

MANAGING RISKS IN AGENCY BANKING

Dr Joseph Asantey

A Banking Agent is a commercial entity that has been contracted or engaged by a commercial bank and approved by a Regulatory/Supervisory Bank to provide specific services on behalf of the bank. A Banking Agent can also be defined as a retail outlet contracted by a financial institution or a financial technology (FINTECH) operator to process clients' transactions.

supermarkets, convenience stores, lottery outlets, post offices, and many more, where potential clients feel comfortable and are at ease to do business.

All across the world, retailers and post offices are increasingly utilized as important distribution channels for financial institutions. The points of service range from post offices where clients from all banks can conduct their transactions, to community financial institutions where banks use physical structures such as shops to provide financial services.



Dr Joseph Asantey
Head, Credit & Risk Management,
ARB Apex Bank

Rather than a branch teller, it is the owner or an employee of the retail outlet who conducts the transaction and creates the platform for clients to deposit, withdraw, and transfer funds, pay their bills, inquire about an account balance, or receive government benefits or a direct deposit or payments from their employer. Banking agents can likewise be pharmacies,

Access to financial services in Ghana is one of the keys to alleviating poverty and achieving sustainable economic development. Over Two billion people worldwide still lack access to regulated financial services (Grandolini, 2015). With a population of not less than 30 million, and an unbanked population of between 10 and 15 million, financial institutions in Ghana have a huge task of reaching out to the unbanked.

Anything that bars access to financial services undermines an

individual's or household's ability to take responsibility for their own financial security, in turn potentially damaging their well-being.

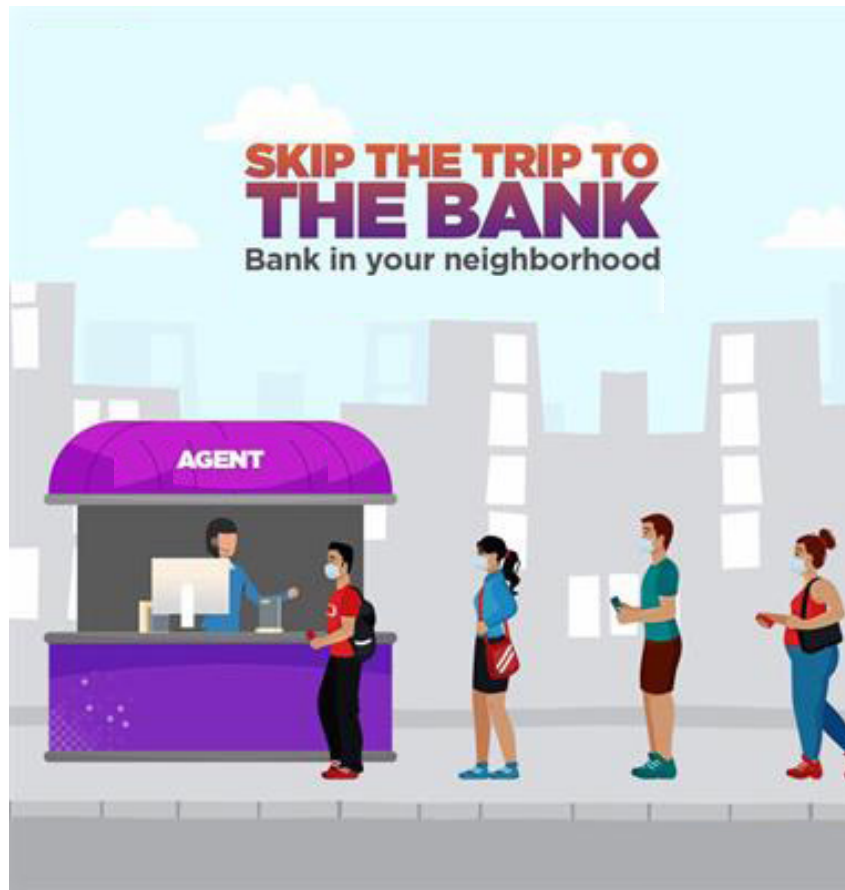
Access to financial services is recognized globally as important to financial stability and the integrity of markets (Collard, Coppack, Lowe, & Sarkar, 2016). A large percentage of these underserved population are domiciled in developing countries, where they live in remote areas with no bank branches, making it difficult and costly to access financial services.

In Ghana, access related impediments are owed to the high costs inherent in the traditional brick and mortar approach that characterizes normal bank branches. Poor households have needs for financial services; inaccessibility to credit from the formal sector leads them to shylocks who charge them unsustainable interest rates.

Ghana is gradually increasingly embracing branchless banking as a viable means of extending basic financial services to reach out to the under-served urban and rural population. It significantly reduces set-up and delivery costs, offering cash-in/cash-out operations only or a broader range of financial services to customers who usually feel more comfortable banking at their local merchants than at traditional bank branches.

Ghana has witnessed a revolution of information technology that has influenced almost every facet of life, among them is the banking sector. Service delivery in Ghanaian banks has transitioned from visiting banking halls to making transactions without even being in the bank. The need to reach customers in low income areas has therefore given rise to the creation of the agency banking concept.

