

**COMPARATIVE STUDY OF THE PRODUCT APPRAISAL OF RURAL
BANKS: THE CASE OF ATWIMA KWANWOMA, SEKYERE, NWABIAGYA
AND ODOTOBIRI RURAL BANKS**

KNUST

BY

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DECLARATION

I, Francis Kwame Akanvuri, hereby declare that this submission is my own work towards the degree of Master of Business Administration and that, to the best of my knowledge, it contains no material previously published by another person nor material which has been accepted for an award for another degree of the University, except where due acknowledgement has been made in the text.

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DEDICATION

This thesis is dedicated to God Almighty for being there for me throughout my education and to my dear wife Comfort Atule and brother Fredrick Abugisia for her love, encouragement and support.

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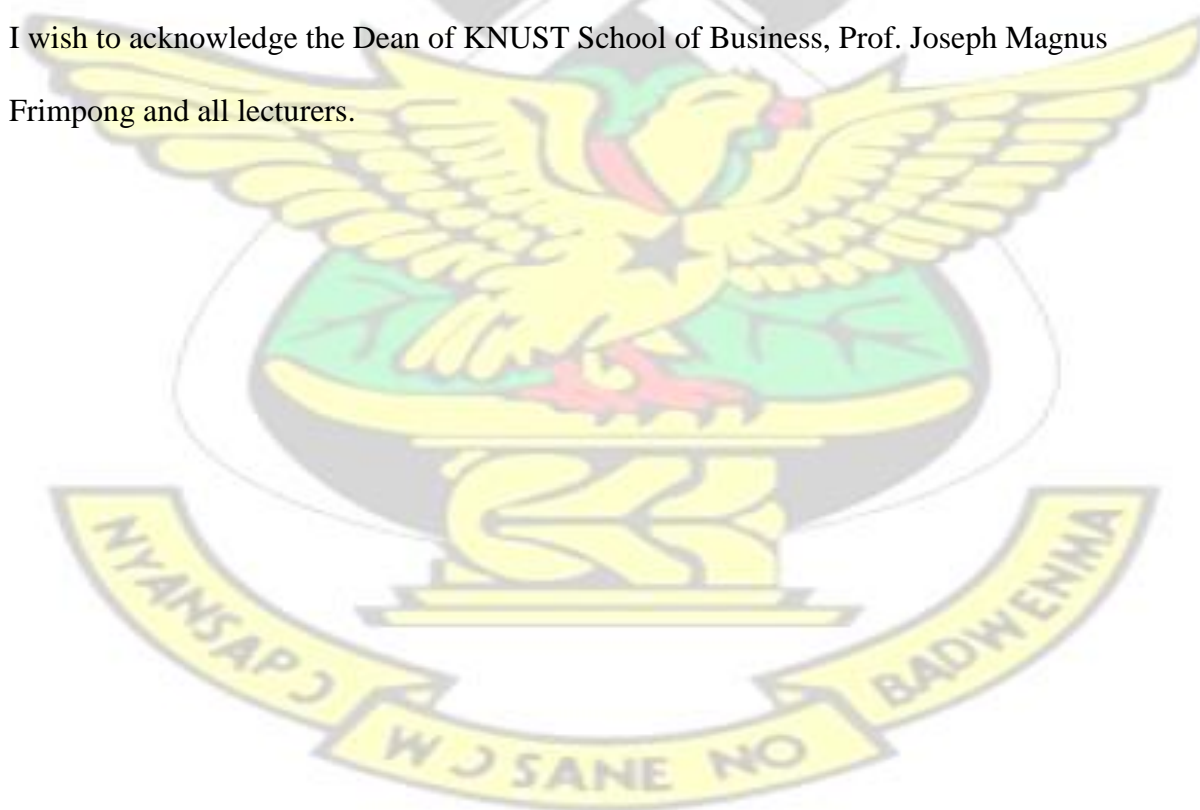


ACKNOWLEDGEMENTS

Many personalities and institutions have contributed to making this study a success. The researcher finds necessary to appreciate their profound contribution. Not every name is mentioned but recognition has been given to some key personalities through whom this project has been made a success.

First thank goes to the Almighty God for the grace to go through the course of study. I am thankful to my Supervisor, Mr. Kwasi Poku for his patience, kindness, diligence useful comments and suggestions which help towards the completion of this dissertation. I also thank my pastor of the Deeper Life Bible Church, Hanson Tweneboah Koduah for his encouragement. I thank my managers Mr. Isaac Oduro Prempeh and the late Frank Odame Asare who supported me in times of clarifications.

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ABSTRACT

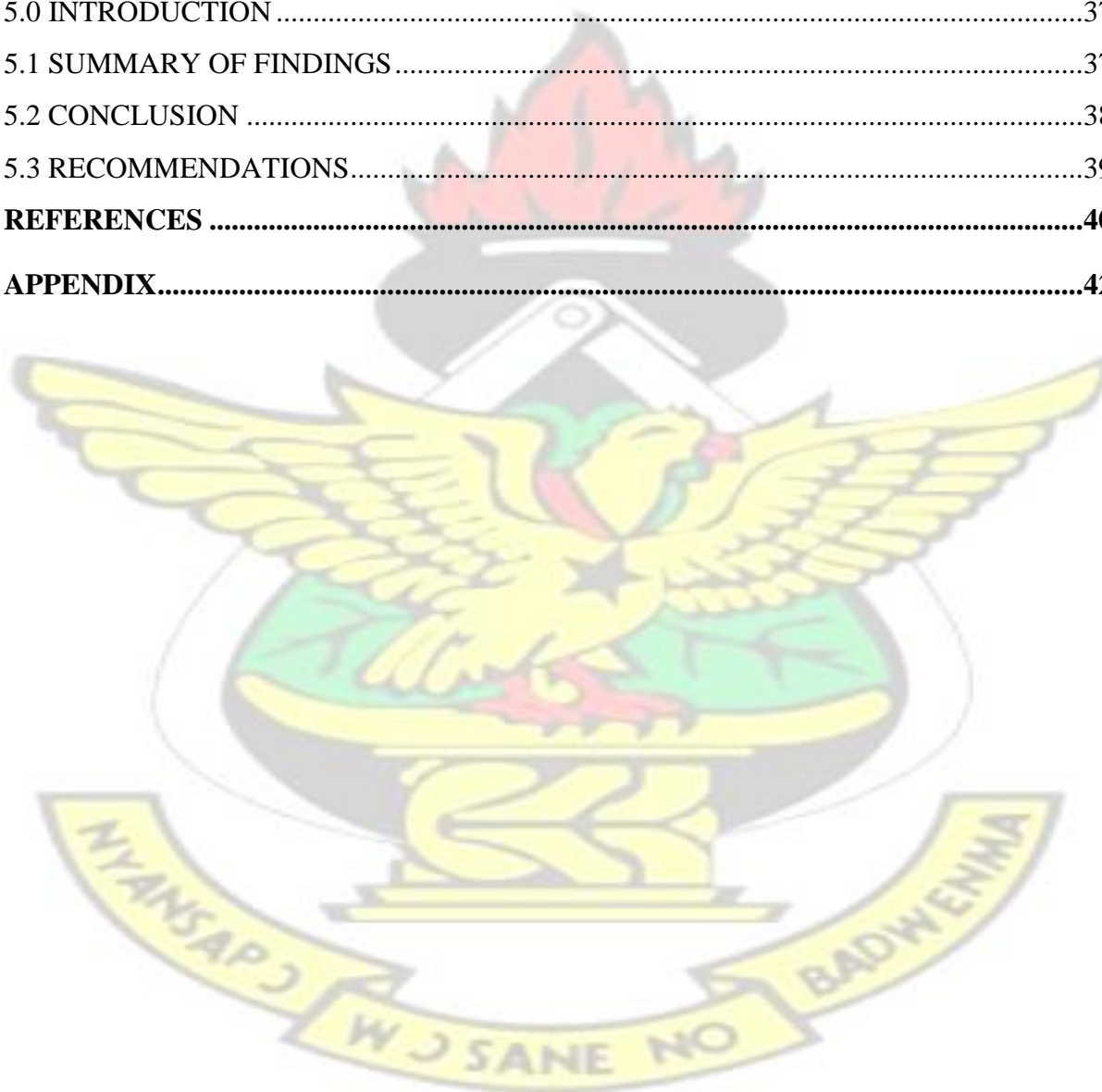
The aim of this research was to appraise the product performance of four selected rural banks: Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri. Secondary and primary data was gathered through questionnaires and interviews from the management and staff and customers of the four selected banks. Using tables, bar and pie charts to analyze the data, it was revealed that although Sekyere rural bank has the highest number of deposit products (9), it has the lowest customer base of 16% compared with Atwima Kwanwoma rural bank with six (6) but 37% customer base. This means that the number of products offered by a bank does not always determine its customer base. Again although Atwima Kwanwoma rural bank has the highest customer base in terms of deposit products, the money value of its deposit was relatively low. This again implies that number of a banks customer base does not really determine the monetary value of its deposit. The study further revealed that the commonest deposit products offered by the four banks are Savings, Current account and fixed deposit. It was also found that interest rates and level of has little influence on the patronage of loan products.

