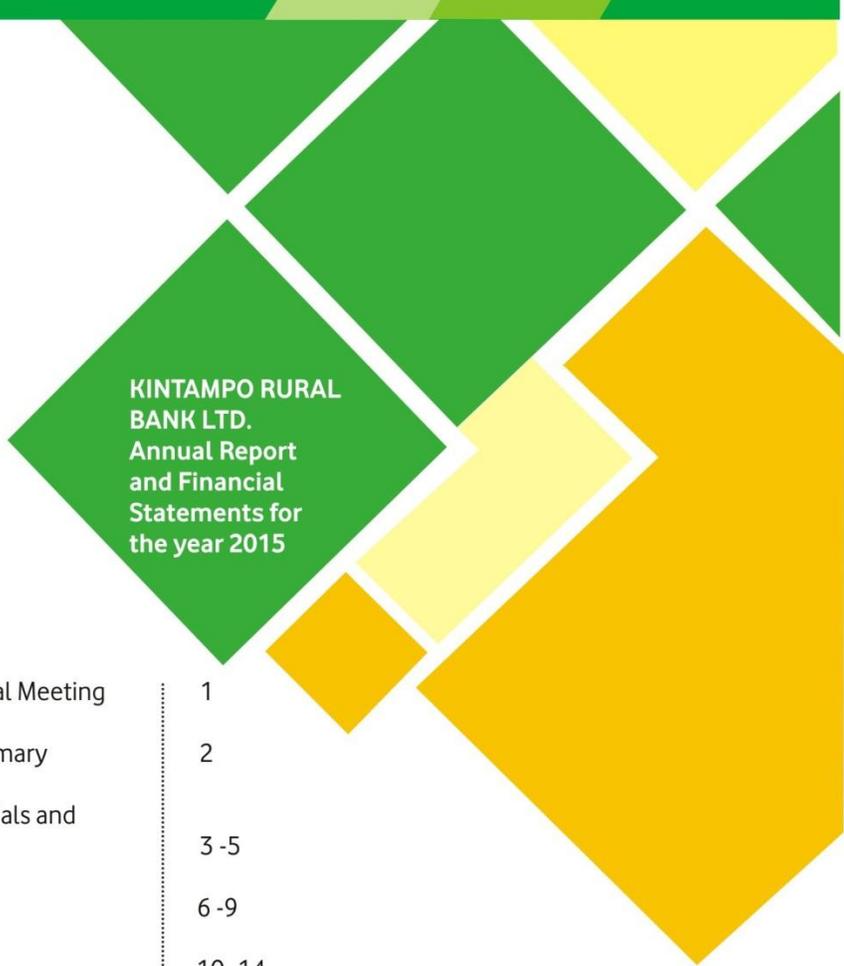




KINTAMPO

RURAL BANK LIMITED

REPORTS & FINANCIAL
STATEMENTS **2015**



KINTAMPO RURAL
BANK LTD.
Annual Report
and Financial
Statements for
the year 2015

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 31st Annual General Meeting (AGM) of KINTAMPO RURAL BANK LIMITED will be held at **CITY OF REFUGE ASSEMBLIES OF GOD CHURCH**, KINTAMPO on Saturday 27th August 2016 at 10:00 am to transact the following business.

AGENDA

1. To read the Notice convening the meeting
2. To receive and consider the Directors' and Chairman's Report
3. To receive and consider the Accounts for the year ended 31st December 2015, and report of Auditors
4. Passing of Resolution (s)
5. To elect Directors
6. To approve the Directors fee for 2016
7. To authorize the Directors to fix the remuneration of the Auditors for the year 2016
8. Any Other Matters

DATED THIS 4th day of July 2016

Signed

.....
BY THE ORDER OF THE BOARD
MARTIN MENSAH
(SECRETARY)

NOTE:

A member entitled to attend and vote at the meeting may appoint a proxy who need not be a member of the bank to vote in his/her stead. A form of proxy for it to be valid for the purposes of the meeting must be completed and deposited at the Head office, Kintampo, not less than forty-eight (48) hours before the meeting.