The development of agency banking service is aimed at decongesting banking halls, reduce the incidences of long queues in banking halls as well as providing services at a personal level in residential estates and more importantly in rural communities. The agency banking retail approach is designed to help banks increase their outreach without incurring additional costs of setting up. Quite a number of banks in Ghana have



Ghana is gradually increasingly embracing branchless banking as a viable means of extending basic financial services to reach out to the under-served urban and rural population.

successfully rolled out agency banking. Some of the banks are, CAL Bank, Fidelity Bank Ghana Limited, and Ecobank Ghana Limited.

Ghanaian Banks are continuously seeking to automate and optimize their operations into productive and customer friendly processes.

Therefore the transition from traditional branch banking to agency banking has caused banks to develop strategies that will attract new customers while maintaining existing ones.

The Ghanaian banking industry has become increasingly competitive and it is therefore paramount for banks, more especially Rural and Community Banks to transition to agency banking quickly if they are to remain relevant.



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The rationale for Agency Banking

■ Banking agents help financial institutions to divert existing customers from crowded branches/ locations, providing a complementary, often more convenient channels. Other financial institutions, especially in developing markets, use agents to reach areas which hitherto, did not have access to financial services.

■ Reaching poor clients in rural areas is often prohibitively expensive for financial institutions since transaction numbers and volumes do not cover the cost of operating a branch in remote areas. In such environments, banking agents that leverage on existing retail infrastructure – and lower set up and running cost – can play a vital role in offering many low-income people their first-time access to a range of

financial services. Also, low-income clients often feel more comfortable banking at their local stores than walking into a marble and brick branch.

■ Banking agents are the backbone of mobile banking, they perform transactions over a mobile device, or other point of sale devices. To enable clients to convert cash into electronic money and vice versa which can be sent over their mobile phone, clients will have to visit a branch, automated teller machine (ATM), or banking agent. Especially in remote and rural locations, where cash is still the most important way to pay and transact, a mobile banking service is dependent on banking agents to enable clients effectively use the service.

Types of banking agents

The common types of Banking Agents in most developing

countries are:

- Retailers
- Insurance Outlets
- Post Offices
- Lottery Outlets
- Mobile Network Dealers
- Pharmacies/ Boutiques
- Fuel stations
- Churches

Some risks in Agency Banking

The levels and kinds of risks to which a bank will be exposed as a result of its use of agents will depend on:

- Extent of such use – the picture is quite different if a bank uses agents minimally or for the entirety of its business
- Activities in which its agents are engaged
- The bank’s management of the agent’s business, including proper oversight and monitoring of agent’s activities as well as the process by which agents are selected and trained.

SWOT ANALYSIS SLIDE

- * Lower costs than building traditional bank branches and hiring fixed employees
- * Helps lower queues in Banking halls
- * Helps support SME and Micro business lines
- * Commission based costs
- * Can be used to sell varied types of banking accounts
- * Bank Reputational Risk if some things go wrong
- * Partner Management is key to Agency Banking success. This requires that Agencies should be fully supported in their service delivery



- * Lack of real control of agent behaviour, cash control
- * Requires careful management of float, collection accounts etc.
- * Requires a type of "partner management" arrangement across systems and people
- * Minimal levels of real interaction with customers so as to cross-sell other banking products
- * Can support card usages (where POS is available)
- * Clients have the tendency to leave money in bank accounts, due to easier access and proximate location
- * Availability of combing banking dynamics (banking and agency location activity)
- * Potential for varied bill payments
- * Potential for an increase in customer base

The use of banking agents can also trigger Operational, Technological, Legal/Compliance, Reputational, and other risks.

Operational risks

The use of a non-employee, for example, an agent, to service bank customers, introduces new operational risks that may stem from lack of capacity, poor training, and lack of necessary tools and systems. These risks include the following:

- Agent fraud or theft
- Unauthorized fees being charged by the Bank Agent
- Abusive service by agent of customers (in particular, conditional service delivery, for example, requiring clients to purchase certain goods and services before being allowed to access a banking service)
- Misrepresentations regarding the agent's role as acting on behalf of a bank
- Loss of customer assets and records
- Data entry errors
- Poor cash management, resulting in an agent not having sufficient cash on hand to enable the customer to make a withdrawal
- Bank Agent failure to resolve or forward customer complaints to the bank
- Agents may themselves be subjected to theft and third party fraud

Technological risks

Utility disruptions or software or hardware failures can cause a lack of service availability and potential information loss.

Legal and Compliance risks

- Customers may sue a bank as



Customers may sue a bank as a result of bank agent theft or an agent's violation of privacy laws/bank secrecy laws or misuse of confidential customer data. Agents may sue the bank for breach of contract or other liabilities.



a result of bank agent theft or an agent's violation of privacy laws/bank secrecy laws or misuse of confidential customer data. Agents may sue the bank for breach of contract or other liabilities.

■ Uncertainty or ambiguity in the interpretation and the applicability of agent-related laws, contracts or regulations can give rise to potential lawsuits. In some developing countries, agents are suing banks, claiming that they are the functional equivalent of bank staff and should receive the same benefits, including salary and leave.

■ Compliance risks include risks of fines or other civil actions due to an agent's noncompliance with law or regulation, such as anti-money laundering and combating the financing of terrorism (AML/CFT) regulations, bank reporting

requirements, or applicable consumer protection rules (transparency of pricing and other disclosures).

Reputational Risks

Reputational Risks in Agency Banking may include:

- Underperformance by agents or fraud by agents, robbery, agent liquidity shortfalls, loss of customer records, leakage of confidential customer data, and violation of consumer protection rules regarding price disclosure.