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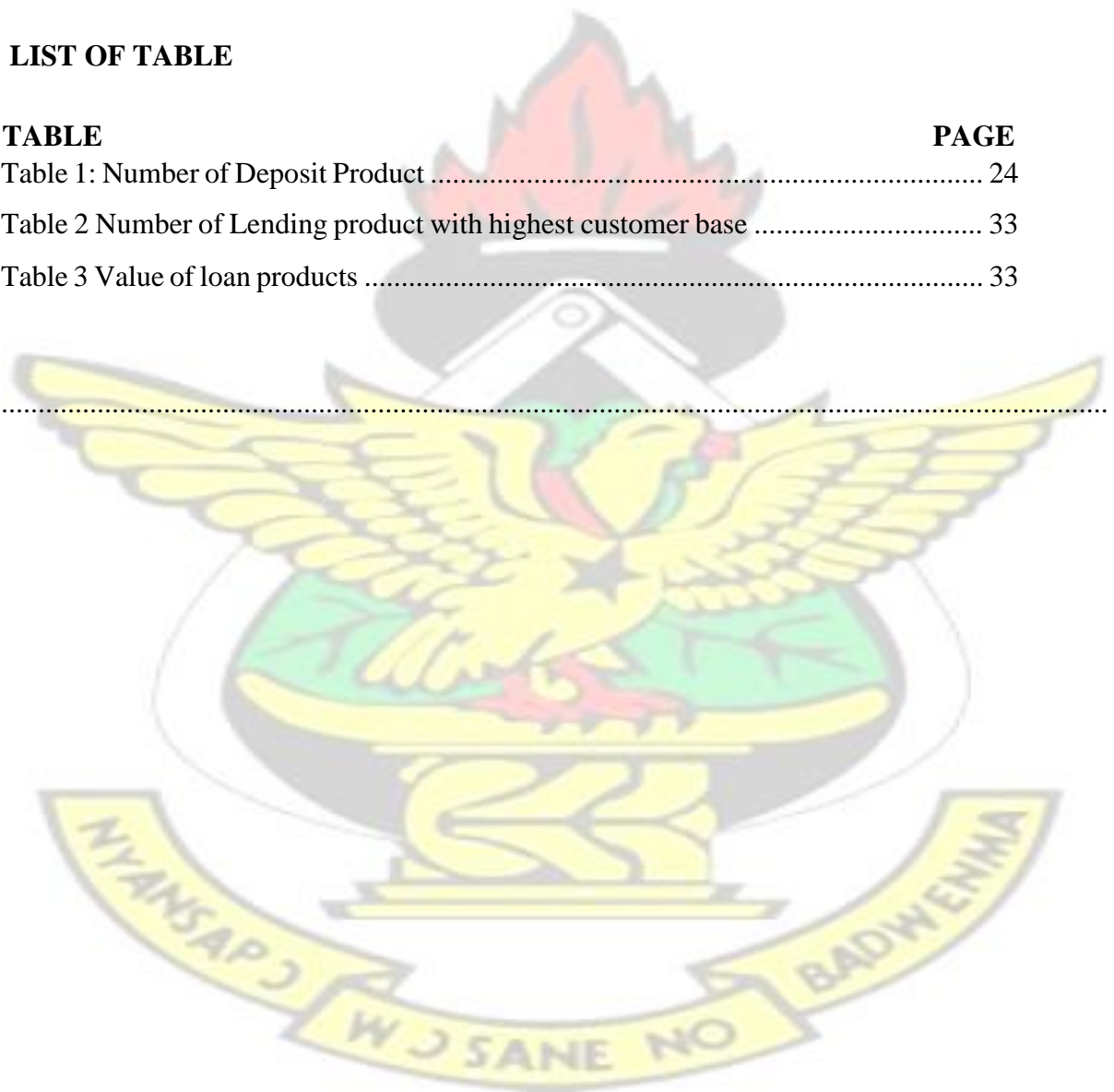
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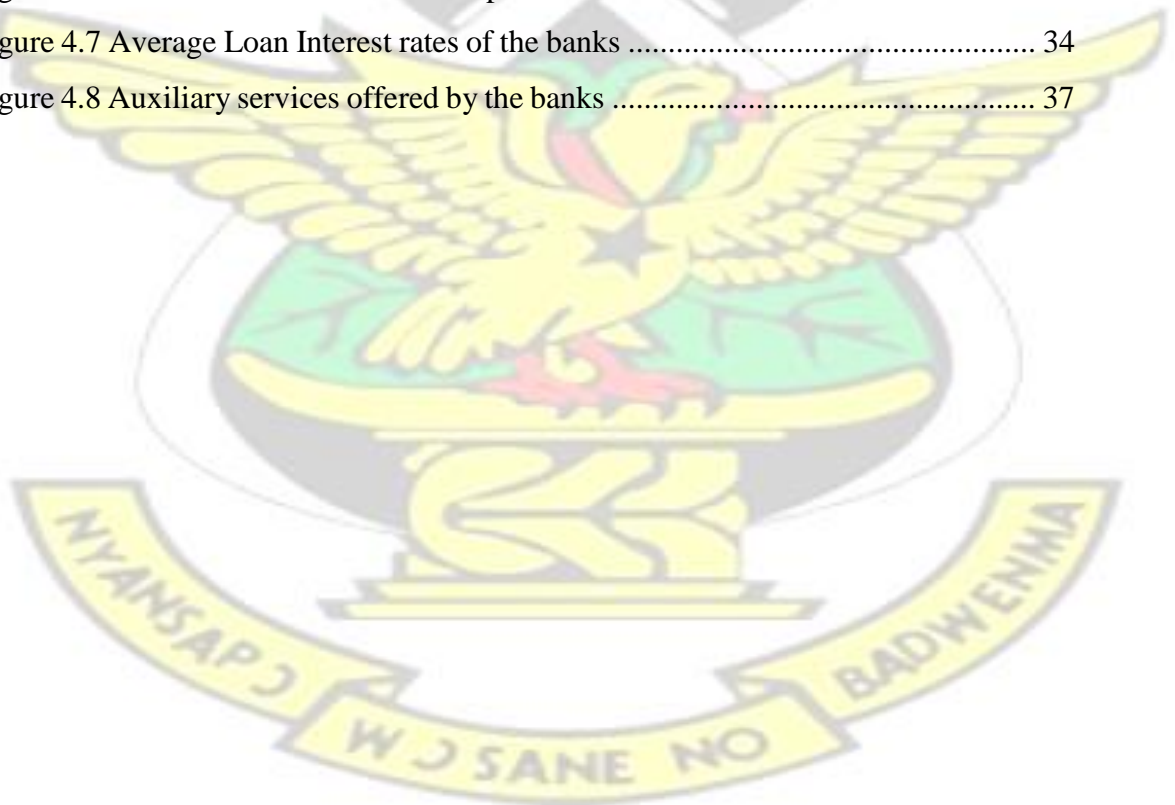
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ABBREVIATIONS

GDP	-	Gross Domestic Products
RCBs	-	Rural/Community Banks
CD	-	Certificate of Deposit
IRA	-	Individual Retirement Account
MMA	-	Money Market Account
MMDA	-	Money Market Deposit Account
BOG	-	Bank of Ghana
RFSP	-	Rural Financial Service Project
AKRB	-	Atwima Kwanwoma Rural Bank
SRB	-	Sekyere Rural Bank
NRB	-	Nwabiagya Rural Bank
ORB	-	Odotobri Rural Bank
US	-	United States
ICT	-	Information Communication Technology



CHAPTER ONE

INTRODUCTION

1.0 BACKGROUND TO THE STUDY

The economy of a nation functions on the wheel of savings and investment of financial capital into productive ventures that help in the creation of wealth. Economic wealth encourages consumption which creates demand for goods and services thereby stimulating production and further investment. This continuous cycle lead to growth in the national economy as measured by growth in Gross Domestic Products (GDP). Economic growth at its optimal level leads to economic development which is also measured by the standard of living of the people and other economic parameters such as availability of developed money and capital markets.

The importance of banks in financial intermediation in both rural and urban communities cannot be overemphasized. One of the key contributions of banks in an economy is their ability to increase the money supply in the economy by channeling idle funds (savings) into productive ventures in the form of loans. Additionally, banks create and increase the money supply (capital) in an economy through other means such as the issue of money, netting and settlement of payments, maturity transformation, credit intermediation which are carried out by moving funds from the surplus unit of the economy to those deficit unit of the economy in order to facilitate production (Banking, 2010).