All Shareholders who have not received their Annual Reports and accounts for the year 2015 should contact the bank and its Agencies/Mobilization Centres for their copies or act on this NOTICE and attend the meeting.

FIVE YEAR CONSOLIDATED FINANCIAL SUMMARY

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|---|-------------|-------------|-------------|-------------|-------------|
| Interest Income | 5,049,190 | 4,275,390 | 3,260,115 | 2,413,139 | 1,648,341 |
| Interest Expenses | (666,261) | (448,800) | (375,153) | (387,862) | (345,325) |
| Net Interest Income | 4,382,929 | 3,826,590 | 2,884,962 | 2,025,277 | 1,303,016 |
| Commission & Fees | 553,881 | 430,226 | 572,668 | 476,167 | 381,487 |
| Operating Income | 4,936,810 | 4,256,816 | 3,457,630 | 2,501,444 | 1,684,503 |
| Total Operating Expenses | (3,434,831) | (2,974,982) | (2,031,129) | (1,517,005) | (1,036,618) |
| Prov. For Bad & Doubtful Debt | (132,801) | (169,088) | (143,811) | (80,323) | (55,000) |
| Profit Before Income Tax | 1,369,178 | 1,112,746 | 1,282,690 | 904,116 | 592,885 |
| Income Tax Expense | (118,561) | (100,598) | (112,001) | (78,017) | (53,505) |
| Profit After Taxation | 1,250,617 | 1,012,148 | 1,170,689 | 826,099 | 539,380 |
| Total Assets | 22,135,629 | 18,058,341 | 17,051,589 | 13,435,587 | 11,091,722 |
| Total Deposits | 14,229,299 | 11,643,366 | 11,511,382 | 9,326,781 | 6,988,661 |
| Loans and Advances | 8,107,677 | 8,295,803 | 6,977,772 | 5,259,031 | 3,676,089 |
| Total Shareholders' Equity | 5,812,237 | 4,681,100 | 3,645,134 | 2,682,085 | 2,095,955 |
| Earnings per Share (Ghana Cedis per share) | 0.12 | 0.12 | 0.16 | 0.23 | 0.16 |
| Dividends per Share (Ghana Cedis per share) | 0.025 | 0.023 | 0.031 | 0.026 | 0.024 |
| Number of Shares | 10,019,818 | 8,756,706 | 7,494,946 | 3,458,421 | 3,299,611 |
| Return on Assets | 5.6% | 5.6% | 6.87% | 6.14% | 4.86% |
| Return on Equity | 21.52% | 21.62% | 32.12% | 30.80% | 25.73% |
| Capital Adequacy Ratio | 39.42% | 42.81% | 41.51% | 32.49% | 38.14% |
| Cost-to-Income Ratio | 72.26% | 72.76% | 66.54% | 68.70% | 70.79% |

CORPORATE INFORMATION

| | | | |
|----------------------------|--|---|---|
| BOARD OF DIRECTORS: | Dr. Samuel Donyina-Ameyaw Mr. David Ayi Poku Hon. Yaw Effah-Baafi Mr. Sulemana Abubakari Madam Mary Ama Owusu Mr. Martin Kwame Kodom Mr. David Dumah Amoah Mr. Yaw Wiredu Peprah Mr. Boyd Donkor | - - - - - - - - - | Chairman Vice Chairman Member Member Member Member Member Co-opted Member Co-opted Member |
| SECRETARY: | Mr. Martin Mensah | | |
| MANAGEMENT TEAM: | Mr. Martin Mensah Mr. Isaac Kwarteng Ankomah Mr. Aidoo Bright Clifford Mr. Samuel Appiah Mr. Alhassan Adams Mr. Frank Asante-Bediako Mr. Emmanuel K. Tawiah | - - - - - - - | General Manager Head, Operations Head, Credit Dept. Head, Administration Head, Finance Head, Internal Audit Head, ICT |
| REGISTERED OFFICE: | THE BANK PREMISES POST OFFICE BOX 98 KINTAMPO-BRONG AHAFO. | | |
| AUDITORS: | ASAFU-ADJAYE & PARTNERS (CHARTERED ACCOUNTANTS) HSE. NO. ODURO 44 MANHYIA, KUMASI P. O. BOX AN 15110 ACCRA-NORTH. | | |
| SOLICITORS: | WIREDU PEPRAH, ODURO & CO. P. O. BOX 1542 SUNYANI-BRONG AHAFO REGION GHANA-WEST AFRICA | | |
| BANKERS: | ARB APEX BANK LIMITED | | |