- There may also be negative media due to systems failures.

- Where agent related AML/CFT lapses result in a bank being used for financial crimes, the public may associate the bank with criminals. Such reputational risks can be the most damaging.

Credit Risks

- In some instances, Credit Risks can be tied to operational. The bank may not receive the money owed by the agent (if an agent has a credit line to help manage its liquidity) due to robbery of the agent or agent theft.

Managing Agent-related risks

Banks can manage and mitigate risks triggered by the use of agents through various policies and procedures, internal audits, and review processes. Regulators should specify the required policies and procedures and corporate governance arrangements or where appropriate, the supervisor can impose them.



In the absence of regulatory or supervisory requirements, a bank would typically have such policies and procedures in place to manage the risks of its agent business. A bank’s approach to bank agent risk management depends on the services performed by its agents, the aggregate value of the transactions they handle, as well as the number of agents and their geographic spread. There will be only minor agent-related risks to manage if a bank has a small number of agents or uses agents for very limited services. In addition, independent, surprise and internal audits serve to determine the bank’s level of compliance with its own policies and procedures.

A bank’s approach to agents will, in many ways, be similar to its approach to outsourcing other aspects of its services. In addition to policies and procedures regarding the selection, training, and

monitoring of agents, banks need to have other risk management policies and processes for its branchless banking operations, including periodic reviews, internal controls and audits, and contingency planning. In addition, banks can also seek insurance coverage and risk-sharing arrangements ■

About the Author

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IMPROVING BRANDING OF RURAL BANKS FOR COMPETITIVE ADVANTAGE

Joseph Akossey

Almost every industry can boast of outstanding brands which are also known as top performing brands. When compared to the competing brands these outstanding brands stand out in their respective industries.

Some Marketing and Brand Management experts view outstanding brands as powerful brands as well as best known brands. They are referred to as powerful and outstanding brands because of their brand equity.

The banking industry is characterized by intense competition, with most product and service offering almost identical. Currently, there are 23 universal banks, 25 savings and loans companies, 14 finance houses, 180 microfinance institutions, 145 Rural and Community Banks (RCBs) and 591 cooperative credit unions in Ghana.

Due to the intense competition, there is the need for RCBs to build strong brands in order to appeal to existing and potential customers. Experts have stated that people buy brands and not products.

This assertion also underscores the need for RCBs to invest in building outstanding brands. It is worth mentioning that some Ghanaians are of the view that the rural banking brand appeals only to low-tier customers thereby, discouraging some high networth clients and corporate institutions from doing business with them.

Such perceptions could be changed if the industry as a whole and individual RCBs position themselves well through strategies that enhance their brands. To do this, RCBs must avoid bad banking practices which could dilute their brands.

Some characteristics of outstanding brands include: positive brand image, high level of brand awareness, high brand trust, brand superiority, brand resonance and a strong point of difference.

In view of the importance of outstanding brands to the banking



Joseph Akossey
Head, Proven Trusted Solutions

industry, this feature article considers strategies RCBs can deploy in building outstanding rural banking brands.

Strategies

a) Properly position the brand

According to marketing expert, Jack Tout, “positioning is a battle for the mind of customers.” Brand management experts have also argued that the power of the brand lies in what resides in the mind and heart of customers. This underscores the need for the rural banking brand to be well

positioned in the mind of Ghanaians. Scores of Ghanaians still have the traditional mindset that rural banks target only rural poor and low income customers. This perception can probably be attributed to the 'rural' tag in the name of the banks.

Such negative tags can be overcome when RCBs position their brands very well. I believe the name does not matter, what matters most is how the brand is properly positioned in the minds of customers.

To properly position their brands, RCBs should establish and communicate their point of purity. Point of purity refers to certain products, services and attributes that RCBs have in common with other banks and specialized deposit taking institutions.

More importantly, RCBs should highlight their point of difference, where point of difference refers to unique attributes and benefits associated with the RCB brands, which are not common to competing brands.

For it to be effective, it must be seen as desirable. A good example of point of difference that RCBs have is low service charges relative to the universal Banks. RCBs also dedicate more time and attention to their customers.

b) Ensure superior service quality

In the services industry, it is impossible

To ensure improvement in service quality, RCBs should adopt the five dimensions propounded by Valarie Zeithaml, Leonard Berry and A. Parasuraman. These dimensions are reliability, responsiveness, assurance, empathy and tangibles.

Research has revealed that service quality gaps still exist in the Ghanaian banking industry, a situation which continues to negatively affect customer satisfaction.

The Market Conduct Examinations Office of the Bank of Ghana recently, published its findings on service quality of selected banks and the results were poor.

The findings highlighted poor service in areas such as ambience, customer data protection, disclosure, and transparency issues, unfair banking practices, poor handling of customer complaints, which led to the office receiving an average of 30 phone calls, whatsapp messages, emails and direct walk-in complaints.

To properly position their brands, RCBs should establish and communicate their point of purity. Point of purity refers to certain products, services and attributes that RCBs have in common with other banks and specialized deposit taking institutions.

to build a strong or outstanding brand without paying attention to service quality. Superior service quality results in satisfying and delighting the customer. This will no doubt imprint pleasant memories in the minds of customers, leading to positive words of mouth, which could positively impact on the brand's image and identity.





