

THE RURAL BANKER



ISSUE 12
Q4, 2020

AI
Technology

E-banking
Spike

Virtual
Meeting

The New Normal

Feature:

ASSOCIATION OF RURAL BANKS HOLDS SUCCESSFUL 21ST BGM



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MANAGED SECURITY SERVICE PROVIDER (MSSP)

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- Cyber Security
- ISO 27001 Consulting

2

DIGITAL TRANSFORMATION

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3

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44 ARB APEX BANK STAFF GIVE THANKS

Head Office staff of ARB Apex Bank have held an end-of-year annual thanksgiving service to praise God for a successful year. According to Mr Kojo Mattah, Managing Director of the Bank, "staff have every reason to give thanks to God for His mercies and care as no employee of the Bank succumbed to the dreaded Coronavirus (COVID-19) pandemic."



5 FROM MD'S DESK: SERENDIPITY

I thank God for ushering us into another year. I am grateful to God for keeping us safe, sound and strong. I am delighted and most thankful to God for His protective cover over us during this pandemic.



19 BESSFA RURAL BANK ENDS 2020 IN HIGH SPIRITS

The BESSFA Rural Bank Ltd. ended the year 2020 in high spirits with the Board, Management and Staff determined to work harder in order to leapfrog the Bank to be among the top five (5) Rural and Community Banks (RCBs) in the country in the coming years.

At an end-of-year durbar of Directors and Staff, Alhaji Hayatudeen Awudu Ibrahim, the General Manager stated that "despite the challenges posed by the deadly



25 ASSOCIATION OF RURAL BANKS OUTDOORS OFFICIAL CLOTH

The National Association of Rural Banks, Ghana has outdoored its official African cloth at the just ended Biennial General Meeting (BGM) held at Miklin Hotel in the Ashanti Regional Capital, Kumasi.

According to Mrs Comfort Owusu, Executive Director of the Association of Rural Banks, the cloth is coming at a time where individual Rural and Community Banks (RCBs) adorn different official cloths at events organized by the Association, adding that ...

8 ASSOCIATION OF RURAL BANKS HOLDS SUCCESSFUL 21ST BGM

The National Association of Rural Banks, Ghana has held its 21st Biennial General Meeting (BGM) at Miklin Hotel in Kumasi.

The 21st BGM brought together more than 300 Directors, Chief Executive Officers (CEOs) and General Managers (GMs) of all 145 Rural and Community Banks (RCBs) in Ghana.



38 DIRECTORS OF ARB APEX BANK MEET STAFF

As part of strategies to deepen trust and engagement, the Board of Directors of ARB Apex Bank interacted with Management and Staff of the Bank. The programme, which is the second since the new Directors took office in March 2020, was held at the Bank's Head Office at Ridge in Accra on Thursday, December 10, 2020.

Dr Tony Aubynn, Chairman of the Board of Directors, opened the meeting and outlined the reasons for the interaction, stating that "this second meeting with Staff is meant to seek the views of staff," on issues concerning their work.



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ATWIMA KWANWOMA RURAL BANK LIMITED

END OF YEAR 2020 ACTIVITIES

The arrival of the COVID-19 pandemic and its restrictions affected the business of our customers and its adverse effects were highly felt by the bank. As a customer oriented bank, ACRB had to come out with mitigation measures to relief Customers of the effects of the pandemic and its restrictions especially on Private Schools and their Teachers, Churches and Traders.

The measures included COVID-19 relief packages in the form of moratorium on loan and interest to churches, Private schools and their Teachers and Traders who were highly hit by the pandemic and its restrictions. The bank also took part in the disbursement of the Government COVID- 19 relief package under NBSSI also known as CAP Business Fund which was granted to firms and individuals whose activities were highly hit by the pandemic.

The bank also made donation of hand sanitizers to hospitals within its catchment areas and nose masks to our customers during the peak of the pandemic.

Farming inputs were donated to six District and Municipal Assemblies within the bank's catchment areas, as part of the banks contribution towards the 36th Farmers Day. On the same day a dummy cheque of GH¢13,500.00 was donated to the Chief of Pakyi No. 2 towards the construction of a new Police station. Other donations were also made to schools, hospitals and Police stations within the year.

With all the challenges posed by the COVID-19 and its restrictions, the bank recorded 40% deposit growth from of GH¢146,582,226.81 as at December,2019 to **GH¢205,389,992.30** as at the close of the year 2020. Profit before tax of **GH¢8,963,079.27** as at December, 2020 has been recorded.

Management of the bank therefore deemed it fit to conduct a special end of year thanksgiving service to the Almighty for the successes the bank has chalked even under the pandemic and for His protection and mercies over all Staff during the pandemic.

BELOW ARE SOME OF THE PICTURES TAKEN DURING THE END OF YEAR THANKSGIVING SERVICE AT OUR HEAD OFFICE AND OUR VARIOUS BRANCHES ON 31ST DECEMBER, 2020.



SOKOBAN BRANCH STAFF



OLD TAFO BRANCH STAFF



HEAD OFFICE & PAKYI BRANCH STAFF



STAFF OF OUR NEWLY OPENED BRANCH - BANTAMA



HEAD OFFICE & PAKYI BRNACH STAFF



ALABAR BRANCH STAFF



STAFF OF AYIGYA BRANCH

EDITORIAL

Maximus Attah



Rural and Community Banks – best partners for Money Transfers

According to a May 2020 article by Pricewaterhouse Coopers (PWC), titled: “Impact of the COVID-19 outbreak on digital payments,” “the ongoing spread of COVID-19 has become one of the biggest threats to the global economy and financial markets.”

Accenture Plc, the American-Irish multinational professional services company, also noted in a recent publication that “the potential impact of COVID-19 is becoming clearer and most firms are now in full business continuity mode. Payment organizations should now act urgently to moderate the damage it does to their customers, their people, their partners and their businesses.”

In light of all the frightening predictions, the Bank of Ghana (BoG) has directed all Banks, Savings and Loans Companies, Finance Houses,

Microfinance Institutions, Rural and Community Banks, and Foreign Exchange Bureaux, operating in the country to activate their business continuity and disaster recovery plans proportionate to the current circumstances and to review these plans as the situation changes. Even as organizations readjust to the new normal, businesses and individuals are also adapting to new ways of transacting business.

Companies and individuals are shifting to electronic money and other contactless forms of moving money. This is so because experts are predicting that notes and coins, depending on how they are handled, can also serve as vectors, which harbour and transmit the COVID-19.

The traditional modes of physically moving money to pay for goods and services are therefore giving way to electronic money transfers.

Rural and Community Banks (RCBs) in Ghana have seized the opportunity and are poised to join the electronic money transfer revolution to serve and delight our esteemed customers.

With our network of more than 800 branches spread across the 16 regions of the country, RCBs provide a welcoming ambience for

hassle-free inward remittances, domestic money, as well as Mobile Money (MoMO) transfers.

ARB Apex Bank and our member RCBs provide Western Union, RIA Money Transfer, Transfax, Apex-Link Domestic Money Transfer, and the Gh-Link EMV-enhanced cards, which can be used for purchases at over 400 GOIL outlets, KFC food joints, Shoprite Retails shops, and on Gh-Link automated teller machines (ATMs) throughout the country.