BOARD OF DIRECTORS



DR. SAMUEL DONYINA-AMEYAW
(Chairman)



DAVID AYI POKU
(Vice Chairman)



HON. YAW EFFAH-BAAFI
(Member)



SULEMANA ABUBAKARI
(Member)



YAW WIREDU PEPRAH
(Co-opted Member)



BOYD DONKOR
(Co-opted Member)



MARTIN KWAME KODOM
(Member)



MARY AMA OWUSU
(Member)



DAVID DUMAH AMOAH
(Member)

MANAGEMENT TEAM



MARTIN MENSAH
(Board Secretary & General Manager)



ISAAC A. KWARTENG
(Head: Operations)



FRANK ASANTE-BEDIAKO
(Head: Internal Audit)



BRIGHT CLIFFORD AIDOO
(Head: Credit Department)



ALHASSAN ADAMS
(Head: Finance)



BENJAMIN O. OFOSU
(Head: Risk & Compliance)



SAMUEL APPIAH
(Head: Administration)



MAHAMA DAMBA S.
(Head: Electronic Transfers)



EMMANUEL K. TAWIAH
(Head: ICT)



UMAR SAEED A. YEBOAH
(Agency Head: Techiman)



ABOAGYE A. ANTWI
(Agency Head: Buipe)



RUTH FAKAA YEBOAH
(Agency Head: Kintampo)



OWUSU DWUMFOUR S.
(Agency Head: Jema)

REPORT OF THE DIRECTORS ON THE FINANCIAL STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER, 2015 TO THE MEMBERS OF KINTAMPO RURAL BANK LIMITED

The Directors have the pleasure in submitting their Annual Report together with the audited financial statements of the Bank for the year ended 31st December, 2015 to the members as follows:

1) **Directors' Responsibility Statements**

The Bank's Directors are responsible for the preparation and fair presentation of the financial statements comprising the Statement of Financial Position, Statement of Comprehensive Income, the Statement of Changes in Equity, Statement of Cash Flows for the year ended and the notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1963 (Act 179) and the Banking Act 2004 (Act 673) As Amended by Act 2007 (Act 738).

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial reports that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

The directors have made an assessment of the bank's ability to continue as a going concern and have no reason to believe the business will not be a going concern.

2) **Financial Results**

The financial results of the Bank for the year ended 31 Dec 2015 are set out in the attached financial statements, highlights of which are as follows.

| | 2015 GH¢ |
|--|---------------------|
| The Bank recorded profit before tax of | 1,369,178 |
| From which is deducted tax of | (118,561) |
| Giving a net profit after tax of | 1,250,617 |
| There was transfer to statutory reserve of | (156,327) |
| Leaving a profit for the year of | 1,094,290 |
| When added to the opening balance on the income surplus account of | 2,649,310 |
| Transfer from Revaluation Reserve | 79,199 |
| Prior year adjustments | (16,217) |
| From which is deducted final dividend | (202,430) |
| Leaving a Balance on the Retained Earnings of | 3,604,152 |

3) **Nature of Business**

The Bank is authorized to carry on the business of Rural Banking. There was no change in the nature of the Bank's business during the year.

