

CHAIRMAN'S STATEMENT

Members of the Board of Directors, Neneme Ke Naaname, fellow distinguished Shareholders, Managing Director of ARB Apex Bank PLC, Executive Director, Association of Rural Banks, Directors and Managers of Sister Rural Banks, Invited Guests, Press, Security Services, Ladies and Gentlemen, it is my pleasure to welcome you all on behalf of the Board of Directors to the thirty-eight (38th) Annual General Meeting (AGM) of this Bank.

You will agree with me that, today's AGM is historic in a number of respects. It is historic in the sense that, we are privileged to have in our midst the Managing Director of our immediate regulator, The ARB Apex Bank PLC. Managing Director, you are warmly welcome.

We have made available to you, Shareholders, the Bank's Audited accounts for the year ended 31st December, 2022 incorporating the Financial statements and the relative Auditor's and Directors report thereon for your study.

Our operational result for the year was modest but positive. The indicators reflect growth. We therefore remain optimistic for the future in the light of the gradual but steady change for the better in the current operational environment.

OPERATING ENVIRONMENT

Ladies and Gentlemen, the year 2022 was quite challenging with the constant push-ups of inflation and cedi depreciation against the major foreign currencies that kept affecting prices which were constantly on the increase. This development negatively impacted on exchange and interest rates in the year under consideration.

Naturally, some of the critical indicators were affected during the period. However, the notable ones like the performance of the cedi against the major currencies did not show any surprise. The cedi depreciated by not less than 55% against the dollar between January and October, 2022. Inflation started the year on 13.9% and registered 54.1% at the end of the year.

The monetary policy rate began the year on 14.5% and ended the year on 27%. Discount on government Treasury Bills moved from 12% in January and was 32% by 31st December, 2022. While acknowledging government's efforts at ensuring sustainable gains in the domestic economy, last year was still a tough year for banking business reflecting increased competitive pressures and elevated regulations.

OPERATING RESULTS

ITEM	YEAR 2022 GH¢	YEAR 2021 GH¢	VARIANCE GH¢	PERCENTAGE(%)
INVESTMENTS	25,749,790.00	26,242,360.00	(492,570.00)	-2
LOANS AND ADVANCES	25,404,628.00	12,363,343.00	13,041,285.00	105
TOTAL ASSETS	68,304,331.00	49,804,490.00	18,499,841.00	37
CUSTOMER DEPOSITS	58,025,418.00	47,240,619.00	10,784,799.00	23
SHAREHOLDERS FUND	3,430,167.00	1,040,038.00	2,390,129.00	230
OPERATING INCOME	12,263,802.00	8,374,089.00	3,889,713.00	46
OPERATING EXPENSES	9,855,186.00	10,521,335.00	(666,149.00)	-6
NET PROFIT/ LOSS BEFORE TAX	2,408,616.00	(2,147,246.00)	4,555,862.00	212

Despite the seeming economic challenges, your Bank continued to maintain a healthy Balance Sheet and improved profitability for the year under review. Our Balance Sheet remains robust, liquid and solvent. This has been anchored on a commitment to prudent risk management and sticking with the strategic direction of the Bank.

Our total assets increased from GH¢49,804,490 in 2021 to GH¢68,304,331.00 in 2022, up by GH¢18,499,841.00 or 37%.

The Bank recorded a Net Profit before tax (PBT) of GH¢2,408,616.00 from which taxation of GH¢64,212.00 (representing current tax on profit for

the year) was deducted giving a profit after Taxation (PAT) of GH¢2,344,404 as against last year's loss of GH¢2,147,246.00. This represents an increase of 212% over the year 2021.

Operating expenses on the other hand, reduced by GH¢666,149.00 or 6%. In 2021 it was then, GH¢521,335.00 as against GH¢9,855,186.00 in 2022.

Distinguish Shareholders, our Bank continues to make sustained and steady progress from year to year, thus enhancing the value of your investment and your worth.

SHAREHOLDERS' FUND/PAID UP CAPITAL

The overall Shareholders fund grew by GH¢2,390,129.00 in the year under review. Fellow Shareholders, as stated last year, the Bank's recapitalization agenda remain more critical than ever. The losses we registered in the past years had adversely impacted our paid-up capital. In order to sustain and put the Bank on a sound footing, there is urgent need to increase our capital base despite the fact that we have met the regulator's directive.