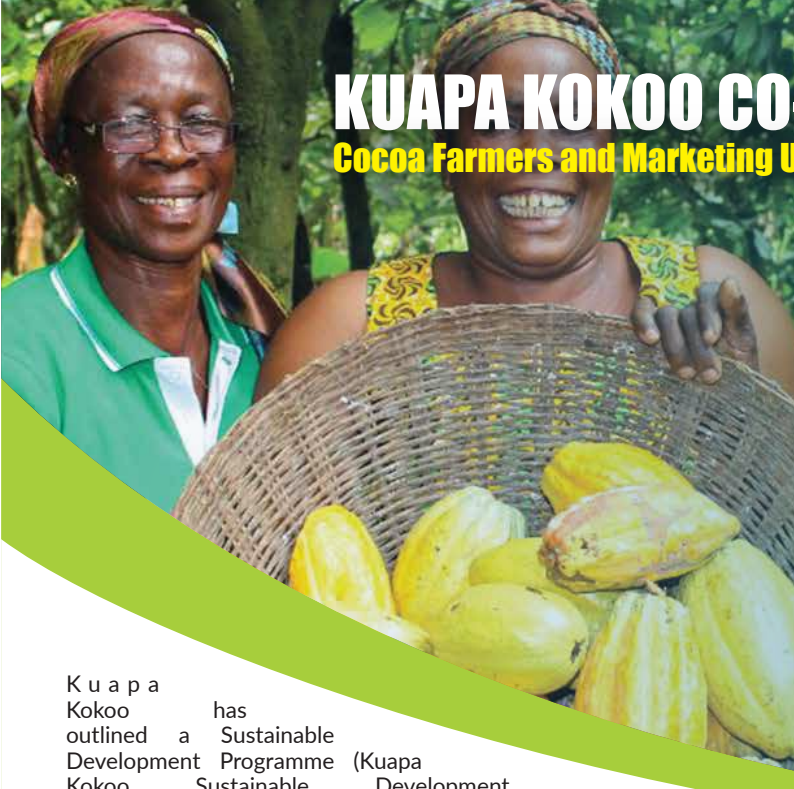
These and other products are a testament to the fact that RCBs are moving with the times and our esteemed customers can be assured that their needs are always at the front burner of our plans.

Our welcoming banking halls are the most secure places to receive or send money electronically. This is a good time to join the rural banking revolution.

Do not be left out because the best is yet to come. Open an account with an RCB today and avoid the queues and the hassle. Our customer service officers are waiting for you. We are your best partners for electronic money and money transfer transactions in this new normal times and beyond ■

KUAPA KOKOO CO-OPERATIVE

Cocoa Farmers and Marketing Union Limited (KKFU)



Who we are

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

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

The key components of KKSDP are:

Kuapa Kokoo/MPA TeleAgric

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



Certified Under multiple certification schemes:



Supported by:



Back 2 School Project

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



Visit by Prince Charles of Wales

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



Kuapa Kokoo, Papa! Paa!!

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FROM MD'S DESK

SERENDIPITY



Kojo Mattah
Managing Director, ARB Apex Bank

I thank God for ushering us into another year. I am grateful to God for keeping us safe, sound and strong. I am delighted and most thankful to God for His protective cover over us during this pandemic

Serendipity is defined as the occurrence or development of events by chance in a happy or beneficial way. Indeed, for us, there have been many serendipitous moments brought about by the outbreak of COVID19: new learning, new ways of operations, and new ways of connecting with one another.

Here is a true story: a supervisor at an orphanage in the Central Region admitted to the fact that, when the lockdown was announced, he cried, not knowing how to feed the children. But today, he claims 2020 has been a turning point for them at the orphanage. They have been operating since 2011 and have never experienced the high level of benevolence of the general public like they have experienced during this lockdown. One thing this pandemic had taught us is that we must care for one another.

Some of us had outlined great plans for 2020, which we could not fulfil, due to this global pandemic. We might have had some of our major projects stalled due to this disruption. However, in the midst of adversity, we are still thriving. We will continue to strategize to ensure

“

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”



that we work together to do even better this year.

The pandemic has redefined how we manage our resources. It has taught us humility, kindness, and love. In March 2020, when the country had its first lockdown, we feared the worst could happen. Fortunately, our rural banking community has been resilient. This crisis is deeper and longer than we thought.

Technology, digitization, and artificial intelligence have proved to be directly relevant during this period. It has dramatically catapulted us into the new era of working. We have been leapfrogged about 20 years ahead of what we imagined. We have to retool our skills to survive changes in the workplace. We must consider learning new skills to complement what we already know. We must prepare for continuous adjustments in our working environment.

Most of our training programmes and meetings will continue to be held online. We are not going to go back to what was, we will leapfrog into the new normal as we reconsider our safety, health, and well-being.

One important lesson this pandemic has taught us is, you can never plan enough, but be ready for any disruptions that may come your way.

As my normal practice, this year I am

We have to continue updating our knowledge in all spheres of life. As the famous Albert Einstein said, "Once you stop learning, you start dying."

recommending two (2) excellent books for your reading pleasure:

- 1. The Harvard Business Review - Building Better Teams and**
- 2. John Maxwell's "The 17 Indisputable Laws of Teamwork".**

We have to continue updating our knowledge in all spheres of life. As the

famous Albert Einstein said, **"Once you stop learning, you start dying"**.

We must be constantly on top of and abreast with issues. As Michael Jordan, the greatest basketball player of all time said, **"Talent wins games, but teamwork and intelligence win championships"**. The same is true in business, and we must work as a team to survive the competition at all levels.

As we begin this New Year, we must come out of our silos and work as a team to build a strong and vibrant rural banking industry.

We have come this far by the Grace and Infinite Mercies of the Almighty God. Whatever your faith, may we continue to worship in spirit and in truth, through our work. Let's be each other's keeper. Let's work together as one strong family because in unity lies strength.

Let us also continue to observe all the protocols and precautions to ensure our safety at all times.

I wish you all a prosperous new year.

Together for progress!



IoD-GH CORPORATE GOVERNANCE TRAINING

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

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

DURATION

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

TARGET GROUP

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

CERTIFICATE

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

COURSE MATERIALS

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

FACULTY

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



Dignitaries seated at the high table

ASSOCIATION OF RURAL BANKS HOLDS SUCCESSFUL 21ST BGM

The National Association of Rural Banks, Ghana has held its 21st Biennial General Meeting (BGM) at Miklin Hotel in Kumasi. The 21st BGM brought together more than 300 Directors, Chief Executive Officers (CEOs) and General Managers (GMs) of all 145 Rural and Community Banks (RCBs) in Ghana.

The day's event which was on the theme: ***“Financial Sector Reforms and its Impact on Rural Banking – Challenges and Benefits,”*** was held on Saturday, November 21, 2020 and afforded the National Council of the Association an opportunity to render stewardship for their two-year tenure and transact the ordinary business of



Mrs Comfort Owusu, Executive Director of the National Association of Rural Banks, introducing special guests at the BGM

BGM as required by statute.

Banking Sector reforms appropriate

Mr Daniel Ohene Kwaku Owusu, President of the Association stated that “the theme for the 21st BGM is very appropriate since the reforms introduced by the Bank of Ghana are ultimately to direct the course of banking in the country in providing a resilient and vibrant banking sector, that would stimulate and propel the economy on a steady and robust path of growth and development.”

He revealed that although the past two years were very challenging for RCBs, the banks supported the Government and other partners in the implementation of life



LR: Dr Philip Amakye, Director of ARB Apex Bank, Mr Kojo Mattah, MD of ARB Apex Bank and Mr Patrick Owusu, Ashanti Chapter President of the Association of Rural Banks, at the BGM

changing projects in the country.

Some of the key projects and partnerships are “MasterCard Foundation, Rural Development Fund (RDF), Social Investment Fund (SIF), Rural Enterprises Project (REP), Ghana water, Sanitation and Housing (WASH) project, and the Coronavirus Alleviation Programme (CAP-Fund).”

Mr Owusu assured that “the Association would continue to strengthen its advocacy role to raise the image of RCBs and secure more sponsorship for capacity building programmes for member banks. Further cordial and rewarding collaboration would be forged with stakeholders to ensure steady growth and development of the rural banking industry.”

He said the Association would continue to rely on the support of all stakeholders in making the ARB prominent and relevant.

Mr Patrick Owusu, Ashanti Chapter



The day’s event which was on the theme: “Financial Sector Reforms and its Impact on Rural Banking – Challenges and Benefits,” was held on Saturday, November 21, 2020



President of the Association expressed appreciation to the National President and his Executive Council as well as the Executive Director, Planning Committee and other Stakeholders for working expeditiously within a limited time to make the 21st BGM a grand success.



Dr Tony Aubynn
Board Chairman of ARB Apex Bank



Mr Daniel Ohene Kwaku Owusu, President of the Association of Rural Banks, delivering his address

He said it was his expectation that “in spite of COVID-19 and its restrictions imposed on us, you would still enjoy this programme and your stay in Kumasi (Oseikrom) the City of the King, the City of Culture and Tradition.”