4) **Stated Capital**

The Stated Capital of the bank increased by GH¢126,311 to GH¢851,350 for the year under review. This is against the previous year's capital of GH¢725,039

5) **Dividend**

The Directors recommend the payment of dividend of GH¢0.025 (2014: GH¢0.023) per share amounting to GH¢250,119 (2014: GH¢202,430) for the year under review.

6) **Corporate Governance**

The Board of Directors is committed to ensuring good corporate governance as a means of determining the direction and performance of the Bank. To this end, the Bank aims to comply with best practices on corporate governance.

7) **Committees of the Board**

The Board has three (3) Committees namely, Audit, Finance & Administration, Loans & Mobilisation and Tender, Procurement & ICT.

a) **Audit, Finance & Administration**

| | | |
|--------------------------|---|-----------|
| Mr. Yaw Wiredu Peprah | - | Chairman |
| Mr. David Ayi Poku | - | Member |
| Mr. Boyd Donkor | - | Member |
| Madam Mary Ama Owusu | - | Member |
| Mr. Martin Mensah | - | Member |
| Mr. Frank Asante-Bediako | - | Secretary |

The roles of the Committee includes:

- 1) Review, Advise and Report to the Board on the adequacy of the Bank's internal control systems and its operational viability.
- 2) Advise the Board on the maintenance of proper books of accounts and the reliability of financial information used within the business.
- 3) Review, Advise and Report to the Board on the Bank's general operational systems including finance, treasury and other core banking activities.
- 4) Any other responsibility that the Board may assign to the committee from time to time.



b) **Loans & Mobilisation**

| | | |
|---------------------------|---|-----------|
| Mr. Abubakari Sulemana | - | Chairman |
| Mr. David Dumah Amoah | - | Member |
| Madam Mary Ama Owusu | - | Member |
| Mr. Martin Kwame Kodom | - | Member |
| Hon. Yaw Effah-Baafi | - | Member |
| Mr. Martin Mensah | - | Member |
| Mr. Bright Clifford Aidoo | - | Secretary |

The roles of the Committee includes:

- 1) Review, Advise and Report to the Board on the Bank's credit operational systems.
- 2) Any other responsibility that the Board may assign to the committee from time to time

c) **Tender, Procurement & ICT**

| | | |
|------------------------|---|-----------|
| Mr. David Ayi-Poku | - | Chairman |
| Mr. Yaw Wiredu Peprah | - | Member |
| Mr. Abubakari Sulemana | - | Member |
| Mr. David Dumah Amoah | - | Member |
| Mr. Martin Kwame Kodom | - | Member |
| Mr. Martin Mensah | - | Member |
| Mr. Emmanuel K. Tawiah | - | Secretary |

The roles of the Committee includes:

- 1) Review, Advise and Report to the Board on the Bank's implementation and compliance with procurement and ICT policies.
- 2) Any other responsibility that the Board may assign to the Committee from time to time

8) **AUDITORS**

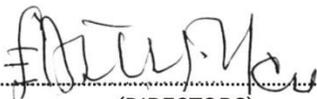
In accordance with section 134(5) of the Companies Act, 1963, (Act 179) notice is hereby given that the Auditors, Asafu-Adjaye & Partners having given their consent will continue to act in office.

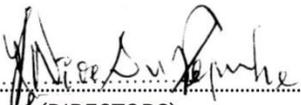
9) **ACKNOWLEDGEMENT**

The Board of Directors wishes to express its sincere gratitude to our shareholders and customers for their loyalty and confidence reposed in our team. We also express our thanks to the staff for their hard work and dedication to duty which enabled us to achieved these results

10) **APPROVAL OF THE FINANCIAL STATEMENTS**

The Audited Financial Statements were approved by the Board of Directors on 23rd April, 2016 and signed on its behalf by.