Furthermore, Banks act as payment agents by carrying out checking or current accounts for customers, paying cheques drawn by customers on the bank, and collecting cheques deposited to customers' current accounts. Banks borrow money by accepting funds deposited on current accounts, by accepting term deposits, and by issuing debt securities

such as banknotes and bonds. The money borrowed is lent to businesses and individuals through advances to customers on current accounts, installment loans, and by investing in marketable debt securities and other forms of money lending.

An increase in money supply implies that there is available capital for undertaking productive economic activities. It should be noted that supply increased from 1997 to 2007 in Britain because new loans. The supply of money in that country moved up by £950 billion which improved upon loans granting activity. When financial institutions lend more mobilization is boosted in the country. However it is worthy to note that in an economy where people ignorantly prefer to hoard or hid their excess cash under their bed (as it is the case with rural dwellers) instead of saving them at the banks to provide opportunity for people who need money to also access in the form of loans, the economy becomes stale. In view of these, it is sad to realize that most banks find it more profitable to serve the needs of the urban communities than those of rural communities. If this phenomenon is allowed to continue, one should not be surprise to find sizeable amount of rural communities economically undeveloped.

Currently there are about one hundred and thirty-seven rural banks in Ghana. Rural banks offer a combination of products for rural economic development. The rural banks operate deposit mobilization strategies and extend credit to the rural poor whose businesses require funds for expansion, pay health bills, and meet educational needs, building of houses and some other expenses.

The higher the rates on borrowing the less the incentive to borrow and this crumbles economies. In Ghana, the Apex Bank is the sole corporate entity designated by the Bank of Ghana with the responsibility of supervising the activities of rural and community banks.

Under the regulation of the Bank of Ghana, the ARB APEX Bank have been designated supervise the rural banks which owns shares in them (Immigration Appeal Report, 2006). On 20 June 2008, rural banks were directed by Bank of Ghana to increase their minimum pay-up-capital to GHc150, 000.00 in 2008. As at 30th September, 2014, the minimum pay-up- capital for Rural and Community banks was GHc 300,000.00. This was twice the minimum pay-up-capital stipulated in the Act.

1.1 STATEMENT OF THE PROBLEM

About 37 years ago, the Bank of Ghana in consultation with the Ministry of Finance thought extending banking to the rural through legislation. It was made possible by the Rural Finance Service Project (RFSP). Traditional banks concentrated in the urban centers where business was brisk and merchants were around. Few banks had branches in some district capital towns, cocoa growing communities, mining towns and commercial towns. The Bank of Ghana then made rules that allowed the rural people own and managed these banks. Bank of Ghana had the responsibility of issuing and supervising the rural until ARB Apex took over.

These led to the establishment of many rural banks to serve the need of rural poor in terms of stimulating savings and facilitating the formation and movement of capital from those who have excess funds to those needs money to undertake various investment projects. According to Apex Bank Ltd report in 2012, there were 143 rural banks in Ghana with 794 branches all over the country with majority (27) of these banks located in the Ashanti region. As at January 2013, Apex Bank Ltd report confirmed that the number of rural banks has reduced to 137 (i.e. -6) from 143 during the previous year (Apex Bank Ltd, 2013). This means that six rural banks had collapse during the year. Apart from severe or tough competition from other bank, these collapses were signs

that rural banks are not able to meet the financial needs of their clients through quality products.

One should be reminded that the challenges of rural dwellers in undertaking economic activities in the area of agriculture and other related economic activities are mainly lack of capital (either through savings or loan) and lack of expertise needed to managed available financial resources in order to efficiently carry out any productive activity. It makes sense for one to say that if these challenges are resolved through the provision of quality and effective banking products and services, it would make it easy for rural dwellers to break the vicious cycle of poverty which seeks to engulf them. The ability of rural banks to meet the banking needs of the rural communities is dependent on the quality of products and services they offer to their clients. This implies that the rural bank that has large clientele and high profit is able to offer quality product to its clientele. Rural Banks products are expected to be directed at providing services to satisfy customer's financial needs. However, there has not been much product appraisal among rural banks to find out which banks' product meet the financial needs of rural community dwellers.

1.2 OBJECTIVES OF THE STUDY

The main objective of this study is to appraise the product performance of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri rural banks.

Specifically, the study seeks to achieve the following.

1. Identify the products offered by Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri Rural Banks
2. Assess the relative performance of the products offered by Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri Rural Banks

1.3 RESEARCH QUESTION

This study seeks to provide solutions to the questions below.

1. What are the products of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri Rural Banks?
2. What are the relative performance of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri Rural Banks?

1.4 SIGNIFICANCE OF THE STUDY

Companies exist to create worth for their stakeholders and are always interested in their financial performance. They, therefore, put in measures to ensure growth and sustainability to attract more investments. In comparing the performance of the products of the four rural banks, the researcher seeks to bring to light the banks product are receiving high patronage.

In the first place, the study is very important because it helps to unearth the various products of the selected rural banks, their star products and the extent to which these products meets the financial needs of people living in rural communities and their overall impact on the profitability of the bank. This means that these rural banks would become very much aware of their star products and channel their marketing activities to maximize profit.

Secondly, this research would also serves as a warning sign to those banks that are not offering much customer centered products that meet the need of their target clients.

These would reduce the rate of collapse among rural banks.

More so, this research would serve as a wake-up call for the stakeholders in the rural banking industry in enlightening them on products that can meet the needs of their clientele. Finally, other researcher would also find this research a source of valuable reference materials for their researches.

1.5 SCOPE OF THE STUDY

There are about 137 rural banks in Ghana (Apex Bank Ltd, 2013). However, focus will be given only four rural banks in the Ashanti region. The study will cover all the products and services of the selected rural banks, i.e. Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri from 2003 to 2012.

1.6 LIMITATION OF THE STUDY

The study has its focus mainly on Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobiri Rural Banks due to time constrain and major key personnel to help offer an input for the study. In addition to the above, the study is constrained by the need to make clear analysis of the data gathered and to avoid complexities.

1.7 ORGANIZATION OF THE STUDY

For the purpose of effectively achieving the objectives of this research and to ensure easy and orderly presentation of the research, the study has been organized in five main chapters. These chapters include the following.

The first chapter is the introduction. It deals with the general background to study, statement of the problem, the research objectives, scope of the research, limitations, and the significance of the research.

Review of related literature has been carried out in chapter two. Various relevant literatures relating to the history of rural banks in Ghana and their importance, the business model of rural banks, the products of rural banks, the payment channels of rural banks, the regulation of rural banks were reviewed under the chapter two. The importance of the review was to provide theoretical perspective under which the study was conducted.

The Chapter Three is the Methodology. It provides detail road map on how the study has been conducted. It provides more information on sources of data, how the data has been organized, analyzed and presented.

At the heart of this research are the Data Analysis and Presenting of Findings. This important part of the research is carried out in the Chapter Four which provides the overall analyses of the data gathered.

The Summary of Findings, Conclusion and Recommendations are finally provided by Chapter Five.

CHAPTER TWO

LITERATURE REVIEW

2.0 INTRODUCTION

Appraising the performance of rural banks in order to examine the extent to which they meet the needs of rural communities for purposes of ensuring their sustainability and profitability cannot be overemphasized. The main objective of this research was to conduct a comparative appraisal of the products of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri Rural Banks. In order to achieve this objective, various literatures relating to the history and development of the business of banking, the business model of banks and history of rural banking products. The review is to provide theoretical perspective under which the research will be undertaken.

2.1 THE HISTORY OF BANKING

According to Hoggson (1926), banking started in rich cities like Florence, Lucca, Siena, Venice and Genoa, all in present day Italy. They established branches in other parts Europe in the 14th century. Modern banking emerged in the 17th and 18th centuries, where banknotes were issued, fractional reserve banking (Kinderberger, 2007).

The goldsmith received the gold as deposits and paid interest on them. They issued promissory notes to the depositors which were payable on demand. These notes became negotiable instruments where the goldsmiths promise to pay when presented. This made it possible for them to give it out as loan with low risk of default. London goldsmiths created money supply through the advancement of credit (Richards, 1989).

2.2 BUSINESS MODELS OF BANKS

The term Business Model has been defined by different authors varied and organization depending on how they use it. Michael Lewis refers to a business model as „a term of art“. According to Michael Lewis (1999) the phrase as used above really meant how an entity (individual or organization) plan to make money. A business model is defined as a plan for the successful operation of a business, identifying sources of revenue, the intended customer base, products, and financing (quickMBA.com, 2010).

Bank's profit is measured by the difference between cost of obtaining funds and loan interest. Profitability is dependent on the performance of the economy and its attendant effects on borrowers. Interest incomes, fees and commission are other sources of revenue for the banks. The healthy the economy of a country the easier financial institutions offer competitive products to the public to stay in business.