RCBs should therefore take swift action to identify their service quality gaps and close them in order to enhance their brands.

c) Adopt effective internal branding

According to Dr Philip Kotler who is one of the world leading authorities in Marketing, internal branding consists of activities and processes that help inform and inspire employees about the brand. This means that staff of RCBs should believe in and live their brands. Their attitudes and behaviours at the banking halls and outside should project a good image about the brand. Staff of the various RCBs should personalize the values of their banks.

Whatever they do should be aligned with the vision of their banks. Again, staff of RCBs should be proud of the brand, love it and promote it by volunteering to become brand ambassadors.

In services marketing such as banking, the people (staff) are an embodiment of the brand and hence have a crucial role to play when it comes to building strong and outstanding brands. The staff can make and unmake the brand.

The service marketing triangle highlights the importance of people (staff) in building outstanding brands.

The service triangle is a strategic framework with three (3) dimensions, namely, external marketing, interactive marketing and internal marketing. External marketing involves a service organisation making the brand promise while external marketing focus on the staff delivering the brand promise.

When the staff are able to deliver the brand promise by meeting customers' expectations, it enhances the brand image.

On the contrary, if they break the brand promise, it will negatively affect the brand credibility. For example, a RCBs might inform existing and potential customers that it offers first class customer service, which might influence customer expectation. However, if the frontline staff offer poor customer service, it will lead to customer dissatisfaction which will have adverse effects on brand credibility.

It is therefore imperative that 145 RCBs orient the staff to appreciate their roles in building outstanding brands.

d) Physical Evidence

The intangibility nature of service makes it difficult to be evaluated before consumption. Physical

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2. Improve their skills and competencies
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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.

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evidence thus plays an important role in influencing customer perception and decision making with regard to banking transactions.

Physical evidence includes furnishing, employee's appearance, cleanliness of vehicles, attractiveness of websites and the atmosphere of the banking hall. RCBs should attach much importance to physical evidence because it shapes customers perception and by extension affects the brand.

e) Quality and well-integrated marketing programme

It is impossible to build an outstanding brand without investing in quality marketing programmes. A marketing programme is required to influence customers' mindset, create awareness, build brand image, and highlight brand superiority among others. A good example of marketing programme is marketing communications in the form of advertising, public relations, direct marketing, personal selling, buzz marketing and guerilla marketing. RCBs can deploy buzz marketing to build the brand by engaging satisfied and loyal customers to use positive word of mouth through the social media. This is also a positive way of

using social media.

Other marketing activities such as brand activation can be implemented to ensure that the brand comes to life. The Association of Rural Banks can also use integrated marketing communication to communicate and educate people on the rural banking brand.

It is heartwarming to say that The Rural Banker magazine is doing well by telling key stakeholders and the general public about what the RCBs brand stand for, values, achievements and other good stories.

Congratulation to the Board and Management of the ARB Apex Bank Limited under the leadership of Mr Kojo Matah, Managing Director of ARB Apex Bank for the initiative.

f) Deliver the brand promise

Brand promise is a statement that organizations make to customers about what they should expect from all interactions with their people, product and service. To build an outstanding brand, RCBs must deliver the brand promise and even go further to over deliver so as to delight customers.

In light of this, RCBs which are determined to build an outstanding brand should not over-promise in their advertising campaigns what they cannot deliver. When a RCB promises what it cannot deliver, it will lead to dissonance on the part of customers and this will result in negative word of mouth communication which will weaken the brand.

According to Professor Robert E. Hinson, a powerful brand can only be built on a credible foundation and there is no point of promising anything to your customers and not having the capacity to deliver.

g) Conclusion

Outstanding brand offers numerous benefits such as charging premium prices, high customer trust, and competitive advantage among others.

RCBs should therefore put in the right investments to build outstanding brands. It should be appreciated that building an outstanding brand is a continuous process and not one off activity. In line with this, RCBs should implement marketing campaigns from time to time. ■

About the Author

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CORONAVIRUS ALLEVIATION PROGRAMME (CAP) - REVIVING DISTRESSED GHANAIAN ENTERPRISES

Roderick Okwampah Ayeh

The outbreak of the novel Coronavirus (COVID-19) pandemic across the world has challenged the health care systems of most countries. Over time, it has become clear that the COVID-19 pandemic is not only a health crisis but also carry with it economic, social, and political consequences.

While governments and political decision makers battle with containing the virus, citizens are struggling with how to cope with the economic hardship brought by the effects of the pandemic. COVID-19 as a health

pandemic is threatening the economic progress made by most developing countries, including Ghana. To address these challenges, governments all over the world are adopting various measures that can enable them to protect their citizens as well as programmes that will support people to economically survive the pandemic through facilitating business survival and continuity.

To respond to the economic challenges caused by the pandemic, the Government of Ghana has established the Coronavirus Alleviation Programme (CAP) meant to provide financial and non-financial support to businesses, which have been negatively affected by the lockdowns, border closures and other measures adopted to control and manage the pandemic.

Why are MSMEs the focus of CAP?
Ghana has a large informal economy



Roderick Okwampah Ayeh
Credit Risk Manager, ARB Apex Bank

that is largely controlled by Micro, Small, and Medium Enterprises (MSMEs). These MSMEs are sources of employment for the majority of Ghana's population. This therefore makes the informal sector the engine of growth for Ghana's economy. The ILO (2018) report indicates that informal employment is the main

source of employment in Africa, accounting for 85.8 per cent of all employment.