.....
(DIRECTORS)


.....
(DIRECTORS)

CHAIRMAN'S REPORT



DR. SAMUEL DONYINA - AMEYAW (*Chairman*)

INTRODUCTION

I have great pleasure in welcoming you all to the 31st Annual General Meeting of the Kintampo Rural Bank Limited (KRB Ltd) for the Financial Year 2015 being held here today.

The year, just gone by, was a challenging one for the Ghanaian economy and banking as well.

Turbulent economic conditions in Europe coupled with the financial crises in Greece had their impact on the Ghanaian economy. It was challenging for us to sustain growth, both in business and profitability of the banking system, in the backdrop of such a volatile economic situation.

I am happy to inform you that your bank's performance has shown its resilience to this volatility and proved its consistency in achieving a better result, which is reflected in its financial statements.

The Directors' Report and the Audited Financial Statements for the Year ended 31st December 2015 are already with you and with your permission, I take them as read.

I thank you for your esteemed presence, continued trust and unwavering support extended to the Bank all these years.

Before coming to your Bank's Performance, I would like to give you a brief idea regarding the present economic and banking scenario.

Economic and Banking Scenario

Ladies and Gentlemen, 2015 was a challenging year for the Ghanaian economy. Economic performance continued to be severely affected by energy supply shortfalls and the escalation in electricity charges.

Real GDP growth in the economy remained below 5% for the second consecutive year, along with subdued investment activity and consumer demand. Uncertainties regarding the global recovery, concerns over domestic growth and volatility in the financial markets were the key features of the economic environment in the year 2015.

Provisional estimates for the period under review shows that Ghana's Gross Domestic Product (GDP) grew by 4.1%. Growth was moderate due to a slowdown in industry and services sectors. Growth in the industrial

CHAIRMAN'S REPORT (Cont'd)

sector was 9.1% during the year 2015.

The services sector grew by 4.7%, while the agriculture sector saw a deterioration in growth to -0.04%. There is, indeed, a need to have a robust policy framework that balances priorities of investment in the country.

The year 2015 also witnessed high inflation and interest rates. The Consumer Price Index (CPI) was 17.7% and remained above the comfort zone of the Central Bank. The year under review had been challenging with continuing macroeconomic conditions not conducive for healthy growth.

The banking industry faced corresponding challenges due to the economic slowdown, as a result of which asset quality took precedence over growth requirements. Though the warning signals subsequently subsided following expectations of improved policy measures and robust government initiatives, commercial banks engaged in cautious lending.

I am happy to mention here that your bank sustained its growth through an enduring commitment to Business Excellence, while improving quality and customer delivery models. This resulted in healthy balanced growth across all parameters including non-interest income, stable cost-income ratios, human capital, and improving asset quality.

Performance of the Bank

Ladies and Gentlemen, as mentioned already, during the year 2015, your bank had to operate in one of the very challenging economic environments, marked by higher inflation, tighter monetary policy and high interest rates. In spite of all these, I am happy to report that your bank has recorded healthy performances. The Key Financial

highlights for the year 2015 can be summarized as follows:

1. Total deposits grew from GH¢ 11.64m to GH¢ 14.23m registering a growth of 22.25% over the previous year.
2. The gross advances decreased from GH¢ 8.30m to GH¢ 8.11 registering a decrease of 2.29% in the previous year. The collapse of the quasi financial institutions in the bank's catchment area has resulted in the collapse of the businesses of some customers of the bank which has adversely affected demand for loans. The bank is making frantic efforts to revamp such businesses through flexible terms, extension and rescheduling of advances.
3. Your bank achieved a net profit of GH¢ 1.25m during the year against a net profit of GH¢ 1.01m posted during the previous year. This shows an increase of 23.76%.
4. The bank paid a total amount of GH¢ 118,561 as corporate tax to the government during the fiscal year 2015.
5. The bank incurred a cost of GH¢ 31,503 on diesel to run its standby generator as a result of the challenges in the energy supply which affected the country as a whole thereby leading to the situation referred to as "Dumsor".
6. There was an astronomical increase in utility expense from GH¢ 100,779 in 2014 to GH¢ 143,881 in 2015, showing an increase of 42.77%.