Mr Owusu stated that during the 20th BGM held in Bolgatanga in the Upper East Region, Ashanti was chosen to host the 21st edition in 2020, “and Ashanti was very excited for the opportunity.”

Unfortunately, he said, COVID-19 came, leading to some uncertainties surrounding the organization of the programme.

He added that “the able manner in which the President of the Republic and his Government handled the pandemic has brought some amount of relief and thus we find ourselves here today.”

Mr Owusu encouraged participants to seize the opportunity to visit cultural heritage sites in the Region.

Out of the 145 RCBs in the country, 26 are located in the Ashanti Region alone, making the Region one of the dominant players in the sector.

RCBs’ deposits have grown from GHS2.85 billion at the end of 2017, GHS3.3 billion in 2018 and grew to GHS3.83 billion at the end of 2019.

Modest gains in challenging year

Mr Kojo Mattah, Managing Director of ARB Apex Bank admitted that the year 2020 was very challenging to the RCB fraternity but stressed that the banks made some modest gains, especially in the area of growth of deposits.



Mr Kojo Mattah, Managing Director of ARB Apex Bank delivering his speech



Mr Yaw Spong, Head OFISD at the Bank of Ghana (in African Print) Special Guest of Honour at the BGM

He said: "I am glad to report that RCBs have been experiencing some modest gains, particularly in the area of growth of global deposits. RCBs' deposits have grown from GHS2.85 billion at the end of 2017, GHS3.3 billion in 2018 and grew to GHS3.83 billion at the end of 2019. Our deposits continue to grow from GHS4.03 billion at the end of March 2020 to GHS4.32 billion by the end of June 2020."

Mr Mattah said the upward trend of deposits "is evidence that our customers still have confidence in the RCBs and could do more if things normalize."

Modernization and new channels

Mr Mattah revealed that ARB Apex Bank and the RCBs have embarked upon an aggressive deployment of automated teller machines (ATMs) and security enhanced debit cards to bring real banking convenience

to customers.

According to him, "the good thing is that an RCB must not install an ATM to be able to issue the cards."

He stated that with the EMV security enhanced debit cards, RCB customers stand the chance of enjoying the following convenient privileges. Firstly, ability to withdraw cash from our ATMs and those of almost all other ATMs installed in the country. Secondly, customers can make fuel and grocery purchases with the cards at the over 400 GOIL depots across the country.

Thirdly, our cards are accepted at all KFC joints in the country, and fourthly, the cards can be used to make purchases at all Shoprite Retail shops in Ghana."

Investments in Marketing

Mr Mattah charged the RCBs to seize the moment to invest in strategic marketing to shore up the fortunes of the banks because, "difficult times call for strategic



The Electoral Commission officials preparing for the elections



Voting in progress

Election of national officers

One of the highpoints of the general meeting was the election of National Executive Committee members for the Association. Mr Daniel Ohene Kwaku Owusu, the incumbent President, was re-elected unopposed to serve a second two year-term as National President of the Association.

Mr Kwame Owusu Sekyere (esq.) was also elected unopposed as the Vice-President, while Mr Martin Mireku was retained unopposed as Legal Advisor.

Madam Victoria Konadu won the position of Secretary by beating off competition from the incumbent, Madam Akanbangbiem Agamu Asokea (Esq.) by a single vote.

Mr Kwasi Aduse-Poku also beat off competition from Mr Gilbert Gyan-Afful to maintain the position of Treasurer of the Association for another two years.

On behalf of the new executive, Mr Owusu promised to use the Association to deepen advocacy on behalf of the RCBs.

decision making, which is why I want to use this platform to plead with RCBs to make conscious and bold efforts to invest heavily in marketing their banks.”

He said, “Marketing is an investment and should not be viewed as cost which should be cut back during austere times. Such challenging times are rather an opportunity to assure our customers about the strategies we are putting in place to turn the tide. Marketing campaigns can help boost customer and investor confidence in our banks.”

Ghana Alternative Market to rescue

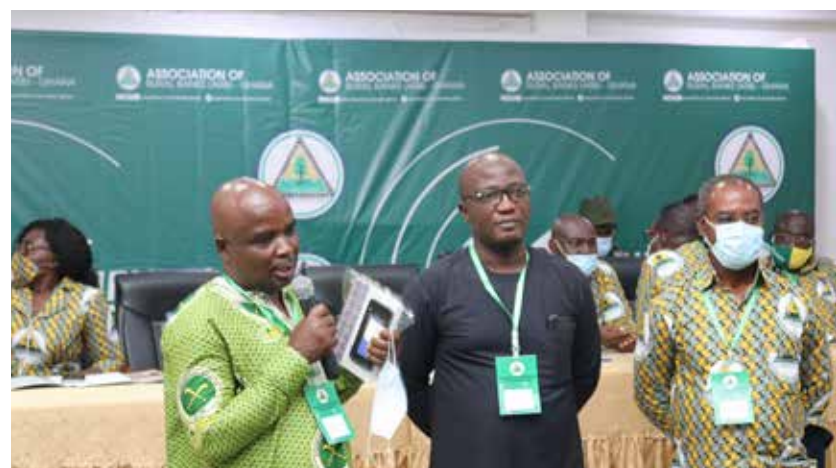
According to Mr Mattah, the Ghana Alternative Market (GAX) provides a brilliant opportunity for RCBs to mobilize investible funds from members of the public, adding that the “GAX rules are even less cumbersome for our banks.” He said the Ghana Alternative Market (GAX) is an alternative Stock Market operated by the Ghana Stock Exchange (GSE), which provides unique opportunities for RCBs to list and trade their shares for members of the public.

He noted that in prior engagements with the banks, the

advantages of listing on the GAX were explained.

Mr Mattah however reiterated two of the foremost advantages of listing on the GAX to Shareholders, Directors and Managers of the banks and charged them to expedite their in-house processes and list on the Stock Exchange.

He said, “let us grab this opportunity to help diversify our banks and make them more liquid and solvent and to take our rightful positions as key players in the financial services sector of the economy.”



Some candidates vying for Executive Positions

OTHER PICTURES FROM THE EVENT



Registration in Progress



Participants interacting at the BGM



Participants at the BGM



Participants at the BGM



Participants interacting at the BGM



Maximus Attah, Manager Corporate Communications and Marketing at ARB Apex Bank, moderating the event



Candidates vying for Positions



Candidates vying for Positions



Candidates vying for Positions



Voting in Progress



Voting in Progress



Voting in Progress



Voting in Progress



A case for mergers in Rural & Community Banks



Francis Enimil Ashun
Manager, Lower Pra Rural Bank

What is a Merger?

A merger is the voluntary fusion of two firms on mostly equal terms into one new legal entity (Odin Feldman Pittleman PC). The firms that agree to merge are roughly equal in terms of size, customer base,

and scale of operations. Mergers are most commonly done to gain market share and/or reduce costs of operations. With the fast approaching December 2021 deadline for Rural and Community Banks (RCBs) to shore up their minimum paid up capital to GHS1.0 million, a lot of conversations, formal and informal, have gone on in various RCB circles about the need for some of the banks which are unable to raise the capital to merge with other banks to remain in operations.

A merger is an agreement that brings together two

or more existing companies into one new company; a consolidation of their assets and liabilities through an agreed formula.

There are several types of mergers and a host of reasons why firms

merge. Mergers are usually pursued to expand the customer base of an organization, foray into new segments and markets, or attain a greater market share. Whatever the reasons for the merger, the end result is to increase shareholder wealth. A merger is worth it if the value of the resulting entity is greater than the sum of the individual companies constituting the new entity.

Synergy must therefore be the driver for a merger of two or more RCBs.

The steps for a merger include planning, research, due diligence, closing the deal and implementation. After a merger,

shares of the new company are distributed to existing shareholders of both original banks according to an agreed formula.