2.3 BANKING PRODUCTS, BANKING ACTIVITIES AND TYPES OF BANKS

Banking product and banking activities are interwoven. This is because the activities of banking usually start from the product they offer. Again banks are also classified according to the products and activities they undertake. There are about five (5) main activities offered by different types of banks. These products and activities are in the category of Retail banking, Business banking, Corporate banking, Private banking, Investment banking.

2.3.1 RETAIL BANKING PRODUCTS

Banking products designed by banks for individual customers for financial relief is Retail banking. The products range from savings to credit. The products include savings account trust account, personal loan, mortgages, debit cards, credit cards, certificate of deposit (CD), money market account(MMA), individual retirement account (IRA), mutual fund, ATM card and current account.

A. Saving accounts

According to Compton (1979), Saving Accounts are accounts maintained by retail financial institutions that pay interest but cannot be used directly as money in the narrow sense of a medium of exchange (for example, by writing a cheque). These accounts let customers set aside a portion of their liquid assets while earning a periodic interest. Deposits in savings account are not withdrawn like current accounts. This enables banks to lend out their funds for interest income or invest for investment income. Some banks charge clients when they make withdrawal, while others do not. The current account on the other hand is an account that does not keep money in the account for long. It is called a demand account since every now and then withdrawal can be made. They own a cheque book and can pay creditor with it. The current account has no limit to withdrawal so long as funds are available. It also attracts no interest on deposit.

2.3.2 BUSINESS (OR COMMERCIAL/INVESTMENT) BANKING

A commercial bank is bank which offers services such as deposit acceptance, loans for business and providing basic investment products. Some banks have a division that deals with deposits and loans of corporations or large business as rejected by retail banking. The US term for commercial bank is normal bank which is distinguished from investment bank. This was because of the great depression; the Glass-Steagall Act separated the activities of normal banks from investment banks. In Ghana, the share

capital of commercial banks were increased to attain universal banking status, i.e. a multiple banking services thereby combining retail, commercial, investment and other banking services instead of having one line of banking services such as retail banking and commercial banking. The investment banking is where large businesses invest their funds for profits on term basis. Idle funds of these businesses are invested and interests are paid on them. Examples of investment banking products are call accounts, fixed deposit. There are treasury bills and bond that large institutions and government of nations offer to the public.

2.3.2.1 TYPES OF LOANS GRANTED BY COMMERCIAL BANKS

Loans offered by commercial banks are either secured or secured.

1. Secured Loans

A secured loan is one that a borrower offers some asset such as a car or landed property in lien of a loan granted by a commercial bank. The property becomes a secured debt owed to the lender who gives the loan. The lender has the right to take possession of the asset and sell it to pay off the loan amount and the interest. If the proceeds from the sale of the property could not fully pay the loan amount and interest then the lender can obtain a deficiency judgment against the borrower for the remaining amount. A mortgage loan is used for purchasing a property. The bank however is given a lien on the title to the property or security, until the loan is paid off in full. In the event where the borrower defaults the bank would have the legal right to repossess the property and sell it to recover the owing sum. In the past, commercial banks had no interest in mortgage loans but of late they do in Ghana, with the introduction of universal banking.

2. Unsecured Loans

Financial loans that are offered to individuals and corporate institutions with no asset pledged as collateral is an unsecured loan. The unsecured loans are mostly credit cards to individual customers or corporations that have lines of credit. The banks offer overdrafts corporate bonds, credit card, credit facilities and personal loan. This is because; in the event of default the bank can easily recover.

2.4.1 CAPITAL AND RISK

The business of banking is a risky business and bank ability to understand and manage these risks is a major factor behind profitability. The banking regulations spells out capital structure that if banks comply with, they will be able to withstand any unfortunate happenings. The capital structure is affected when any risk hit a financial institution. The banks' capital structure is made up of equity, retained earnings and subordinate debts. The following are some banks risks faced:

- a) Credit risk: is the loss that a loan customer is able to pay as schedule.
- b) Liquidity risk: is the probability the security offered could not be sold for the required profit
- c) Market risk: is the risk of a fall in an asset because of changes in the prices on the market.
- d) Operational risk: is the risk of loss in the course of carrying out its business operation.
- e) Reputational risk: is the risk that a bank losses its goodwill in the eyes of the public.
- f) Macroeconomic risk: is the risk a bank faces because of economic factors it is operating within.

The capital requirement of banks is a banking regulation has standardized its capital structure to be able to absorb some risks.

2.4.2 BANK CRISIS

According to Macmillan report in 2013, financial institutions are vulnerable to one risk or the other which have caused many problems. The risks such liquidity risk (where there is excess withdrawal over available funds), credit risk (the probability that a loan client is not able to repay it) and interest rate risk (the chance that will not make profits, if banks pay more on its deposits than it receives on loan because of rising interest), Irving, 1997.

In his book *the History of Banking*, Rothbard Murray (1983) indicated that banking challenges have come up in the olden days, where risks have hit the banking industry.

2.5 ECONOMIC FUNCTIONS OF BANKS

The main key function performed by banks is increasing the quality and the level of capital base in an economy in the form increase supply movement of money to various sectors of an economy. These functions are performed by banks through the issuance of money for payment. Money in the form of banknotes is means for business transactions. Customers use money in settling and netting debts or settlement, Andrew and Ben, 2005.

Banks have solved the concept of asset-liability mismatch. Asset-liability mismatch is a situation where banks borrow short term funds and lend them for long term (Mishkin, 2012).

2.6 HISTORY OF RURAL /COMMUNITY BANKS (RCBS) IN GHANA

According to the Apex Bank Ltd (2012), the concept of rural banks came up 38 years ago by the Bank of Ghana. This led to the establishment of the first RCB in a farming

community in the Central region in 1976. In 2012, there were about 147 RCBs in the country. However, the following year saw a decline in the number of RCBs to 136.

The statutory role of the BoG in the operation of rural banks includes the licensing of new banks, supervision, and liquidation. The capital requirements for all financial institutions in Ghana were increased in 2007. The other local commercial banks were given until 2012 and foreign-owned ones until 2009 to meet the new minimum level of capital (GHc 60 million, or US\$46.4 million for Commercial banks), but RCBs have not been given a specific date to achieve the minimum capital level of GHc 150,000 (US\$116,135).

2.6.1 RURAL BANKING SERVICES

In the view of Philip Kotler and Kevin Lane Keller, Banking products are designed to meet needs i.e. basic human requirement of the rural folk. These are lending and deposit products. The deposit products include investment products. Banks also offer other auxiliary services like electronic transfers (sending and receiving funds), issuing of payment orders, and outreaches for collecting customers cash instead of coming to the banks themselves. Rural banks have catchment areas they operate within. Products and services are designed to meet the needs of the populace within their reach. The core lending and deposit products are further designed to suit specific needs of the communities. Deposit products are Savings, Salary, Susu, Fixed deposits, Me Daakye and Bronya Anidasoo. The lending products are Agric Loan, Aku Sika (Group Loan), Commercial Loan, Personal Loan, Susu Loan, Funeral and Social Loan, Motor Vehicle Loan and Church Development Loan.

2.6.2 RURAL BANKING PRODUCTS APPRAISAL SCHEMES

The idea of rural banking was to bring banking services to the rural populace. Various reasons attract clients to save with rural banks. The products among others are saving, keeping of funds, interest yielding account, salary account and lending products.

The catching packages of the products will attract many customers to the bank. Customers are drawn by customer centered features in a particular product.

The rural banks also attract customers through monopoly. Residents of a locality save with a particular rural bank because it is the only bank in the vicinity. Other banks would have competed for these clients if allowed to locate in the same area.

The rural banking thrives in the atmosphere of the number of products. Customers are attracted when the bank is a one stop shop for many products. The salary earner could also operate a savings account as well as fixed deposit (which is an interest yielding account). When the number of banking products is many, the number of customers will invariably be many.

2.6.3 ROLE OF RURAL BANKING IN GHANA

Since its independence in 1957, the Ghanaian government has made several attempts to promote rural development in an effort to increase the living standards of the people who reside in rural areas (Kudiabor, 1974). In spite of the name, rural banks are found in both rural and urban settings.

Rural/Community Banks are main providers of financial services to ensure growth in a predominantly agro-based economy. They undertake a mixture of micro finance and commercial banking activities structured to satisfy the need of the rural areas. They provide banking services by way of funds mobilization and credit to cottage industry operators, farmers, fishermen and regular salaried employees.

2.7 HISTORY OF ARB APEX BANK

The ARB Apex Bank Ltd is a mini Central Bank in Ghana for the Rural/Community Banks (RCBs) financed mainly through the Rural Financial Services Project (RFSP) which is a Government of Ghana project to entirely address the operational bottlenecks of the rural financial sector with the aim of broadening and deepening financial intermediation in the rural areas.