CHAIRMAN'S REPORT (Cont'd)

7. The Capital and Reserves have improved from GH¢ 2.65m to GH¢ 3.60m owing to ploughing back of profits during the year.
8. The Capital Adequacy Ratio under Basel III norms is as high as 39.42% which is well above the BOG mandated level of 10%.
9. In view of above the Directors have recommended a total dividend of GH¢ 250,119 i.e. at GH¢ 0.025 per equity share.

Corporate Tax

Valued shareholders may I draw your attention to the upward adjustment of Corporate Tax from 8% to 25%. This shows that in the current year, your bank will have to pay more in respect of corporate tax which will place a huge burden on the bank. The bank was established to help the rural folks but this purpose may not be well achieved due to this high corporate tax. Government needs to review this taxation with the view to helping to keep the rural banking system.

Lending to Agriculture and SMEs

The agriculture sector experienced a drawback as a result of unfavourable weather conditions. That notwithstanding, the bank advanced an amount of GH¢ 1.18m to the agric sector.

Again, the bank channelled an amount of GH¢ 1.37m to Small and Medium Scale Enterprises in the year 2015.

The bank advanced credit facilities amounting to GH¢ 1.03m to 228 micro finance groups under the Mmaa Nkosuo scheme, whiles GHC 1.83m was given out as loan to Susu customers.

Human Resource Development

Human Resource policies and practices of your bank focus on attracting, motivating and retaining qualified and skilled manpower. Concurrent with these objectives, steps are taken to improve manpower efficiency.

Given the market challenges, there has been considerable focus on optimizing the existing resources through internal Job postings, transfers and skill development initiatives. Training and development has assumed significant importance.

The bank's staff training identifies the gaps in resource capability of the personnel and trains them for qualitative improvement.

Corporate and Social Responsibilities

The bank's Corporate and Social responsibilities conform to the guidelines of the rural banking system. Your bank focuses on major areas like Education, Health Care, Sustainable livelihood, Infrastructure Development, and Social causes.

During the year under review, the bank provided assistance to poor students and financial assistance for maintenance of schools, and also provided an overhead reservoir to the Kintampo Municipal Hospital.

Again, your bank has entered into a two-year contract with the Ministry Of Gender, Children and Social Protection through the Ghana Interbank Payment and Settlement System (GhIPSS) under the Livelihood Empowerment Against Poverty (LEAP) Programme.

CHAIRMAN'S REPORT (Cont'd)

Under the arrangement, the bank has agreed to pay the beneficiaries of the programme within Kintampo South District, Kintampo North Municipal and part of Techiman North District at their door steps through the E-Zwich smart payment system.

Valued Shareholders, your bank recognizes education as the backbone for development. During the year, the bank gave fifteen (15) students from the various tertiary institutions in the country the opportunity to have eight (8) weeks attachment/internship to practically appreciate what they are taught at the classroom and to also acquire employable skills.

Awards and Accolades

The Awards and Accolades received from various organisations of repute speak volumes about the bank's performance.

During the period under review, your bank received awards from different quarters/agencies and I am glad to mention just a few of them:

1. 63rd position in the 2014 edition of Ghana Club 100 Prestigious Award organized by Ghana Investment Promotion Centre (GIPC)
2. Recognition of Support to Community Development presented by Pillars of Modern Ghana Award in collaboration with WAI – West Africa International Press.

Your bank's long standing commitment for financial soundness, long term customer relationships and proactive management is as important today as ever before.

Going forward, your bank would continue with its thrust on growth with quality.