RCB Mergers

RCBs play a major role in the rural

“Merger is the voluntary fusion of two firms on mostly equal terms into one new legal entity (Odin Feldman Pittleman PC). The firms that agree to merge are roughly equal in terms of size, customer base, and scale of operations”



Source: Fortune, India

economy of Ghana, serving as sources for loans and places of savings deposits for rural and small-town dwellers. Successfully merged RCBs would gain more efficiency and can pass these benefits on to customers in the form of lower or attractive lending rates to borrowers and good interest margins to depositors and shareholders, leaving a large footprint in a wider geographic area than would have been possible if the component banks have undertaken the expansion alone.

Economies of Scale

A merger helps organizations scale up quickly and gain a large number of new customers instantly. This is also true of RCBs which merge or may want to merge. A merger between two or more RCBs would, all things being equal, give the resultant new bank more working capital to work with in terms of lending and investments. It would also provide the merged banks an expanded catchment area to operate.

A merged RCB would achieve faster growth than would have been possible with the individual banks, all things being equal. Many RCBs have established branches in the same communities thus competing vigorously among themselves. For instance, in one community, there could be branches of all the RCBs

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Successfully merged RCBs would gain more efficiency and can pass these benefits on to customers in the form of lower or attractive lending rates to borrowers and good interest margins to depositors and shareholders
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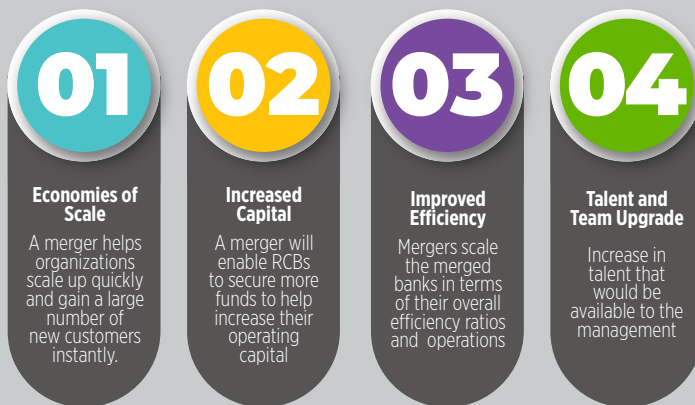
within that geographic location thereby competing for the same businesses in a single city. A merger between competing RCBs would eliminate competition among them and help put their synergies together to provide better services to their combined clients. RCB mergers would also enable them acquire the capacity to fill any technology gaps.

Increased Capital

After the Bank of Ghana (BoG) increased the minimum paid up capital of RCBs to GHS1.0 million, some RCBs are finding it difficult to raise the capital from existing shareholders and are also unable to attract strategic investors. It is therefore prudent to consider merging with stronger banks to enable them meet the new BoG's capital requirement and remain in business even after December 2021.

A merger will enable RCBs to secure more funds to help increase their operating capital, expand their branch network, etc. More funds would be available for disbursement in loans than the individual banks could have mustered for their operations. It is an open secret that many financial institutions, including RCBs found it difficult to boost up their capital requirements when the BoG requested banks to shore up their capital. Some banks such as the OmniBank Ghana

THE CASE FOR MERGERS IN THE RURAL & COMMUNITY BANKING INDUSTRY



Some banks such as the OmniBank Ghana Ltd and Sahel Sabara Bank, Fidelity and ProCredit, First Atlantic Bank and Energy Commercial Bank, etc. in a bid to make up the required capital merged and have thus been able to enhance their operations

Ltd and Sahel Sahara Bank, Fidelity and ProCredit, First Atlantic Bank and Energy Commercial Bank, etc. in a bid to make up the required capital merged and have thus been able to enhance their operations (*Business Insider by Pulse*). The existing shareholders of the merged banks receive shares in the new enhanced bank after the merger. Where an RCB was in distress and the value of its shares were eroded, the merger could help the value of the shares to improve after a revaluation of the shares in the new entity.

Improved Efficiency

Mergers also scale the merged banks more efficiently, not just in terms of their overall efficiency ratios, but also in terms of their operations. Every RCB has an infrastructure in place for their operations and so if RCBs within a particular geographic location

become one, they are able to put such infrastructure into more efficient use.

Talent and Team Upgrade

Other benefits of a merger for an RCB is the increase in talent that would be available to the management of the enhanced bank. A merger of two or more RCBs with the resultant acquisition of new talents enables the new enlarged bank to strengthen its managerial staff with new talents acquired from the other bank. It has been established that employees in merged banks have more positive work attitudes with significant positive impacts on ethics.

Case against RCB mergers

Poor Cultural Fit

Many bank mergers have failed because of the inability of the banks to look at a cultural fit for the constituent banks. By looking at only the financials without taking the people or cultures into consideration is a recipe for chaos and failure. Failure to assess cultural fit is one reason why many announced RCB mergers have failed to materialize. It is difficult to manage the people and culture of different banks. Throughout the merger and acquisition process, be sure to thoroughly communicate and double-check that employees are adapting to change.

Fear of loss after Merger

Many talked about mergers have fallen through because of execution risks. There are perceived fears that a merger could result in job losses. The fear of termination of employees and other changes that may occur after a merger could also lead to unwillingness of directors and management to proceed with a merger when assurances of job security are not convincing enough (*ref: Corporate Finance Institute*).

The other fear is, mergers could result in directors losing their seats on the new board in the expanded entity after it has been reconstituted at the close of the merger. This can be managed by putting in place a transition system to gradually phase out old directors. They must be assured of their qualification



to stand for re-election if they satisfy the BoG's requirements for re-election.

Controlling unintended Consequences

First, the promoters of a merger between RCBs should appreciate the concept of change, especially employee perceptions on what the merger has for them. Such knowledge will help them apply the most appropriate strategy to stem any negative attitudes or reactions that could affect the ultimate success of the merger. Employees and other stakeholders must be assured of their welfare after the merger and even where there would be the need for staff rationalization, due processes should be followed.

Second, the processes of the merger must be strictly monitored to ensure adherence to laid down rules and regulations.

Third, a fair transition period for the board and top management must

be agreed upon and the necessary compensations duly worked out.

Fourth, all the required information must be given to the shareholders to enable them understand the need to undertake the merger. If the value of their shares would be affected, they must know. Such transparency would enable promoters of the merger to get the required resolutions passed on time

lead to great payoffs if done right or may lead to an unpleasant end if the process is bungled. RCBs with their unique cultural interests and sensitivities must keep these in mind if they decide to pursue mergers and they would be on their way to more successful banks.

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CASE AGAINST RCB MERGERS

1. Poor Cultural Fit

Many bank mergers have failed because of the inability of the banks to look at a cultural fit for the constituent banks.

2. Fear of loss after merger

There are perceived fears that a merger could result in job losses.

to get the merger consummated.

Conclusion

Bank mergers are complex and can

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.



BESSFA Rural Bank Ends 2020 in High Spirits

“ BESSFA Rural Bank Ltd ended the year 2020 in high spirits with the Board, Management and Staff determined to work harder in order to leapfrog the Bank to be among the top five (5) Rural and Community Banks (RCBs) in the country in the coming years.



2021 and beyond. The Bank made a donation of GHS1,500.00 in support of the activities of the Church.

Appreciation to the Staff

Mr Cletus Azaabi, Vice-Chairman of the Board of Directors thanked Management and Staff of the Bank for their hard work, sacrifice and dedicated service.

2020 in review

At an end-of-year durbar of Directors and Staff, Alhaji Hayatudeen Awudu Ibrahim, the General Manager stated that “despite the challenges posed by the deadly Coronavirus pandemic during the year, which negatively affected most businesses, the Bank remains resilient and robust.”

He said “the actual figures recorded by the Bank as at the end of November 2020 on total assets, loans and advances, deposits, investments in government securities have all exceeded Management’s projections made at the beginning of the year.”

Alhaji Hayatudeen Awudu Ibrahim said “our challenges had to do with the investments that have been locked-up with the defunct Fund Management Companies. This

situation affected the profitability of the Bank resulting in a decline in our Capital Adequacy Ratio during the period under review.”