The ARB Apex Bank Limited was incorporated as a public limited liability company on 4th January, 2000. The shareholders are the Rural and Community Banks. The ARB Apex Bank Limited began clearing services on 2nd July, 2002 in all eleven 11 clearing centers in Ghana. The bank also has outlets in all the 10 regional capitals and Hohoe.

Apart from the above legal and regulatory framework in which the Bank is operating, it is also subject to the Bank of Ghana Act, 2002 (Act 612) and other directives issued by the Bank of Ghana as may be required.

The vision of the bank is to leverage on leading edge technology to increase the satisfaction of RCBs and their customers and expand access to financial services in the rural economy. In order to make the above vision a reality, the bank provide sustainable banking and non-banking support services to the RCBs with the aim of improving their operational efficiency and customer service, thereby transforming them into efficient financial institutions, which can effectively address the banking needs of the communities in which they operate.

2.8 GUIDELINES FOR THE LICENSING AND OPENING RURAL BANKS IN GHANA

According to the banking supervision department of Bank of Ghana, the following guideline has been set up to regulate the establishment and operation of rural banks in

Ghana. On matters of eligibility, the banking Act of 2004 (Act 673) stipulates that „no person other than a body corporate incorporated in Ghana shall be eligible to apply for a license to carry on the business of banking in Ghana. This portion of the Act suggests that an organization be registered with the register general department before it can apply for a license to operate as a bank. The Act further indicate that „no person shall carry on the business of banking (whether as principal or agent) except by or under the authority of license issued in accordance with the Banking Act, 2004 (Act 673)“. This implies no person can carry out the business of banking without a license.

According to the banking Act 2004, (Act 673) „the promoter shall ensure that a minimum paid-up capital of GH¢150,000 (i.e. 2008, at the time of the passage of the Act) is available as part of the conditions for provisional approval. The Act also indicates that the Bank of Ghana has the right to vary the capital requirement at any time. For this reason, the minimum pay-up capital required by Bank of Ghana as at January 2013 was GH¢ 300,000.00 (Apex Bank Ltd,2013). This means that though the minimum pay-up capital was fixed at GH¢150,000 at the time of the passage of the Law, as a developing economy, macroeconomic factors such as inflation, interest and exchange rates pressures force the value of the country’s currency to reduce thereby necessitating upward re-adjustment of the minimum pay-up-capital.

According to the guidelines stipulated by the Bank of Ghana, the shareholding limits for an individual shareholder should not exceed 30% while corporate entities can have their shareholdings up to 50% of the total shares. It is again required that shareholders who are corporate entities furnish Bank of Ghana with additional information such as the feasibility report supported with the last three years audited financial statements of

the corporate entity, and Board resolution authorizing share subscription in the proposed bank.

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CHAPTER THREE

METHODOLOGY

3.0 INTRODUCTION

The main objective of this research was to conduct a comparative appraisal of the products of the four rural banks. In order to achieve this objective, various methods and techniques were employed in collecting and analyzing the data gathered. This chapter is concerned with the methods and techniques that have been used in collecting and analyzing data. Items such as research strategy, type and sources of data, population and sample size, data collection methods and data analysis techniques, and scope of the study are dealt with in this chapter.

3.1 TYPE AND SOURCES OF DATA

Type of data used consists of primary and secondary data. Secondary data in the form of published information on the annual financial statements of the banks, types of product offered for sale, list of rural banks and their locations, regulation of rural banks in Ghana, banks customer base etc. were gathered from trusted sources on the internet especially the website of Apex Bank Ltd and the Bank of Ghana. Primary sources of data in the form of product perception by customers and their contribution in meeting the financial needs of customers were gathered from both customers and managers of the four banks under consideration, and the stakeholders in the rural banking industry.

3.2 DATA COLLECTION INSTRUMENTS

Methods and techniques used in data collection include structured questionnaire and interview with the target population. Structure questionnaires and pretested interview questions were used to gather primary data from managers. Secondary data in the form of reports and publication of financial statement were also surfed from the

internet.

3.3 SAMPLE POPULATION

The managers of the Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri were used. These sample population consist one manager from each of the four banks under consideration. The population was chosen to ensure accurate data is received for the study.

3.4 SAMPLE SIZE AND SAMPLING TECHNIQUES

Purposive and convenient sampling techniques were used to gather relevant data from the managers. One manager from each of the four selected banks was selected for the interview.

3.5 METHODS OF DATA ANALYSIS

Data analysis involved the use of both quantitative and quality methods. Quantitatively, the data was analyzed using tables, graphs and charts. Statistical tools such as SPSS and Ms Excel were used for the analysis in order to ensure not only the ease but also accuracy of the analyzed data. This makes for easy understanding and presentation of the findings of the study. Qualitative discussions were done on both the figures presented by the quantitative analysis and on primary data gathered in for the ordinary person.

3.6 CORPORATE PROFILE OF ATWIMA KWANWOMA RURAL BANK LTD.

Atwima Kwanwoma Rural Bank (A.K.R.B.) has been in existence since 6th September, 1983. It operates seven branches with products tailored towards the needs of the catchment area. The headquarters is at Pakyi No. 2 off Kumasi – Obuasi road.

3.7 CORPORATE PROFILE OF SEKYERE RURAL BANK LTD.

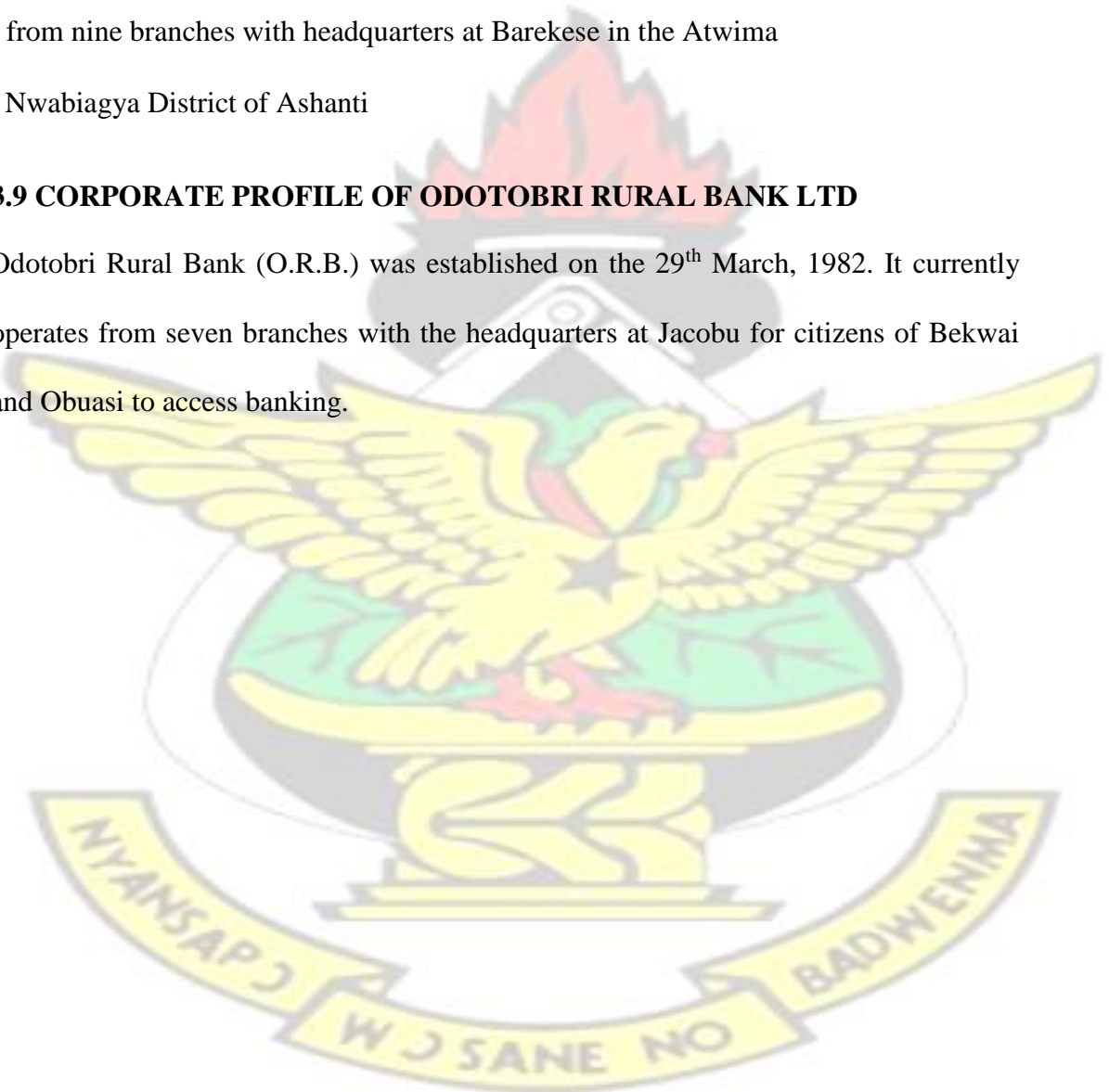
Sekeyere Rural Bank (S.R.B.) established in 1983 for citizens with the Sekyere East and West District of Ashanti. The headquarters is situated at Jamasi off Kumasi-Mampong road. It operates eight branches within the region.