Most families in Ghana therefore depend on the MSMEs for their livelihood support. These and other reasons make the MSMEs sector a very important sector for reducing poverty through wealth creation especially, by people working in the informal sector.

The Ghanaian MSMEs sector over the years have been noted to be faced with some key challenges. However, the onset of the pandemic and the responses adopted to fighting the pandemic which included lockdowns, closure of the Country's borders and airports have further created a difficult condition for most businesses especially the ones operating within the informal sector.

Ghanaian MSMEs find it difficult obtaining credit from the mainstream financial sector. This

is due to the many risks identified with providing credit to businesses in the informal sector. The problems of poor management, non-existing bookkeeping, unavailability of collateral to secure loans and the high cost of credit are some of the key constraints facing access to

Ghana (GoG), in a bid to revive the operations of MSMEs and also to prevent economic hardship, especially for businesses that have been severely affected by the pandemic, decided to establish the Coronavirus Alleviation Programme (CAP).

To respond to the economic challenges caused by the pandemic, the Government of Ghana has established the Coronavirus Alleviation Programme (CAP) meant to provide financial and non-financial support to businesses, which have been negatively affected by the lockdowns, border closures and other measures adopted to control and manage the pandemic.

Effects of the COVID-19 on MSMEs

Economic challenges brought about by the pandemic have affected the operations of most informal sector businesses. Businesses in the informal sector have been the hardest hit, with many of the businesses challenged financially and operationally.

credit to MSMEs.

Considering the constraints identified and the problems being faced by MSMEs, especially in this pandemic, there will be the need for a governmental intervention that will serve as a bridge to connect MSMEs in the informal sector to funding and technical support.

Most of them are experiencing reduced volumes of production as well as low sales. This has negatively affected service delivery and the sustainability of many enterprises. Majority of MSMEs are unable to pay their workers while some have even laid off a number of their workers.

This is why the Government of

Currently, informal sector businesses



are battling with high cost of operations because prices of raw materials needed for production have increased. After lockdown and with the existence of the virus, businesses are required to invest in certain logistics in order to meet certain health protocols.

These unplanned capital outlays have introduced additional costs, which are overstressing the already stretched financial resources of these enterprises. Some businesses are finding it difficult to procure new or additional stocks of their goods due to lack of funding and also as a result of the border and air space closures, which have both limited the movement of people and goods.

Additionally, some businesses cannot have the full complement of their staff to support their operations after some have laid off workers due to liquidity challenges. Generally, the CAP is meant to help address some of the key challenges being experienced by the MSMEs.

The Intervention: Coronavirus Alleviation Programme (CAP)

The CAP was launched by the President of the Republic of Ghana, Nana Addo Danquah Akufo-Addo on 5th April 2020. In his address, the President stated that “Government, in collaboration with the National Board for Small Scale Industries (NBSSI), Business and Trade Associations and selected Commercial and Rural Banks, will roll out a soft loan scheme up to a total of six hundred million Ghana Cedis (GH¢600 million), which will have a one-year moratorium and two-years repayment period for micro, small and medium scale businesses.”


The CAP Fund will be managed and disbursed through selected Financial




Institutions including Rural and Community Banks (RCBs).




The Seed Fund will be provided by the government through NBSSI. Participating Financial Institutions (PFIs) are providing 50 percent of matching fund based on the seed fund received from NBSSI as the PFI's matching fund for on-lending to clients. Potential beneficiaries are to apply for the loan using the online application system, USSD application, or by completing manual application forms available at the offices of NBSSI and RCBs.

Funds to be accessed from the CAP will be administered through RCBs and other PFIs partnering with the programme. The broad objective of the Programme is to address the disruption of economic activities that has been caused by the pandemic and further assist enterprises to



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these enterprises. However, these challenges have been worsened further by the onset of COVID-19. In order to protect their loan books, financial institutions have reduced access to loans to businesses in the informal sector. Considering the importance of MSMEs to the economy, the Government of Ghana is implementing the CAP to support these businesses to continue with their operations even in the face of the havoc wrought by COVID-19. CAP has therefore come at the right time to provide the needed interventions to MSMEs to keep them afloat to enable them continue to provide the needed support to many households ■

become viable. Beneficiaries of the Fund will be able to access loans at affordable rates and the terms of repayment has been made flexible. Beneficiary clients or businesses will also be supported to improve their capacity in the management of their businesses in a way to make them profitable.

- a) 200,000 plus MSMEs supported to access funding,
- b) 3,000 MSMEs productivity improved,
- c) 10,000 MSMEs digitised,
- d) 100,000 dignifying and fulfilling jobs created and sustained,
- e) 50,000 plus clients to have acquired (TIN).

Expected outcomes

At the end of the programme, NBSSI as the lead agency is expecting that MSMEs which have been distressed by COVID-19 would be resuscitated through this targeted support.

Generally, the expected impact includes the following:

Conclusion

The general constraints facing MSMEs are in two-folds namely, financial, and non-financials. The non-financial constraints are technical know-how, book keeping and other business development related challenges. These constraints have impeded the development of

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COVID-19 RELIEF: Atwima Kwanwoma Rural Bank offers credit relief packages to cushion clients.

Other interventions include applications for additional facility with existing security; existing principal loan balance and new loan approved are put together and spread over the new loan term, with commitment and insurance fees applied to the new loan facility.