Thanksgiving Service

The Staff of the Bank joined the Presbyterian Church of Ghana – Garu District to thank God for His abundant favours and blessings during the year 2020 and prayed for a prosperous

He stated that “the Board was elated when the Staff collectively accepted salary cuts in August 2020 in order to ease pressure on the profitability of the Bank”. He assured the Staff that the Board will never forget “such an unprecedented gesture when the time comes for them to be compensated for their immense sacrifice.”



General Manager making a brief remarks at the Thanksgiving Service

▶▶ Pg. 21



Alhaji Hayatudeen Awudu Ibrahim
General Manager, BESSFA Rural Bank



GM and Board Members on the High Table



QUICK FACTS

1
BESSFA Rural Bank Ltd was established in November, 1983.

2
The name “BESSFA” is an abbreviation that stands for “Bawku East Small-Scale Farmers Association”.

3
The Bank’s initial capital was contributed by farmer groups with support from the Presbyterian Agricultural Station – Garu under the leadership of Mr. John Opata (late).

Opening of new agencies

Alhaji Hayatudeen Awudu Ibrahim revealed that in pursuit of its mission of promoting financial inclusion within its catchment area, BESSFA Rural Bank Ltd has increased its agency network from four (4) to six (6) with the opening of two new agencies, in

November 2020; one at Bunkpurugu and the other at Nalerigu all the in the North East Region of Ghana.

He added that, presently, “there are no active financial institutions with physical branches at the two locations and so the Board and Management

“BESSFA Rural Bank Ltd has increased its agency network from four (4) to six (6) with the opening of two new agencies, in November 2020”



Mr. Jonhson Jabotir saying the opening prayer



Mr. Stanley Welaga - MC of the event



Staff at the Thanksgiving Service

as part of the growth strategy decided to open the two agencies with the objective of mobilizing more deposits and to provide access to financial services particularly, credit to individuals and businesses to grow the local economy, create more employment opportunities and to eradicate poverty.”

Rebranding of the Bank

According to the General Manager, the rebranding exercise embarked upon by Management at the beginning of the year has positively impacted all spheres of the Bank’s operations. “Our customers across all agencies are served in serene banking halls, equipped with state-of-the-art equipment. This has projected our image across the catchment area, leading to more and more customers choosing the Bank as their preferred destination for their financial services solutions.”

Improved customer service

Alhaji Hayatudeen Awudu Ibrahim stated that “the Bank offers superior customer service that excites our cherished clients, which affords us the

opportunity to consolidate our market share. We understand that our ability to grow in assets, deposits, profitability, loans and advances largely depend on the services we offer our clients. To this end, Management invested in training



Board Chairman, Mr. Francis Awindaogo delivering his welcome address at the Durbar

and building capacities of officers to deliver excellent services to our clients. Our turnaround time for all business processes has reduced significantly and our team will go the extra mile to provide the needed solutions.”



BESSFA Rural Bank obtained a “Net Promoter Score” of 100% in the “RCB Customer Perception Index Report” a survey conducted by Maverick Research Consult in May 2020.





Head Office of Bessfa Rural Bank at Garu

He added that it is therefore not surprising that we obtained a “Net Promoter Score” of 100% in the “RCB Customer Perception Index Report” a survey conducted by Maverick Research Consult in May 2020.

Products and services

The General Manager said the Bank shall continue to prioritize investments in agribusiness in order to provide jobs for the majority of the youth in the area, adding that “a new salary loan product with deductions from the Controller and Accountant General’s Department (CAGD) will be introduced this year to provide loans and advances to government workers who take salaries through the Bank.” He indicated that the Bank shall continue to invest in the areas of Information Technology (IT) and



Alhaji Hayatudeen Awudu receiving his award

Electronic Banking (E-banking) to provide customers with greater convenience.

General Manager awarded

In the year under review, a Gold Award was conferred on Alhaji Hayatudeen Awudu Ibrahim at the 3rd Ghana

Business Leaders Excellence Awards held in Accra, in recognition of his outstanding contribution to the economic development of Ghana in the Category of Rural Banking.

He also topped other nominees and received the prestigious award of “Ghana’s Most Respected CEO, Regional Category (Upper East)” at the 2020 Ghana Industry CEO Awards held in November 2020 at the Movenpick Ambassador Hotel in Accra.

Mr. Azaabi praised Alhaji Hayatudeen Awudu Ibrahim on behalf of the Board, Management and Staff for his achievements in the year. ■



Staff at the reception

Congratulations



Alhaji Hayatudeen Awudu Ibrahim, the General Manager of the Bessfa Rural Bank Limited for winning two Awards in 2020

We are proud of you for these noble achievement

From the Board, Management & Staff



Off the Garu – Nakpanduri Road Opposite Garu Presbyterian Health Center
Post Office Box 160 Garu Upper East – Ghana GPS Code: UG-0001-5370
Telephone: +233 (0) 38 209 4048 / (0)38 209 6553
Email: info@besfarb.com

 association of rural banks ghana



Association of Rural Banks Outdoors Official Cloth

The National Association of Rural Banks, Ghana has outdoored its official African cloth at the just ended Biennial General Meeting (BGM) held at Miklin Hotel in the Ashanti Regional Capital, Kumasi.

According to Mrs Comfort Owusu, Executive Director of the Association of Rural Banks, the cloth is coming at a time where individual Rural and Community Banks (RCBs) adorn different official cloths at events organized by the Association, adding that “the cloth would

bring uniformity and a unique but common identity to all our 145 RCBs.”

Mrs Owusu stated that the

cloth would be worn at official engagements of RCBs, including, BGMs, Annual General Meetings (AGMs), Rural Banking Weeks, and social gatherings of the RCB community.

She revealed that the cloth was moderately priced and encouraged all RCBs to procure for their staff.

The cloth is available at all Regional Chapter offices of the Association of Rural Banks across the country.

Bulk purchase orders can be placed with the National Office of the Association in Accra.



OTHER PICTURES FROM THE LAUNCH EVENT



Ladies showing the new print



Displaying the print during the launch



Mr Kojo Mattah in his new print



Mr Kojo Mattah and Mrs Akorfa Kpodoh pose in the new print



Mrs Akorfa Kpodoh poses in her new print



A section of participants at the BGM



LR: Mr Kojo Mattah, Akorfa Kpodoh and Nana Kwame Baah at the Event



Corporate Governance: The Law, the Practice and the Rural and Community Banks (Part 2)

This is the concluding part of a feature article, which was first published in Issue # 11 of *The Rural Banker* magazine.

Board Meetings

The Board is required to meet regularly to discuss matters affecting the business operations and the performance of the bank. Due to mandatory periodic reports to be submitted to the Bank of Ghana and ARB Apex Bank Limited, the Board of Directors may be required to meet monthly. In this regard, availability of directors is very crucial. Being available for meetings is key in determining a fit and proper person to hold the position of a director.

The Board is in charge of the bank's general operations and the General Manager is deemed to be implementing the Board's policies,

directions and mandate in his daily management of the affairs of the RCB. In this regard, the Board must appreciate all documentation presented by Management in respect of the RCB's operation since it is the Board that would be held vicariously liable for any infractions.



Samuel Terkperthey Tetteh (Esq.)

Committees

The Board is required to work through Committees. Committees are to provide technical support in areas of banking such as Credit, Finance, Human Resource, Audit, Marketing, IT, Legal, Administration among others.

Committees are not Boards; Committees only compliment the work of the Board of Directors. A Committee may

The Board is in charge of the bank's general operations and the General Manager is deemed to be implementing the Board's policies, directions and mandate

make recommendations for the Board's consideration. In consideration of the academic or professional qualification of members, the Board must appoint persons with relevant expertise to Committees that require technical support such as Finance, Audit, Legal, IT among others. In this regard, it is recommended that persons with diverse academic and professional backgrounds should be appointed, elected or approved as Directors of RCBs.

Preparation for Meetings

As a Director of an RCB:

- 1) You must always prepare adequately for the Board and Committee meetings,
- 2) You must read and make your own notes on every document that has been submitted by Management on the operations of the RCB, and
- 3) You must ask questions, demand answers and clarifications and put timelines and demand feedback on every action plan.

The distribution of papers during meetings should be discouraged unless it is urgently required.