3.8 CORPORATE PROFILE OF NWABIAGYA RURAL BANK LTD

Nwabiagya Rural Bank (N.R.B.) was established on the 4th of June, 1987. It operates from nine branches with headquarters at Barekese in the Atwima Nwabiagya District of Ashanti

3.9 CORPORATE PROFILE OF ODOTOBRI RURAL BANK LTD

Odotobri Rural Bank (O.R.B.) was established on the 29th March, 1982. It currently operates from seven branches with the headquarters at Jacobu for citizens of Bekwai and Obuasi to access banking.



CHAPTER FOUR

ANALYSIS AND DISCUSSION OF FINDINGS

4.0 INTRODUCTION

At the heart of this research is the data analysis and presentation of findings. The main objective of the study is to appraise the product performance of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri Rural Banks. The data gathered was analyzed both quantitatively and qualitatively the quality of product offered by the four selected banks and the performance of the various products in terms customer base and profitability. Availability data gathered through interviews and administered questionnaires to managers of the banks were used for the analysis. In order to ensure ease of presentation and understanding, bar charts, pie charts and table were employed followed by qualitative discussion on the various findings. The study categorized their products into three' namely; deposit, lending and auxiliary products.

4.1 DEPOSIT PRODUCTS

Some of the key deposit products offered customers of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri Rural Banks include savings, current, fixed deposit, Me Daakye, Salary, Salary, Business/Commercial, Personal, Susu and Bronya Anidasoo accounts.

4.1.1 DEPOSITS PRODUCTS OFFERED TO CUSTOMERS BY THE FOUR BANKS

Deposit mobilization is one of the products of rural banks which hold the highest number of customer base. The mobilization of deposits and redirecting them to areas of scarcity is the primary function of banks. The culture of the rural folks is disincentive

to deposit mobilization. Travelling long distances to save and withdraw has made patronage of banking products low.

a. Savings Account

The savings account is where clients make deposit as and when money comes into their hands. Withdrawal is restricted sometimes.

b. Current Account

This account type is normally termed a business account that is recommended for individuals, corporate bodies and those engaged in brisk business. A cheque is issued to the account holder and can be used for payments.

c. Fixed Deposit

This is a banking product that customer and non-customers are allowed to deposit the money for a term interest. The duration ranges between three months and twelve.

d. Bronya Anidasoo

The product is aimed at mobilizing funds to meet expenses of an occasion. This is purposely meant to relief customers of the burden of raising funds towards the Christmas festivities. Weekly or monthly contribution are made and the money to be paid to a name person.

e. Me Daakye

This product is to mobilize funds for the future upkeep of people whether in the formal or informal sectors of the economy. The purpose is to save funds to be used for some family commitments.

f. Susu Savings Account

This innovative product allows people with small cash holdings and those who find it difficult to leave their homes and work places the unique opportunity to save with the bank. This enables customer to assess loans- thus Susu loans.

g. Salary Account

This account type is designed for salaried workers whose salaries and allowances are paid through the bank. Pensions also operate salary account for their allowances to be paid monthly.

Table one: data presentation of number of deposit product offered by the four banks, banks customer base, number of savings customers, the money value of savings customers, interest charge on loans by the various banks, and auxiliary services offered by the f banks

Table 1: Number of Deposit Product

Banks	No. of Deposit Products	Customers Base	Savings Customers	Money Value	Loans Int. Rate	Auxiliary Services
Sekyere	9	108,157	43,146	30,887,349	34%	3
Odotobri	7	176,619	71,486	20,672,605	30%	1
Atwima K.	5	158,351	102,463	28,047,161	29%	5
Nwabiagya	6	120,730	56,132	15,205,635	27%	1

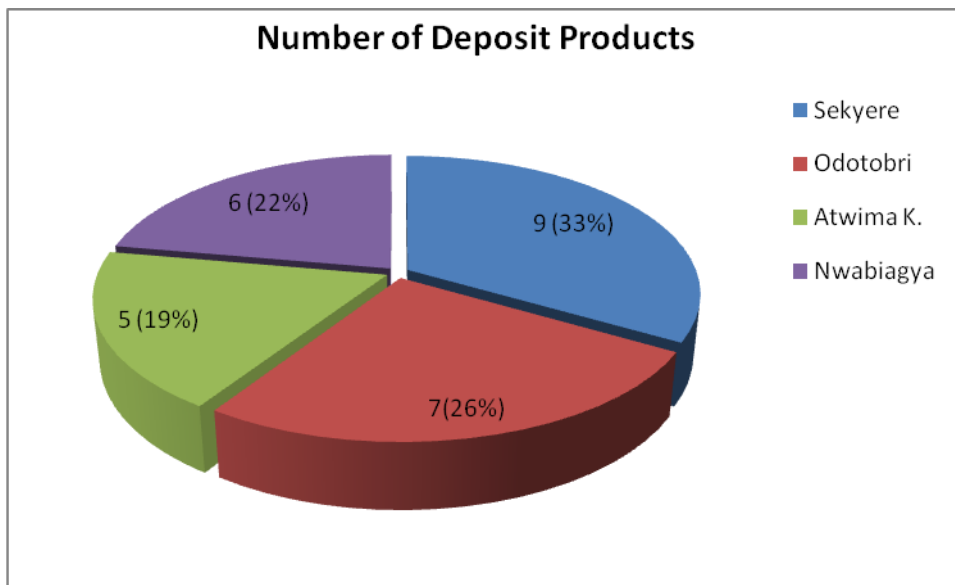
Source: Researcher's own construction

A summary of deposit products offered by the banks, their total customer base, savings customers, deposit values, interest rates and auxiliary services offered.

4.1.1 NUMBER OF KEY DEPOSIT PRODUCTS OFFERED TO CUSTOMERS BY EACH BANK BETWEEN 2004 AND 2013

This section seeks to ascertain the number of deposit products offered by Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri Rural Banks.

Figure 4.1 Number of Deposit Products offered by the rural banks



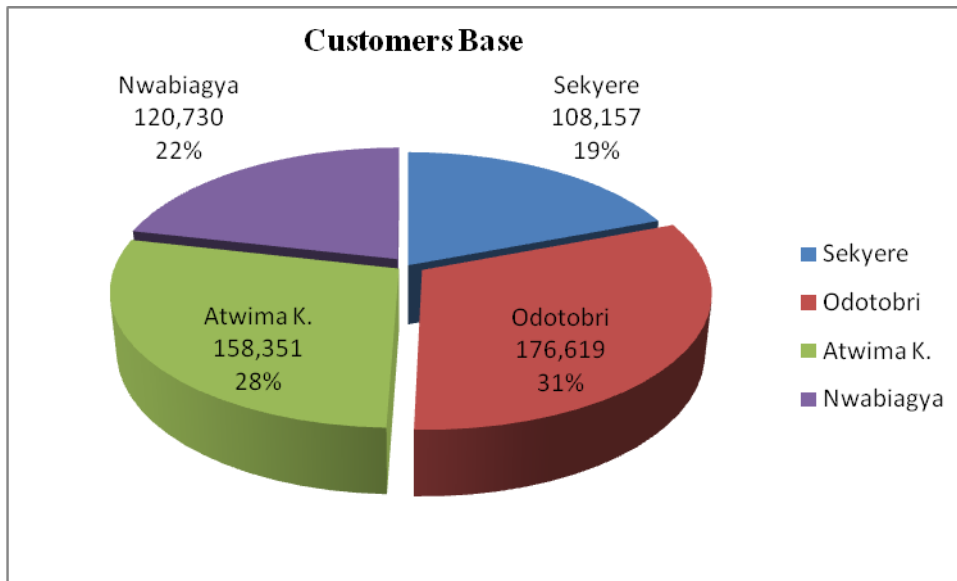
Source: Researcher's own construction

Of the key deposit products shown in figure1, Sekyere offers nine products representing (33%), Odotobri also offers seven products, which is (26%), Nwabiagya offers six products representing 22% and Atwima Kwanwoma on the other hand offers five products (19%). It could be seen that Sekyere does best in respect of the number of deposit products for customers to use. In terms of number of deposit products Atwima Kwanwoma does least within the period under consideration.

