

SPEECH DELIVERED BY
MR. RICHARD METTLE ADDO
HEAD, RESEARCH, MARKETING & CORPORATE
AFFAIR DEPARTMENT

ON BEHALF OF

MR. KWADWO AYE KUSI
MANAGING DIRECTOR OF THE ARB APEX BANK LIMITED

AT THE

32ND ANNUAL GENERAL MEETING
OF THE AKWAPIM RURAL BANK LIMITED

HELD ON

SATURDAY, 25TH MAY, 2013

AT THE

WESLEY HALL, METHODIST GIRLS' HIGH SCHOOL,
MAMFE - AKWAPIM

ADDRES READ BY MR. RICHARD METTLE ADDO, ON BEHALF OF MR. KWADWO AYE KUSI, MANAGING DIRECTOR OF THE ARB APEX BANK LIMITED ON THE OCCASION OF THE 32ND ANNUAL GENERAL MEETING OF THE AKWAPIM RURAL BANK LIMITED HELD ON THE SATURDAY, 25TH MAY, 2013

Mr. Chairman, Nananom, Distinguished members of the Board, Management and Staff of the Akwapim Rural Bank Ltd., Directors and Staff of sister Rural Bank and Community Banks, Shareholders, Distinguished Invited Guests, Personnel from the Press, Ladies and Gentlemen, All protocol observed.

The Managing Director, Mr. Kwadwo Ayeh Kusi, should have been here with us but is engaged on another equally important assignment elsewhere. He sends his apologies for his inability to attend this AGM. I am, therefore, privileged and honoured to be nominated by him to be part of the 32nd Annual General Meeting of Akwapim Rural Bank. I bring you good tidings and warm felicitations from the Managing Director and thank you for this invitation.

Mr. Chairman, indeed, I am extremely delighted for the opportunity to address this august gathering of distinguished shareholders and personalities.

OPERATIONAL HIGHLIGHTS

Mr. Chairman, I wish to congratulate the Board, management, staff and shareholders of Akwapim Rural Bank Limited for their performance over the years. The performance for the year 2012 was also equally impressive as depicted by your financial indicators. Your profit before tax increased from GHC.563, 143 at the end 2011 to GHC.1, 136,295 at end of 2012, representing significant growth of (GHC.573, 152.00). The details of other important financial indicators have already been disclosed by the Chairman in his report. However, let me provide you with details of your financial performance on the regional and national scale.

ACTIVITY	POSITION (NATIONAL)	POSITION (REGIONAL)	FIGURE
Advance	17 th	3 rd	10,504,750.96
Net Worth	11 th	1 st	3,843,091.19
Paid-Up Capital	14 th	5 th	670,065.38
Investment	10 th	1 st	10,420,488.97
Total Assets	14 th	2 nd	26,404,202.36
Deposits	14 th	2 nd	20,630,952.43
Profit Before Tax	14 th	2 nd	1,180.151.24

May I commend the Board for meeting its corporate social responsibilities to the community in diverse and various ways.

I wish to mention that the Akwapim Rural Bank was rated satisfactory based on the 4th quarter 2012 report of the Efficiency Monitoring Unit of the Apex Bank.

1. Risk Management

Mr. Chairman, banking business has become very competitive and risky. Indeed, with the current pace of development in ICT, your bank would no doubt be assuming additional risks and take on board new challenges as recent development have indicated. You should, therefore, put in place an effective risk management policy which includes an awareness/ recognition of risk as initial steps in the process. This will enable you to mitigate the threats and vulnerability which are likely to impact negatively on the operations of the bank. In this regard, I will advise that you evolve strategies to identify, asses, monitor and control operational and credit risks, among others. This will strengthens and enhance your overall performance.

2. Staff Training, Product Development and Customer Service

Mr. Chairman, I observe with satisfaction that you committed a reasonable share of your operating expenses to the training and capacity building of your staff so that they can deliver on the job.

This is one of the reasons why the ARB Apex Bank emphasizes all forms of training to prepare RCB's staff to develop skills and competencies, especially in the T24 eMerge banking application software to enable them to confront the challenges of modern day banking, including the provision of the financial services to the unbanked and underbanked in our catchment areas.

With appropriate training in risk and liquidity management, rural banks would be able to control the use of funds and limit default risk. This consideration should guide the development of products with the view of ensuring that client confidence is given the maximum recognition and consideration in catering for the needs of the financially deprived.

Mr. Chairman, without customers, you cannot stay in business. It is, therefore important for your bank to address this issue by investing in relevant training programmes that will help the staff to improve on and deliver quality service in order to retain your cherished customers. You should endeavour to build a good corporate image for yourselves to ensure the loyalty of your customers and patronage of your products.

DEVELOPEMENTS IN THE RURAL BANKING SYSTEM

Mr. Chairman, distinguished shareholders, the following are the new developments in the rural banking sector:

1. Mergers

Distinguishes Shareholders, ladies and gentlemen, mergers will continue to be high on the agenda of the ARB Apex Bank. All RCB's are, therefore urged to consider merging to take advantage of the synergies of mergers.

2. Western Union Commissions

Mr. Chairman, there have been a change in the sharing structure of Western Union commissions between the Apex Bank and the RCBs. I am happy to announce to you that with effect from April 1, 2013, RCBs will now get 100% of the entire commission on Western Union remittance as against the 20%/80% sharing arrangement in favour of the RCBs.

3. Reduced in Interest Rates

Mr. Chairman, the management of the ARB Apex Bank has reduced the interest rates on its borrowings to the RCBs from the 20% and above to 15% to equal the Bank of Ghana policy rate.

All RCBs are, therefore, urged to take advantage of this development and access more facilities from the Apex bank for on-lending to their deserving borrowers.

4. Specie Movement

Mr. Chairman, cash holdings of our various branches have been increased to enable RCBs to access cash with ease and to do so within short periods after notification. However, you are encouraged to manage your cash needs effectively so that any shortfall can be ably addressed by our branches with minimum delay.

5. Arch-mobile

Distinguished shareholders, the ARB Apex Bank has signed an agreement with a service provider for the deployment of the Arch-mobile product, a computerised platform which essentially uses mobile phones to transact banking business like payments, transfers, checking of balances, Short Messaging System (SMS) alert and other related transactions, as well as support 'SUSU' operations. This will not only diversify the RCBs' income streams but also increase their profits in order to ultimately maximise shareholders value.

6. Establishment of Sinking Fund

Mr. Chairman, the shareholders of the ARB Apex Bank gave their approval to the establishment of a Sinking Fund at last year's AGM. The 'operationalisation' of this fund will take care of capital expenditure with respect to information technology equipment and infrastructure at the Data Centre of the ICT Department of the Apex Bank.

CONCLUSION

Mr. Chairman, distinguished ladies and gentlemen, once again, I commend the Board, the Supervising Manger and his management team for their focused and dynamic leadership; the staff for their assiduity and dedication; the customers for their unflinching patronage; and last but not least, the shareholders for their continued commitment and loyalty, which have all combined effectively to culminate in the sterling performance being portrayed by your bank over the years.

Thank you for your attention and May God bless us all.