Company Secretary

Every RCB is required by law to have a Secretary who shall be appointed by the Board of Directors for a term and at an agreed remuneration and conditions that the Directors may consider appropriate. The Company Secretary must be a person that has obtained professional qualification and experience to perform the functions of

a Company Secretary as prescribed by law.

The Companies Act provides the minimum qualification for the position of Company Secretary and it is important that RCBs comply with the legal provisions. A qualified Director may also be appointed as a Secretary where that Director meets the qualifications in the Act..

The Secretary is required to, among others, assist the Board of Directors to:

- 1** Comply with the RCB's Constitution and all applicable laws.
- 2** Keep the books and records of the RCB, ensure that minutes of the meetings are properly recorded, prepare and issue notices in the name of the company.
- 3** Ensure that the RCB's Annual Financial Statements are dispatched to every person entitled to the statements and the statutory forms and returns are duly filed.
- 4** Provide the Board with guidance as to its duties, responsibilities and powers and on the changes and development in the laws affecting the operations of the bank, and

5

Inform the Board of legislations relevant to or affecting meetings of shareholders and directors and advise the directors on their responsibilities as directors.

It is therefore important that the person to perform these critical functions for the bank meets the required qualification to be able to execute his core duties diligently. These provisions are for strict compliance and RCBs which fail to comply with same may be liable on summary conviction to the payment of an administrative penalty.

General Manager

The General Manager is ordinarily appointed by the Board to execute its policies and implement the Board's directions. The General Manager is the Head of Management and reports to the Board. All other Management Members report to the General Manager except the Internal Auditor who reports functionally to the Board of Directors. However, the Internal Auditor reports directly to the General Manager on administrative issues and is under the General Manager in respect of power and authority in the daily operation of the Bank. The General Manager must submit to the Board's authority at all times. He must always remember that he is not a Director and is only supposed to implement the Board's directions and policies.

In doing so, he has been given some, and not all the powers of the Board in

The plan is expected to position Ghana's domestic market as the preferred choice for investors and issuers by improving diversity of

the daily administration of the business. He must always restrict himself to the limits of his powers and seek approval from the Board before undertaking any act which exceeds his powers.

The General Manager must act as the link between the staff and the Board and must defend and protect the interest of the staff at all times. He must be firm, fair and always seek the welfare of his staff. He must be able to delegate his powers and supervise effectively.

The Board must recognise the General Manager as an officer of the Bank with a different responsibility. The relationship should not be a master and servant relationship. The General Manager must always be treated with respect and dignity by the Board since his core function is to implement the policies and directions of the Board in the daily administration of the Board.

The Board must empower the General Manager at all times and must give him the free room to operate and report to the Board on regular basis. The Board must see the General Manager as part of its team in achieving its targets in the best interest of the bank.

The Board must recognise the General Manager as an officer of the Bank with a different responsibility. The relationship should not be a master and servant relationship. The General Manager must always be treated with respect and dignity by the Board

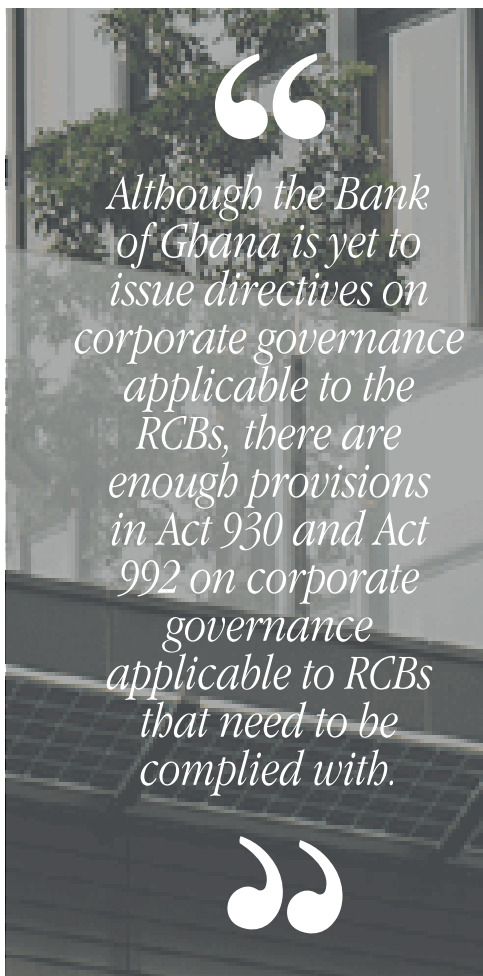
Conclusion

The core principles of corporate governance require directors to be disciplined. Many of the causes of the collapse of banks is as a result of directors misbehaving. Personal interest must be eschewed and the best interest of the bank must be upheld at all times to ensure that the objects of the bank are achieved.

Indeed much of the attention and expectations rest on the Board of Directors, because the Board of Directors determine the direction and the objects to be achieved by the bank. Directors must devote much time to the business of the bank and ensure to appraise itself the same way it would appraise Management.

The Board must formulate and revise policies on credit, procurement, finance, audit, human resource among others, and ensure they comply with all laid down procedures and policies of the bank. The Board must empower management and not engage in micromanaging. The Board must ensure that competent persons are recruited to occupy top management positions. Training and retraining of staff is the bank's responsibility and should not be





“
Although the Bank of Ghana is yet to issue directives on corporate governance applicable to the RCBs, there are enough provisions in Act 930 and Act 992 on corporate governance applicable to RCBs that need to be complied with.
”

a privilege to be enjoyed by few staff.

Dictatorship usually leads to rebellion and overthrow. The Board must ensure that it does not abuse its powers. Directors are not entitled to loans and overdrafts at preferential rates. Indeed, Directors who have defaulted in the repayment of a credit facility become disqualified to act as directors and where a director becomes disqualified, he is required to cease to hold office as a director and the bank is obliged to immediately terminate the appointment of that director.

The position of a director should not be seen as a profit-making venture, it is a sacrificial job with many burdens attached. Directors are not entitled to salaries, official cars, offices and same incentives as staff. They are holding positions of trust for the shareholders and other stakeholders of the bank.

The Board must be conscious of the provisions in its Charter, the bank's

policies as well as other applicable legal instruments such as the Banks and Specialised Deposit Taking Institutions Act, 2016, Act 930 and the Companies Act, 2019, Act 992.

Although the Bank of Ghana is yet to issue directives on corporate governance applicable to the RCBs, there are enough provisions in Act 930 and Act 992 on corporate governance applicable to RCBs that need to be complied with. Failure to comply with these provisions may result in the payment of administrative penalties to the Bank of Ghana.

Adhering to good corporate governance practises is one of the surest ways of ensuring that RCBs remain vibrant and relevant in our quest to grow together for progress. ■

About the Author

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End Of Year Corporate Activities



TIME WITH WIDOWS & AGED

As part of the bank's social interventions an amount of GHS100,000.00 was given to 550 widows and aged as Christmas packages to bring excitement to them in the Christmas festivities. Items for the beneficiaries included 5KG Rice, Cooking Oil, 400G Tomato Paste, 2 400G Fish Mackerel and GH¢ 100.00



END OF YEAR THANKSGIVING

In celebrating the goodness of God for his blessings throughout the year and in the midst of COVID-19 pandemic, the Bank seized the opportunity to give thanks and praise to God as a sign of gratitude and appreciation.



AMERB GOES TRADITIONAL

In welcoming the new born King, 24th December, 2020 was dedicated as traditional day which afforded staff to dress in a traditional style to celebrate the Kingship of our Lord Jesus Christ and also demonstrate our rich cultural heritage.



AMERB END OF YEAR STAFF AWARDS

In recognizing the hard work and commitment of employees and their value and contribution to the business, deserving staff were awarded at our end of year family gathering, which included the board and management.



AMERB END OF YEAR FUN GAMES

As the saying goes, "All work and no play, makes Jack a dull boy"; AMERB took keen interest in this to organize fun games which afforded staff to have fun and also exercise. It was really an atmosphere of family bonding between board, management and staff.



AMERB END OF YEAR STAFF PARTY

As a way of creating bonding and socialization, an end of year party was organized to afford staff and their families the opportunity to wine, dine and interact with the board and management.