4.1.2 CUSTOMER BASE OF THE DEPOSIT PRODUCT OF THE FOUR RURAL BANKS

The deposit products of the banks are savings, current and fixed deposit. Numbers could not be provided for the individual products of the deposit mobilization products. The pie chart below shows the customers of deposit products the four banks have been able to win over the years under consideration.

Figure 4.2 Numbers of Customers of the Deposit Product



Source: Researcher's own construction

From figure 4.2 above, it could be seen that Odotobri has the largest number of deposit customers (31%), Atwima Kwanwoma has the second largest representing 28%, and Nwabiagya does a little better than Sekyere. Though Sekyere has the largest deposit products, it does not have the largest customer. This means that a bank can have many deposit products but may not be able to attract many customers to those products. One reason for a bank's inability to attract more customers for its varied products is poor incentive which takes the form of interest payable on deposit. Again, a bank that creates goodwill over time is most likely able to attract more customers.

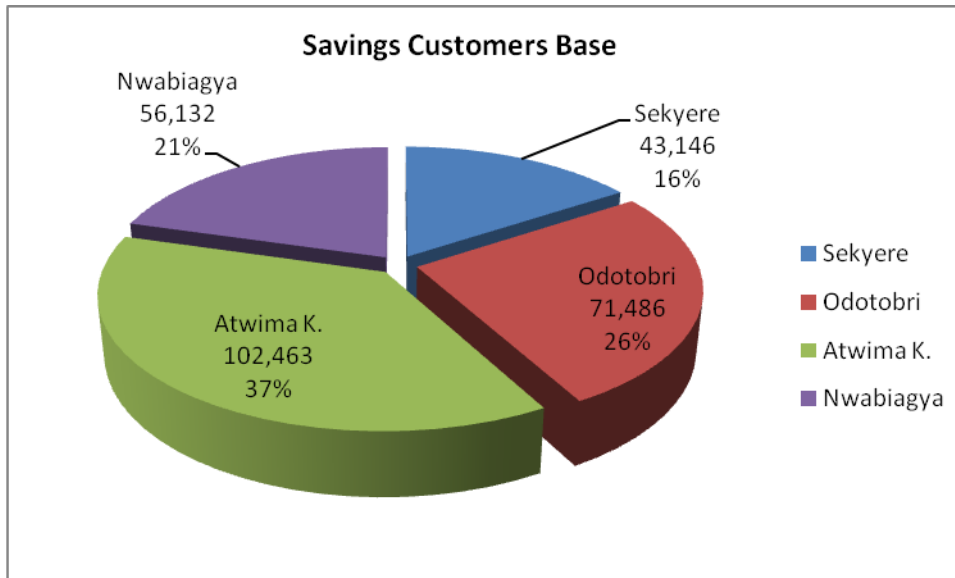
The goodwill includes good customer service among others.

4.1.3 DEPOSIT PRODUCT WITH THE HIGHEST CUSTOMERS FOR THE FOUR BANKS

This section seeks to find out which of the deposit products have the largest number of customers. Savings, Current account and Fixed deposit has been identified as the

commonest deposit products. This would help the banks to assess the potential of each product.

Figure 4.3 Deposit products with the highest customers for the four banks



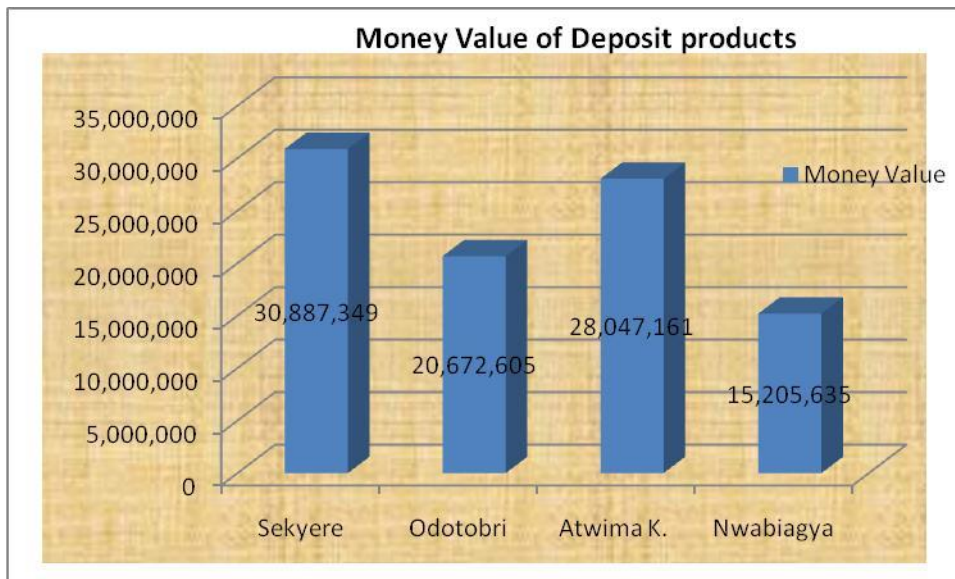
Source: Researcher's own construction

From figure 3, all the four banks claim that of all the deposit products, savings account has the largest number of customers. The savings product of Atwima Kwanwoma has the largest customer base (37%) compared to the other three remaining banks. This is however followed by Odotobri (26%), Nwabiagya (21%) and then Sekyere (16%). The dominance of the savings account is not surprising because rural banks are set up primarily to mobilize rural savings to channel them into productive sectors for rural development. The low incomes of the customers or rural communities also suggest that more savings accounts will be used in relation to the other deposit products.

4.1.4 MONETARY VALUE OF THE DEPOSIT PRODUCTS

This section wants to assess the value of deposit products with the largest deposit for each bank.

Figure 4.4 Value of deposit products



Source: Researcher's own construction

From figure 4, it is seen that Sekyere has the highest amount of money in its savings accounts. Sekyere is not the bank with the highest number of customers for savings accounts but it has the largest amount of savings. This means that a bank may have few customers but hold huge deposits where as another bank may have many customers but hold small deposits. This is exactly what happens in the case of banks under consideration. The second is Atwima Kwanwoma. It had the highest number of customer base but second in terms of value. This suggests most of the customers have low savings deposits. The third bank in terms of deposit value is Odotobri but it is the second highest in terms of number of savings deposit and then Nwabiagya.

4.2 LOAN PRODUCTS

One function of every rural bank is to provide credit to individual customers, small and medium-scale enterprises and agricultural producers. These are products designed to advance credit to the rural people to undertake commercial, manufacturing and agricultural activities. In view of the increasing competition, every bank embarks on

product reengineering through innovations. Some of the very recent loan products used by rural banks include Agricultural Loan, Group Sika Loan (Gr. S.), Commercial /Business Loan, Personal Loan, Susu Loan, Traditional Loan, Overdraft, Salary loan, Funeral/Social Loan, Micro Finance Loan, Housing Loan, Motor Vehicle Loan, Church development Loan and other minor Loan schemes.

a. Agric Loans

The product is geared towards the agriculture in the environs. One will have to hold an account and a personal guarantee or any other collateral is also provided.

b. Aku Sika (Group Loans)

This is a product where bodied customers come together to operate an account for credits to expand their businesses.

c. Commercial Loans (Business, SMEs and Micro-enterprise)

This is a product for businesses in the small and medium category, and companies.

This helps them to access credit for the growth of the company or business.

d. Overdraft

These are short term facilities offered to business to meet short term obligations. They are usually with one year duration.

e. Personal Loans (Salary Loans)

These are loans granted to employees remunerations are channeled through the bank. The loans are also termed personal since they provide funds to solve personal problems. These include payment of rent, wards fees, medical bills, to acquire personal properties like plot of land, home appliances, finance petty trading just to mention a few.

f. Salary Advance

This is a short term product for salaried workers. These are used to pay bills and unexpected expenditure which their personal funds cannot solve within the short term.

g. Susu Loans

The Susu Loan product is where petty traders make deposits to enable them access credit for business. This depends on the customer financial strength.

h. Funeral and Social Loans

This product is designed for clients to relief them of financial challenges when bereaved. The purpose is for the funeral with a maximum repayment period of one month.

i. Clearance Loan

This is an emergency loan for customers and prospective customers who are stranded and short of money to clear stock from the port. This is the only loan product that does not take the account operation of the customer.

j. Motor Vehicle Loan

This is a loan product that provides the salary workers access to a car loan. The product is designed to meet the needs of managers and top officers of institutions.