The bank would try to protect and further improve the current levels of its key financials like Net Interest Margin, Return on Assets, Earnings per share, Asset quality etc. through:

- dedicated focus on low cost deposit mobilization,
- improvement in non-interest income,
- efficient pricing of deposits and loans,
- reduction in high cost, and
- improved credit selection and effective credit monitoring.

Looking Ahead

As you are aware, the banking industry has become challenging, but I am quite confident that your bank will emerge resilient in the coming years and that your bank will prevail over the challenges and attain new pinnacles.

During these hard times, I solicit your continued loyalty and support so that we can together propel your bank to new heights and maximise the value of all stakeholders.

I am pleased to inform you, cherished shareholders, that the bank intends to extend its tentacles this year by opening a Mobilization Centre at Babatokuma and I do pray for your support.

CHAIRMAN'S REPORT (Cont'd)

Acknowledgement

I take this opportunity to express my deep sense of gratitude to the Bank of Ghana, Apex Bank, Association of Rural Banks for their strong support and guidance during the year.

The Board also places on record its gratitude to the Bank's shareholders and customers for their continued support, patronage and goodwill.

The Board further places on record its appreciation for the valuable services rendered by Messrs Asafu-Ajaye & Partners, our Auditors during the year.

The single most important pillar of any institution is its personnel, more so in the case of a service entity like a bank. Your bank gladly acknowledges this fact and thanks all of them, for their diligence and loyalty towards the bank. The Board expresses its sincere appreciation for the dedicated services rendered by officers and employees of the bank at all levels.

Conclusion

Before I conclude, I would like to assure you, that your bank has put in place appropriate plans and strategies to bring about the intended quality business growth.

I seek your continued support and patronage to take your bank to new heights.

Thank you, Ladies and Gentlemen, for your time and attention.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF KINTAMPO RURAL BANK LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2015

We have audited the accompanying financial statements of Kintampo Rural Bank Limited which comprise the financial position as at 31st December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Financial Statements

The Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and with the requirements of the Companies' Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007, (Act 738). This responsibility includes: designing, implementing and maintaining internal control systems relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an independent opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform our audit to obtain reasonable assurance that the financial statements are free from material misstatements.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessment, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control. An audit also include evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements, give a true and fair view of the financial position of the Bank as at 31st December, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Act 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738).

Report on Other Legal Regulatory Requirements

The Companies Act, 1963 (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that;

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) In our opinion, proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- c) The Bank's statement of financial position, comprehensive income and cash flow are in agreement with the books of account.

The Banking Act, 2004 (Act 673), section 78(2), requires that we state certain matters in our report.

We hereby state that;

- i) The accounts give a true and fair view of the state of affairs of the Bank and its results for the year under review.
- ii) We were able to obtain all the information and explanations required for the efficient performance of our duties as auditors.
- iii) In our opinion the Bank's transactions were within its powers, and
- iv) The Bank in all material respects complied with the provisions of the Banking Act, 2004 (Act 673) and the Banking (Amendment) Act, 2007 (Act 738).


ASAFU-ADJAYE & PARTNERS
CHARTERED ACCOUNTANTS
P. O. BOX 16110
ACCRA - NORTH
GOTTFRIED MARTIN SARPONG - ICAG/P/1155
ASAFU-ADJAYE & PARTNERS - ICAG/F/2016/140
(CHARTERED ACCOUNTANTS)

23rd April, 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31ST DECEMBER, 2015

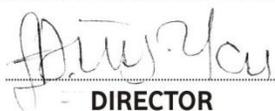
| | NOTE | 2015 GH¢ | 2014 GH¢ |
|----------------------------|------|-------------|-------------|
| Interest Income | 4 | 5,049,190 | 4,275,390 |
| Interest Expenses | 5 | (666,261) | (448,800) |
| Net Interest Income | | 4,382,929 | 3,826,590 |
| Fees & Commissions | 6 | 553,881 | 430,226 |
| Operating Income | | 4,936,810 | 4,256,816 |
| Operating Expenses | 7 | (3,434,831) | (2,974,982) |
| Loan Impairment Charge | 8 | (132,801) | (169,088) |
| Profit Before Taxation | | 1,369,178 | 1,112,746 |
| Income Tax Expense | 9 | (118,561) | (100,598) |
| Profit after Tax | | 1,250,617 | 1,012,148 |