PICTURES FROM AMERB END OF YEAR ACTIVITIES

TIME WITH WIDOWS AND AGED



END OF YEAR THANKSGIVING



AMERB GOES TRADITIONAL



AMERB END OF YEAR AWARD



AMERB END OF YEAR PARTY



AMERB END OF YEAR FUN GAMES



WHAT YOU NEED TO KNOW ABOUT CORONAVIRUS (COVID-19)



**WASH YOUR
HANDS
FREQUENTLY
WITH SOAP
UNDER RUNNING
WATER**

**USE
ALCOHOL-
BASED
HAND
SANITIZERS**



**DO NOT
TOUCH EYES,
NOSE OR
MOUTH WITH
UNWASHED
HANDS**

**MAINTAIN
SOCIAL
DISTANCING**

MAINTAIN AT LEAST
1 METRE (3 FEET)
DISTANCE BETWEEN
YOURSELF AND ANYONE
WHO IS COUGHING OR
SNEEZING



**IT IS SAFEST TO
AVOID
PHYSICAL
CONTACT
WHEN GREETING**

SAFE GREETINGS
INCLUDE A WAVE,
A NOD, OR A BOW

**EVERYONE
IS AT
RISK OF
GETTING THE
CORONAVIRUS
INFECTION**



**SIGNS &
SYMPTOMS**

- Fever
- Cough
- Breathing Difficulties
- Sore Throat
- Runny Nose etc.

**IF YOU HAVE
FEVER, COUGH
AND DIFFICULTY
BREATHING,
SEEK MEDICAL
CARE EARLY**



PLEASE STAY SAFE, YOUR FAMILY AND APEX BANK NEED YOU ALIVE.



ARB APEX BANK
Together for progress

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Covid-19 Emergency Number: 112



Board Members, Management of South Akim Rural Bank and Apostolic Leaders of the Apostolic Church

South Akim ends 2020 on a thankful note

South Akim Rural Bank held its end-of-year thanksgiving service at the Nankese Assembly of the Apostolic Church in the Eastern Region. The thanksgiving service,

the churches within its operational area after a successful AGM.

Similar ones were successfully held at the Presbyterian and Methodist Churches at Nankese to climax the 33rd

“birthed by the Directors, Management and Staff in appreciation to God for the Bank’s performance” in the year. The Bank associates its act of gratitude with that of Gerald Good...“If you want to turn your life around,

which was part of activities marking the Bank’s 35th Annual General Meeting (AGM) brought together leadership and staff of the Bank to fellowship with members of the church.

The programme was in line with the Bank’s custom to hold a thanksgiving service on rotational basis every year among

and 34th AGMs of the Bank respectively. The idea of the thanksgiving was

try thankfulness. It will change your life mightily”.

Fun games climax celebrations

As part of brand activation efforts and to offer the opportunity to engage staff in keeping fit, fun games were organized in partnership with Kwayisi Christian

Herbal Clinic in Nankese.

The event brought the Management

**SOUTH AKIM
RURAL BANK LTD**



MY BANK, OUR BANK



Football Team of the Bank with some Board Members

and Staff of the Bank and Kwayisi Christian Herbal Clinic together to lock horns at the Nankese Methodist Church Park on Saturday, 5th December, 2020.

It drew a large crowd from the town folks, who were eager to witness the healthy competition between the Bank and the Clinic in the games that were lined up for the day.

The occasion was graced by Mr. William Kwadwo Boateng, Chairman of the Board of Directors, Dr. Edward Kwapong, a Director, and Mr. Forson Temeng, the General Manager, who doubles as Manager of the Banks' football team.

A trail blazer in Eastern Region

South Akim Rural Bank Limited operates in the Eastern Region of Ghana with the Head Office at Nankese, about 7.5 kilometres drive from Suhum. The Bank was commissioned on 2nd November, 1984. Effective operations started on 13th June, 1986 after obtaining the certificate to commence business. The Bank has now established eight (8) agencies in five (5) Municipalities of the Region namely:

- a) Nankese, Head Office: Suhum Municipality opened in 1984,
- b) Suhum Agency: Suhum Municipality opened in 1987,

c) Koforidua Agency: New Juabeng South Municipality opened in 1993,

d) Asamankese Agency: West Akim Municipality opened in 1995,

e) Adoagyiri Agency: Nsawam-Adoagyiri Municipality opened in 2006,

f) Osenase Agency: West Akim Municipality opened in 2009,

g) Adweso Agency: New Juabeng South Municipality opened in 2015, and

h) Kade Agency: Kwaebibrim Municipality opened in 2018. ■



Board Members, Management of the Bank and Women Fellowship of the Church



MY BANK, OUR BANK

SOUTH AKIM
Rural Bank Ltd

Bank

WITH US AT

Suhum

- 📍 Near Okanta Lorry Station
- ☎ 034 229 0149

Adoagyiri

- 📍 At Adoagyiri Roundabout
- ☎ 034 212 2404

Nankese

- 📍 Opposite Nankese Police Station
- ☎ 054 717 8438

Asamankese

- 📍 At Akroso Junction
- ☎ 050 890 6116

Osenase

- 📍 In The Osenase NHIS Building
- ☎ 054 377 4078

Koforidua

- 📍 Adjacent All Nations University
- ☎ 034 202 2647

Adweso

- 📍 At Poly Junction
- ☎ 031 229 7189

Kade

- 📍 Roman Junction
- ☎ 034 229 4194





Dr Toni Aubyn, Chairman of the Board of Directors speaking at the Staff Durbar, while other Directors look on

Directors of ARB Apex Bank Meet Staff

As part of strategies to deepen trust and engagement, the Board of Directors of ARB Apex Bank interacted with Management and Staff of the Bank. The programme, which is the second since the new Directors took office in March 2020, was held at the Bank’s Head Office at Ridge in Accra on Thursday, December 10, 2020.

Dr Tony Aubynn, Chairman of the Board of Directors, opened the meeting and outlined the reasons for the interaction, stating that “this second meeting with Staff is meant to seek the views of staff,” on issues concerning their work.

He said there was freedom of expression and that staff were assured that the

Board of Directors would take “your comments and suggestions seriously.”

Dr Aubynn assured staff about improvements in remunerations and other conditions of service.

Other Directors added their voices to that of the Board Chair’s and advised staff to openly express their concerns.

Mr Larry Jiage, Vice Chairman of the Board urged staff to work together

to ensure the success of the Bank. He said he was sure that “everyone was here to work hard and earn their keeps” so let us work together for the common good of the Bank.

Support for Directors

The staff promised to support the Board of Directors and the Management to ensure that ARB Apex Bank continues to render top notch support services to the Rural and Community Banks (RCBs).

Due to the COVID-19 protocols, Head Office staff converged at the conference room of the Bank while staff of the branches joined the meeting via audio-visual aids.



A section of staff at the Durbar

PICTURES FROM THE EVENT



Directors seated at the high table



Directors stand for the closing prayer



Staff listen attentively to presentations from the Directors



Staff listen attentively to presentations from the Directors



Mr. Baah Wiafe making a point during the meeting



Jangdana Iddi-Puyo Abdul Raheem asking a question



Mr. John Nyamador making his point



George Solomon asking a question during the meeting



Six Pitfalls Rural and Community Banks Must Avoid in 2021



Joseph Akossey
Head, Proven Trusted Solutions

Rural and Community Banks (RCBs) take many decisions to help them achieve their strategic and business objectives. In conducting their banking operations and in their

quest to achieve results, RCBs are prone to certain pitfalls, which can have adverse effects on operational efficiency.

healthy competition in the sector. It should be noted that there is greater interconnectedness in the rural banking subsector. Any challenge or shock to one bank

In conducting their banking operations and in their quest to achieve results, RCBs are prone to certain pitfalls, which can have adverse effects on operational efficiency.

RCBs should endeavour to avoid the following six (6) pitfalls in the year to help them optimize their financial and overall operational efficiency.