The Board, Management and Staff have continuously committed to this feat by acquiring shares to ensure the survival of the Bank. Ladies and Gentlemen, whilst we continue to actively manage our enhanced capital position to ensure we maintain an appreciable level of capital at all times to carry out our business to deliver sustainable value to our Shareholders, I would however, in the interest of our Bank, strongly urge all shareholders to continue to increase their investment in the Bank and also continue to market the Bank to friends and family to buy more shares to increase our capital base.

ADVANCES (LOANS AND OVERDRAFTS)

During the year under review, Gross Loans and Advances to customers rose by 105% at the end of 2022 from GH¢12,363,343.00 to GH¢25,404,628.00. We wish to entreat everyone who have benefited

from our various credit facilities to honour their obligations as the Bank is vigorously pursuing its defaulters.

CUSTOMER'S DEPOSITS

Ladies and Gentlemen, despite the stiff competition and the economic downturn, the Bank was able to grow its deposits by 23% through a pragmatic and a well designed strategy by Management. Deposits increased from GH¢47,240,619.00 in 2021 to GH¢58,025,418.00 in 2022.

INVESTMENTS (SHORT TERM)

Our Short Term investments dipped from GH¢ 26,242,360.00 in 2021 to GH¢25,749,790 in 2022 representing a decrease of 2%. We would like to assure fellow Shareholders that, irrespective of the uncertainties surrounding investments in the economy, our investments are safe and closely monitored to achieve its goal.

LIQUIDITY

I am glad to announce that the Bank was able to meet the liquidity requirements by the regulator despite all the economic challenges. The Bank also prudently satisfied all cash demands of our customers.

DIVIDEND

Distinguished Shareholders, taking into accounts our previous performances in the past years, there is the urgent need to put the Bank on a solid and resilient base to solidify and significantly improve our rating by the regulators.

I therefore implore you to agree with me to defer payment of dividend for the year under consideration despite the fact that, your Bank declared profit.

Let us all endeavour to save for a raining day to harness and sustain the gains we have achieved so far.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

Ladies and Gentlemen, besides our primary aim to always create value for our Shareholders, the welfare of the communities we serve have also been our concern. For the year 2022, the Bank expended on its Corporate Social Responsibility in the areas of Education, Security, Health and supporting the various traditional councils in the areas that we operate.

The Bank also supported the various District Assemblies in the celebration of the Farmers' Day.

The Bank further teamed up with Mother of God Hospital and sponsored a breast screening exercise during the breast cancer awareness month in 2022.

STAFF MATTERS

Fellow Shareholders, the Bank's human capital development programme continued at all levels to equip staff to meet the challenges of the future. Various training programmes were arranged for staff to enable them deliver excellent banking services to our cherished and loyal customers.

In order to attract and retain competent, well trained, motivated and loyal staff, the Board has reviewed the condition of service for staff to create and maintain a conducive and cordial working environment.

FUTURE PROSPECTS

Distinguish Ladies and Gentlemen, the future outlook of your Bank in 2023 is very bright, the Bank is repositioning itself in the areas of technology, enhanced credit appraisals, customer experience and optimization of the overall objective of the Bank to play a leading role in the sector.

As we all know, deposit mobilization plays an integral part of our business. We are therefore engaging our immediate supervisor, ARB

Apex Bank PLC for the provision of a digital platform for the collection of our deposits, especially, the Susu Product.

Plans are also far advanced for the Bank to install its first Automated Teller Machine (ATM) at the Head Office in the coming year. Other Branches would also come on board soon after a successful completion. These, however, can only be achieved if we are able to increase our capital base and repay credit facilities that have been granted to customers in general.

CONCLUSION

On behalf of the Board, I wish to thank all Stakeholders especially our customers for their loyalty and trust in us. I am also thankful to my management team and the entire staff who have worked relentlessly to ensure a great experience for our customers and continue to keep the Bank afloat at all times.

To our Shareholders, I say a big thank you for your continued support to the Bank. I will also like to thank the Board for their leadership and oversight for making Dangme Rural Bank PLC, a strong institution.

Finally, I thank you so much for the opportunity to serve you and I believe we can continue to count on this support in the years ahead.

I look forward to fruitful deliberations and a successful Annual General Meeting of the Dangme Rural Bank PLC, which I formally welcome you and declare it open.

Thank You And God Bless Us All.

Nene Kaafra III