Talking to the stake holders and the general public, the CEO of Atwima Kwanwoma Rural Bank, Dr. Stephen Sarfo Kantanka, reiterated that the pandemic has affected the global economy, and the banking industry in Ghana, generally, has been equally affected in many ways.

He said, for instance, that under its church development loan scheme, the bank will offer between three to six months' moratorium; and on the other hand, businesses that are not doing well and depending on the type of goods in which the clients deals, will be given additional funds to recapitalise their businesses.

He emphasised the current unfortunate situation of private school teachers who have been very badly hit by economic effects of the pandemic, wherein schools have been closed and their livelihoods affected.

These categories of clients will be given three months' moratorium on both interest and principal, in anticipation that after three-months government will have lifted the ban and schools will be in session.

The CEO mentioned that there are some clients who were completely out of business and overspent, which ate into their capital. Dr. Sarfo Kantanka has given a firm assurance that those affected in this regard will be recapitalised at a concessionary interest rate.

"You see the old balance is existing; so if we give the person additional capital and we make it run on the same interest rate, that will be too much and may suffocate the customer," he added.

He mentioned that the bank has a symbiotic relationship with its customers and takes decisions that are of mutual benefit to them both.

"If the customer's business collapses, the bank will not have any business to do; we are not in normal times and this is not the time for the bank to be making super-normal profit – and we cannot do

that to collapse people's businesses," he stressed.

Earlier, the bank donated boxes of hand sanitisers costing GH¢10,000 to seven health facilities within its operational territories to support government's effort in fighting the spread of coronavirus.

Atwima Kwanwoma Rural Bank is the pacesetter in rural banking, and among the first three best performing rural banks in Ghana.

As at the end of first-quarter 2020, the bank's total assets had hit approximately GH¢195million, with deposits of about GH¢151million; and recorded a paid-up capital of GH¢3.3million which far exceeds the minimum threshold by 230%.

The bank had as at March 2020 recorded profit of a little over GH¢2.1million, and offered loans and advances to the tune of approximately GH¢36.6million with a net worth of GH¢41million.



Dr. Stephen Sarfo Kantanka,
C.E.O.

Atwima Kwanwoma Rural Bank Limited at Pakyi No2 in the Ashanti Region has designed some credit relief packages for clients to cushion them in coping with effects of the COVID-19 pandemic

The offers include tenor extensions and deferment on eligible loans for clients in vulnerable sectors highly impacted by the pandemic; particularly Susu loans, SMEs (Loans and Overdrafts) and Clearance loans.

These relief interventions have become necessary because of the trickle-down effect of COVID-19 on rural banks and the banking sector in general.

The bank has given special consideration of three months' moratorium to private school teachers, salary workers of private institutions, and churches that have taken loans for their development projects. The bank has also suspended charges and insurance on facilities to these three most-affected areas of their customers.



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HOW TO PROMOTE “SUSU” BEST PRACTICES IN RURAL AND COMMUNITY BANKS

Joseph Akossey

Susu, an age old micro-savings product, is one of the many products in the portfolio of scores of Rural and Community Banks (RCBs). The product has two components namely, susu deposit, and susu loan.

This article will however focus on susu deposit and susu loan repayment.

Mobile Bankers are responsible for the marketing of the susu product in RCBs. They visit existing susu customers on daily basis with a view to collecting susu deposits. They also prospect for new customers to open susu accounts in order to grow customer numbers and the banks’ deposits.

Mobile Bankers play a vital role in the marketing of susu products. Therefore the market performance and the success or otherwise of the product depend on them. It is worth mentioning that the susu product has a huge market potential and can contribute tremendously to

deposit growth of RCBs.

The huge market potential stems from the fact that, Ghana’s economy is dominated by informal sector business activities and most of the people in the sector prefer susu product because it has unique benefits such as convenience, small deposit amounts, etc.

The recent revocation of licenses of 347 microfinance companies and 15 savings and loans companies has created a gap in the micro-savings ecosystem. RCBs can take advantage of the opportunity to attract susu customers of the defunct microfinance and savings and loans companies.

Best Practices

Susu customer segmentation

Customer segmentation is the process of dividing customers into groups based on certain key variables such as type of business, size of business, pattern of deposit, frequency of customer withdrawal and motive of the susu deposit.

RCBs should segment customers based on frequency of withdrawal in order to identify susu customers who operate their accounts like current accounts. This will help RCBs to decide whether to impose a service charge on this customer group in order to recover



Joseph Akossey
Head, Proven Trusted Solutions

cost of mobilization, or grow fees and commission income as well as ensure deposit retention.

Some susu customers contribute to the scheme with the sole aim of applying for credit. It is crucial that the RCBs identify this group during the initial account opening stage so that they can strategize to meet their needs.

Effective recruitment and training

Mobile Bankers are the promoters of the susu product. Success of the product therefore depends on the effectiveness and efficiency of the Mobile Bankers.

In view of this, better recruitment and selection procedures should be

Mobile Bankers are the promoters of the susu product. Success of the product therefore depends on the effectiveness and efficiency of the Mobile Bankers.

followed when hiring them. The role of Mobile Bankers goes beyond merely collecting deposits from customers. They play key roles such as Marketing officer, Deposit Mobilizer, Credit officer, Customer Relationship Officer. Therefore only dynamic, creative and smart people should be recruited.