1. Discrediting sister banks

It has been observed that staff of some RCBs are fond of making disparaging remarks about sister banks. It is believed that such unfair selling techniques are meant to woo customers to help grow deposits. Such a technique is unethical and unfair because it does not promote

can have a spillover effect on the entire industry. Several customers do not understand that each RCB is a unique and separate business entity with its own management, policies, and governance structure, among others. Such customers therefore do not see any difference between RCB 'A' and RCB 'B'.

It is worth mentioning that your bank might be rated as strong in a given quarter of the year but subsequent events might lead to

a downgrade of such a strong bank into the satisfactory category in the subsequent quarter or year. It is therefore not prudent to use your bank's current rating as a basis to undermine the confidence people have in other RCBs.

Instead of focusing on tarnishing the image of sister RCBs, we should rather

channel our efforts at promoting the sector as one united entity. Management of RCBs should constantly offer better training for Mobile Bankers, Marketing Officers and other front-line staff to develop their skills and abilities professionalism and ethical selling skills.

Eschew unfair and unhealthy competition and work together through collaborations that will benefit the entire RCB industry.

2. “Copy and paste banking” (me too banking)

Some RCBs tend to adopt a concept that seeks to copy anything other banks are doing. This is called the “me too banking” or “copy and paste banking,” whereby banks copy blindly products, services, strategies, tactics, policies among others of sister banks. It is important to point out that the dynamics in all localities might be similar but the needs of customers might be very different and

1 Discrediting sister Banks
Staff of some RCBs are fond of making disparaging remarks about sister banks

2 Copy & Paste Banking
Some RCBs tend to copy anything other banks are doing

3 Not building enough reserves from ploughing back profit
RCBs are operating in uncertain and unpredictable business times

4 View marketing as cost
Most RCBs view marketing as cost and not investment

5 Governance Gaps
Lack of understanding of the roles of the board leading to their involvement in day-to-day operations of RCBs

6 Not making key basic information available
Staff of some RCBs lack knowledge in basic and essential information that might empower them to effectively deliver on their mandates

unique to specific localities.

In addition, culture, vision and complexities are not the same across RCBs. Therefore, adopting a “copy and paste banking” might not always yield the needed results. It is imperative that banks conduct marketing research to identify the peculiar needs and wants of target customers and then roll out appropriate products, services

and programmes to satisfy such needs and wants. This will no doubt give RCBs a competitive advantage.

3. Not building enough reserves from ploughing back profit

RCBs are operating in uncertain and unpredictable business times. This means that the banks are prone to negative external factors. RCBs are exposed to credit, operational, and market risks respectively as well as other challenges that may negatively impact their operations as going concerns.

To remain resilient to absorb shocks which might stem from uncertainties in the business environment, there is the need for banks to build enough reserves by ploughing back profits. It is sad to note that some RCBs do not plough back their profits during good times to help serve as buffer against future shocks and uncertainties.

It is imperative that banks conduct marketing research to identify the peculiar needs and wants of target customers and then roll out appropriate products, services and programmes to satisfy such needs and wants. This will no doubt give RCBs a competitive advantage.

The issue of “we want dividends (money) now” on the part of shareholders is having adverse effects on building enough reserves for some RCBs.

Shareholders should be educated to appreciate the need and benefits of ploughing back profits during good times. For example, a strong reserve base enables an RCB to transfer funds from the income surplus to grow its stated capital.

This can secure the bank in the future should the Regulators increase the minimum capital requirement.

4. View marketing as cost

Most RCBs view marketing as cost and not investment. In view of this, such RCBs are reluctant to invest in marketing programmes such as marketing communications campaigns, staff training, market research, brand building activities and establishing vibrant marketing teams. Some of the banks do not even have functioning marketing units at all. It must be stressed that marketing is an investment, which impact positively on the performance of RCBs. Banks must therefore begin to change their perception about the role and impact of marketing in their overall performance.

Research has revealed that banks which appreciate the significant role of marketing have always outperformed their peers. According to the Management expert, Peter F. Drucker, “marketing and innovation produce results: all the rest are costs.” As already pointed out, marketing drives deposits, growth, sale of loans, customer loyalty, profitability, among others. It is therefore worthwhile to invest in appropriate marketing programmes.



5. Governance gaps

Governance gaps include lack of understanding of the roles of the Board as well as the absence of distinction between responsibilities of the Board and key management personnel leading to Board involvement in the day-to-day operations of the RCB.

Good corporate governance principles and best corporate governance practices require that Directors should not interfere in the day-to-day running of the affairs of an RCB. The day-to-day administration is the responsibility of key management personnel.

It is important that banks operate under a Board charter, which outlines the appropriate governance practices and also spells out the roles of Directors.

“

Good corporate governance principles and best corporate governance practices require that Directors should not interfere in the day-to-day running of the affairs of an RCB

”



6. Not making key basic information available

Research conducted by Proven Trusted Solutions has revealed that staff of some RCBs lack knowledge in basic and essential information that might empower them to effectively deliver on their mandates. Such basic information may include knowledge about the bank’s deposit portfolio, net worth, balance sheet size, profit, non-performing loan portfolio, Capital Adequacy Ratio (CAR), among other ratios.

Management of RCBs are therefore urged to be transparent in information sharing, especially information that is not classified.

As a Manager, ask yourself the following questions; how can I expect my staff to grow deposits when they are not aware of the total deposits of the bank at a given time? How can Credit

Officers improve asset quality when they lack knowledge about the bank’s non-performing loan book? How can the staff contribute to profitability when they lack knowledge about the bank’s current profit/loss position?

country would learn vital lessons from these key points and apply them to help make 2021 a better year for all the banks.

Conclusion

So far the article has discussed some pitfalls in banking that RCBs must avoid. These include, discrediting sister banks, “copy and paste banking” (me too banking), not building enough reserves by ploughing back profit, view marketing as cost, governance gaps and not making basic information available. It is the hope of the author that management of the 145 RCBs spread across the 16 regions of the



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Some Staff of Apex and OFISD at the Thanksgiving Service

ARB Apex Bank Staff Give Thanks

Head Office staff of ARB Apex Bank have held an end-of-year annual thanksgiving service to praise God for a successful year.

According to Mr Kojo Mattah, Managing Director of the Bank, “staff have every reason to give thanks to God for His mercies and care as no employee of the Bank succumbed to the dreaded Coronavirus (COVID-19) pandemic.”

Mr Mattah entreated the staff to embrace the new tools being introduced to augment work processes “because the novel COVID-19 has changed the normal ways of work.”

He implored the staff to stay focused and expressed his hope that the year 2021 would definitely be a better year for the Bank.

Due to the COVID-19 pandemic, this year’s thanksgiving service was not climaxed with a party. Staff were however presented with handsome Christmas gifts from Management of the Bank.

Mr Mattah entreated the staff to embrace the new tools being introduced to augment work processes “because the novel COVID-19 has changed the normal ways of work.”

PICTURES FROM THE EVENT



Rev. Nathaniel Anti, Minister in charge, Grace Presby Church, Akwapem and his team



Praise and Worship



Staff praising God during the service



Praise and Worship



Praise and Worship



Praise and Worship



Mr Yaw Sapong leads the team as they happily dance to the dancing floor



Group Photograph



Interactions between some management of OFISD and ARB Apex Bank



Kojo Mattah in a chat with Mr Yaw Akompong, Deputy Head, OFISD



Staff at the Thanksgiving Service



Singing and Praising God



Staff at the Thanksgiving Service



Staff at the Thanksgiving Service



The Choir performing during the service



Members of the Choir

DIGITAL SELF DEFENCE

Coronavirus Fraudulent emails: How to protect against COVID-19 scams

How does it work?

- Cybercriminals send emails claiming to be legitimate organizations about the coronavirus
- The email message might ask you to open an attachment to see the latest statistics
- Clicking on the attachment or embedded link will download malicious software onto your device
- The software could allow cybercriminals to take control of your device, log keystrokes or access personal information

Tips for recognizing and avoiding fraudulent emails

- Beware of online requests for personal information
- Check the email address or link by hovering over it to see its true address
- Watch for spelling and grammatical mistakes
- Look for generic greetings
- Avoid emails that insist you act now

Questions?

Please contact the information Security Team:

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Covid-19 Emergency Number: 112

Read The Rural Banker

for information about the Rural Banking sector



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