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31ST DECEMBER, 2015

| ASSETS | NOTES | 2015 GH¢ | 2014 GH¢ |
|--|-------|-------------------|-------------------|
| Cash & bank balances | 12 | 1,931,262 | 1,260,553 |
| Investments | 13 | 10,060,000 | 6,835,000 |
| Loans and advances | 14 | 8,107,677 | 8,295,803 |
| Other assets | 15 | 754,799 | 409,061 |
| Investment in Equity | 16 | 49,704 | 49,704 |
| Property, Plant and Equipment | 17 | 1,232,186 | 1,208,220 |
| Total Assets | | 22,135,628 | 18,058,341 |
| LIABILITIES | | | |
| Deposits and Current Accounts | 18 | 14,229,299 | 11,643,366 |
| Creditors and Accruals | 19 | 2,091,474 | 1,452,124 |
| Taxation | 9 | 2,619 | (18,249) |
| Borrowings | 20 | 0 | 300,000 |
| Total Liabilities | | 16,323,392 | 13,377,241 |
| SHAREHOLDERS' FUNDS | | | |
| Stated Capital | 21 | 851,350 | 725,039 |
| Statutory Reserve Fund | 22 | 1,002,707 | 846,380 |
| Capital Surplus | 23 | 39,404 | 39,404 |
| Revaluation Reserve | 24 | 0 | 79,199 |
| Capital Reserve | 25 | 0 | 9 |
| Retained Earnings | | 3,604,152 | 2,649,310 |
| Community Development Fund | 26 | 191,570 | 207,485 |
| General Pension Fund | 27 | 123,054 | 134,274 |
| Total Shareholders 'Fund | | 5,812,237 | 4,681,100 |
| Total Liabilities and Shareholders' Funds | | 22,135,628 | 18,058,341 |

These financial statements were approved by the Board of Directors and signed on its behalf by:


 DIRECTOR


 DIRECTOR

23rd April, 2016.

KINTAMPO RURAL BANK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER, 2015**

| 2015 | Retained Earnings GH¢ | Revaluation Reserve GH¢ | Capital Reserve GH¢ | Statutory Reserve Fund GH¢ | Capital Surplus GH¢ | Development Fund GH¢ | General Pension Fund GH¢ | Total GH¢ |
|--------------------------------------|----------------------------------|------------------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------|-------------------------------------|----------------------|
| Balance at 1 st January | 2,649,310 | 79,199 | 9 | 846,380 | 39,404 | 207,485 | 134,274 | 4,681,100 |
| Prior Year Adjustment | (16,217) | | | | | | | (16,217) |
| Profit for the Year | 1,250,617 | | | | | | | 1,250,617 |
| Dividend | (202,430) | | | | | | | (202,430) |
| Share Issued | 126,311 | | | | | | | 126,311 |
| Transfer To Community Dev't Fund | (0) | | | | | 0 | | - |
| Transfer To General Welfare Fund | (0) | | | | | | 0 | - |
| Transfer To Statutory Reserve Fund | (156,327) | | | 156,327 | | | | - |
| Transfer To Retained Earnings | 79,199 | (79,199) | | | | | | - |
| Funds Applied | | | | | | (15,915) | (11,220) | (27,135) |
| Capital Reserve written-off | | | (9) | | | | | (9) |
| Balance at 31 st December | 3,604,152 | - | - | 1,002,707 | 39,404 | 191,570 | 123,054 | 5,812,237 |