Related to recruitment is the fact that effective and regular training should be provided for Mobile Bankers to update their knowledge as well as improve their selling and customer relationship management skills. This will make them more professional so that they can appreciate other roles related to effective mobilization of the micro-savings. The banks should be mindful of the fact that Mobile Bankers are critical frontline staff and should make the conscious effort to invest in building their capacity.

Proper zoning

Zoning is a process of ensuring that a particular branch's total catchment area is divided by the number of

Mobile Bankers. This makes it possible to assign specific areas to each Mobile Banker.

Proper zoning should take into account factors such as savings culture, economic activity, population density and other market demographic variables. Proper zoning has several benefits.

First, it eliminates criss crossing. Criss crossing occurs when one customer is being visited by two or more Mobile Bankers from the same bank. This is a duplication of resources. Second, proper zoning ensures easy monitoring of Mobile Bankers by susu monitors/ coordinators. Third, it helps to ensure effective coverage of the catchment areas. Fourth, proper zoning will guide RCBs in setting susu deposit target for Mobile Bankers. For example, when management realizes that Zone A is not economically viable then a lower target could be set for a Mobile Banker in charge of that particular zone.



▶▶ Pg. 50



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Reorientation

One of the best practices of susu scheme operation is radical reorientation of the mindset of staff, management and board of RCBs. The essence of the re-orientation is to help the aforementioned stakeholders to appreciate the fact that the susu product when packaged and marketed well could be a cash cow and star in the product portfolio of RCBs.

Therefore, there is the need to give the susu scheme the needed resources, support and attention. More importantly, Mobile Bankers should be given the due recognition and respect because they are partners pursuing the same agenda of resourcing and growing RCBs through rapid deposit mobilization.

Some RCBs do not recognize Mobile Bankers as part of their mainstream staff and therefore reward them by using a commission system of remuneration which does not provide income security. Furthermore, some managers and staff of some RCBs do not dignify and recognize Mobile

Bankers because of their low academic qualifications. There is no doubt that the orientation will go a long way to eliminate the negative mindset of some staff of our banks.

Performance targets and evaluation

RCBs operating susu schemes should set yearly targets for susu deposit mobilization, susu loan, and new customer acquisition among others.

Besides annual susu targets, Mobile Bankers should be given monthly performance targets. This should cover new prospecting (new account opening) cash collection, loan sales and susu loan recovery.

Mobile Bankers should also be evaluated to help management to ascertain information about their performance to aid them in taking decision about who to be promoted, who to receive award, who to be retained in case of downsizing, etc.

Adoption of swapping

Swapping is a process of changing and assigning a Mobile Banker to a



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new zone in the same catchment area. Swapping paves the way for a Mobile Banker to handle new customers who are in reality existing customers of the bank.

It is usually done occasionally to help minimize fraudulent activities such as cash suppression. It also helps to check other irregularities in Mobile Banking operations and eliminates the situation where some Mobile Bankers tend to have the mindset that customers belong to them and not the bank due to long term relationships.

Another benefit of swapping is the fact that, it affords customers the opportunity to be familiar with other staff of the bank. Prior to the swapping, susu coordinators should do their utmost to prepare the minds of customers to appreciate the fact that it is in their own interests to avoid mistrust, confusion and loss of confidence which may lead to big loss in deposit mobilization and panic withdrawals.

Strengthen monitoring and controls

One of the major risks associated with susu scheme is operational risks which arise from fraud being perpetuated by Mobile Bankers. The fraudulent issues take the form of deposit suppression, susu deposit recycling and fronting. The best way to mitigate susu fraud, is to strengthen the internal control mechanisms at the RCBs. In line with this, the banks should put in place daily, fortnightly and monthly controls. Examples could be, strict daily call-overs, engaging field inspectors or monitors to go round and make random checks of susu customers' passbooks to confirm entries are



correctly made, balancing susu savings ledgers fortnightly and monthly, ensure Susu Coordinators check the stock of passbooks and strict KYC compliance, etc.

Deployment of technology

In order to enhance the susu scheme operations, there is the need to deploy technology. E-Susu should be promoted and given much attention due to recent digital banking platforms. Susu customers' mobile phone numbers should be linked to their susu accounts to enable customers receive SMS alerts on every transaction made into their account. This will help minimize fraud and improve customer confidence.

Conclusion

So far the article has discussed best practices that can be promoted in RCBs

in order to make the susu scheme more robust. Management of the respective RCBs should apply the key points to enhance the effectiveness of their susu schemes ■

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AVOIDING LOAN DELINQUENCIES DURING COVID-19

Francis Enimil Ashun

The advent of the Coronavirus (COVID-19) pandemic has brought in its wake disruptions to operations at Rural and Community Banks (RCBs). Some of the areas being affected most are, credit quality and risk management.

The Ghanaian business community is feeling the effects of the COVID-19 pandemic. Due to the uncertainties brought about by the pandemic, businesses are already scrambling to find the best support for both their customers and employees.

Banks, including RCBs are vulnerable to disruption in the business environment. With many institutions shuttering or cutting back on non-essential parts of their businesses, sending staff on paid and unpaid annual leaves or a declaring temporary redundancies, RCBs are also bound to be hit hard.

The one aspect of bank

operations that would be hardest hit is credit management. The general economic slowdown occasioned by the COVID-19 pandemic poses a serious threat to RCBs' credit operations.

Where an RCB is unable to effectively help delinquent customers service their debts, it would pose operational and economic risks. The following steps can help RCBs best assist their customers during this pandemic:

Customer delight must be supreme

RCB customers, especially the small-scale artisans and traders will experience the impact of the pandemic the hardest. Their volumes of trade would reduce, which would also affect their income. In the short term, widespread lockdowns and other social curbs may already be preventing them from earning their regular income and curtailing physical interaction with their banks through an abundance of caution. This would affect those servicing loan facilities.

The impact of the virus is also being felt by many businesses who are either reducing staff strength or have closed shop until the pandemic is contained.

Some of these employees are also customers of RCBs who receive their salaries through the banks. The loss of salaries would have adverse effects on salary loan deductions too.



Francis Enimil Ashun
Manager, Lower Pra Rural Bank



At such times, RCBs must prioritize the welfare of their customers. For those customers in debt or facing delinquency on their borrowing, RCBs can provide short-term relief from loan repayment or longer-term loan rescheduling for industries such as the hotels and entertainment centres hardest hit by the pandemic.

To mitigate the problem wrought by the pandemic, RCBs' risk management teams must design policies that would ease the pressure of the economic downturn on their customers. This can be done through rescheduling of the loan deductions to minimize defaults.



The Bank of Ghana (BoG) has already reduced the provision made on all Other Loans Especially Mentioned (OLEM) loans from 10 percent to 5 percent and has added an additional 30 days to loans that could hitherto have been declared OLEM. This is to ease the pressure on the banks but the banks must let this BoG easing cascade to their clients. This would achieve two objectives: a reduction in the provision made by the banks thus increasing their profits and an easing of loan repayment pressure on the customer, projecting RCBs as caring banks. However, while banks would automatically adjust their provisions, it is yet to be seen how they would transfer such easing unto their clients. Recently Republic Bank announced a temporary suspension of loan repayment obligations for all their clients. It was aimed at easing pressures on these clients and to position the bank as very customer-centric and to attract more clients into their fold. RCBs might not be strong enough to follow a similar path but they are strong enough to offer a longer tenor for their loans and those already disbursed, a rescheduling to ease the repayment burden on their clients.

Above all, RCBs must increase their outreach and communication with


Many RCBs have introduced new working arrangements in response to the social distancing requirements. Some have put some of their staff on the annual leave in a bid to decongest their offices.


customers. Being empathetic to their customers not only strengthens their relationships but also demonstrates a commitment to customers' well-being and long-term survival. Customers will welcome such a commitment as reassuring and continue their loyal relationship knowing that the RCBs will always be with them even in times of great crisis such as what the world is facing right now.

Employees must be at the centre

Many RCBs have introduced new working arrangements in response to the social distancing requirements. Some have put some of their staff on the annual leave in a bid to decongest their offices. Some bank employees are now home on unplanned leave and may be traumatized. This is the time management must be more supportive of staff welfare, such as by communicating well with and reassuring staff, while encouraging them to stay connected to their offices and colleagues for support. Staff who are left at post are also likely to be nervous, unsure about how long the arrangement would last or whether the client they are dealing with is safe from the virus or not. Therefore, clear and regular communications with all staff is critical.

Where possible to reduce the exposure



Due to the uncertainties brought about by the pandemic, RCBs should rapidly modify their credit strategies, to manage exposure and provide effective support to customers threatened by delinquency.

of staff at post to risk situations, RCBs can consider reducing the business hours. Responsible social and physical distancing should include increasing the physical desk space between employees to at least two metres or where the two metres is not possible, spacing the desks adequately to make staff comfortable. Staff should be impressed upon to understand that their safety and those of their family and colleagues is paramount. They must therefore adhere to all the safety protocols, to save their banks from incurring avoidable costs.

Consider reviewing credit strategy

Due to the uncertainties brought about by the pandemic, RCBs should rapidly modify their credit strategies, to manage exposure and provide effective support to customers threatened by delinquency. When the pandemic is over, borrowers may tend to prioritize cash for daily needs and savings over payment of loans. The strain on clients' cash flows will lead to a buildup of loan repayment arrears and increase in loan loss provisions. Therefore, a proactive RCB credit risk management is important at this time,

not only to reduce banks' risk exposure but also to signal to customers, the readiness of RCBs to help them manage any plausible distress. Credit risk management should be able to detect customers showing signs of distress – for example, rapid increases in overdraft balances, reduced deposits, unusual withdrawals, and a sudden or unusual request for short term financing. RCB credit risk managers must not only be concerned about their own portfolio's quality but must demonstrate genuine concern for the customers' credit worthiness and communicate same.

After all, every bank's future depends on the future of their clients' businesses. A new loan recovery strategy involving the use of direct telephone calls, automated non-human messaging, can be introduced in place of human outbound day-to-day customer contacts. Automated non-human messaging must be done such that they may not be overly intrusive yet effective.

RCBs' credit risk management must consider linking their clients' loan accounts to their mobile money registered telephone numbers so clients can directly make loan repayments into their accounts without having to come into the bank, thus reducing unnecessary human-to-human contacts.

Another area RCBs must quickly re-strategize is the loan portfolios of their transport operator clients. The pandemic has hit them particularly hard especially drivers who ply the long journeys to Kumasi and Accra. RCBs may have to quickly look at ways of mitigating the losses that may be occasioned due to the inability of these transporters to service their loans. If these operators don't get some sort of moratorium on their loans, their debt servicing could be severely impacted. ■

About the Author

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



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