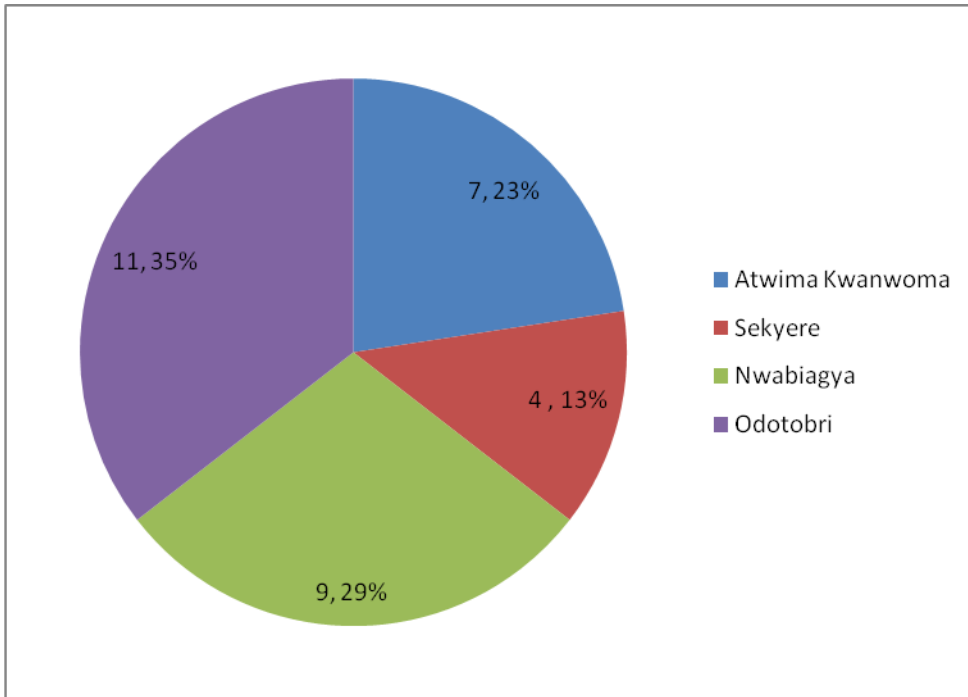
k. Church Development

This product is a loan product for religious organizations to undertake development. The product has offered religious organization the opportunity to acquire basic equipments for their worship services.

4.2.1 NUMBER OF LOAN PRODUCTS

This shows the number of loan products offered by the banks to customers.

Figure 4.5 Number of Loan products offered by the four bank

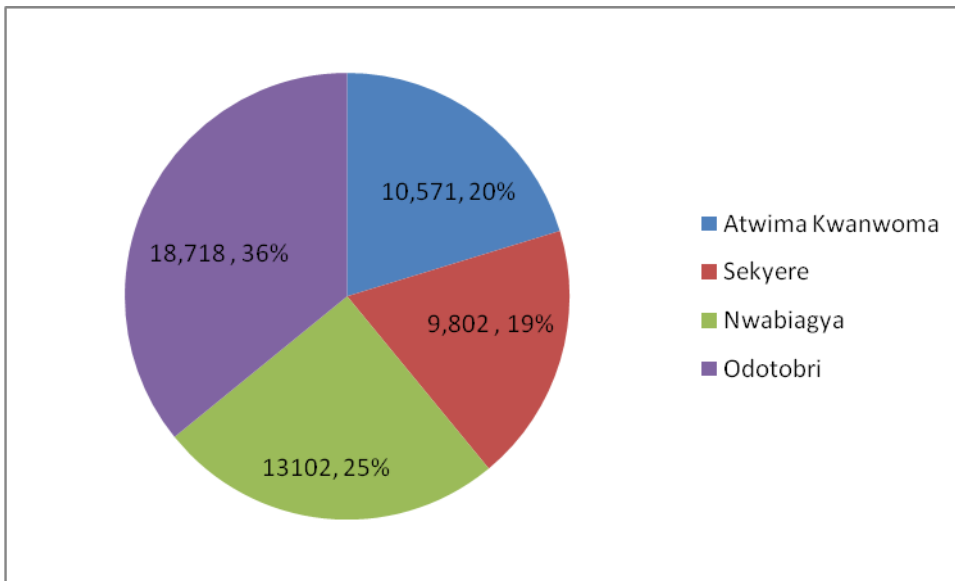


Odotobri has the largest number of loan products of eleven (11) products with 35%, while Sekyere has the least number of four (4) loan products with 13%. Nwabiagya on the other hand has nine (9) products, which is the second highest and Atwima Kwanwoma is the third with seven (7) loan products.

4.2.2 NUMBER OF CUSTOMERS ON LOAN PRODUCTS

This section seeks to find out how the banks under consideration use loan products to get more loyal customers.

Figure 4.6 Number of customers of loan products



From the Figure 4.6 Odotobri Rural Bank has the highest loan customer of 36%, followed by Nwabiagya with 25%, the third rural bank is 20% by Atwima Kwanwoma and the rural bank with the least loan customer is Sekyere.

4.2.3 LOAN PRODUCTS WITH HIGHEST CUSTOMERS

This section seeks to ascertain the loan products that hold the highest number of customers.

Figure 4.7 Number of customers of loan products



Source: Researcher's own construction

From figure 7 the loan product mostly patronized by customers is the Personal loan and followed by commercial or business loan. Housing loan is the third highest loan product that customers use extensively. Church development loan product is the least patronized product. Churches are more likely to use large commercial banks with competitive interest rates.

4.2.4 NUMBER OF LOAN PRODUCTS WITH HIGH CUSTOMER BASE

The loan product with the highest customer base was Salary Loan. The number of customers was made available.

Table 2 Number of Lending product with highest customer base

Bank	Value	Percentage
Atwima Kwanwoma	3,021	30.32
Sekyere		0.00
Nwabiagya	6,944	69.68
Odotobri		0
Total	9,965	100

From the Table above, the loan product with the highest number for Odotobri is 6,965 and while, Atwima Kwanwoma is 3,021. Sekyere and Nwabiagya Rural Banks could not give out their loan products with the highest customers. Comparison could not be made because not all data were received.

4.2.5 VALUE OF LOAN PRODUCTS

This section seeks to find out how much of their deposits were in loan.

Table 3 Value of loan products

Bank	Value	Percentage
Atwima Kwanwoma	13,765,362	35.46
Sekyere		0.00
Nwabiagya	25,052,343	64.54
Odotobri		0.00

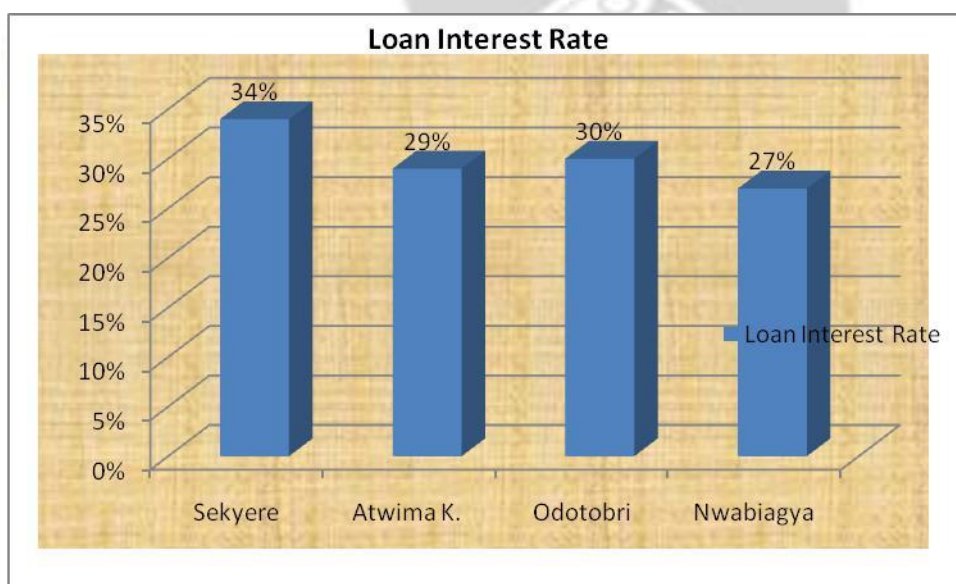
Total	38,817,705	100
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From the Table above, two out of the four rural banks gave their values. Nwabiagya has GHc 25,052,343 in loans and GHc 13,765,362. Comparison could be made because not all data were received.

4.2.6 AVERAGE LENDING RATE BY THE BANKS

Theoretically, there is an inverse relationship between interest rate and demand for loan. The higher the interest rate the smaller the amount of loan that customers demand, all things being equal. It is important therefore for banks to charge very competitive rate that will help them retain customers while at the same time they earn reasonable returns on capital invested.

Figure 4.7 Average Loan Interest rates of the banks



Source: Researcher's own construction

Figure 4.7 shows that on average Nwabiagya charges relatively low rate of interest (27%) while Sekyere charges on average the highest relative rate (34%). Odotobri charges on average 30% while Atwima Kwanwoma charges on average 29% interest rate.

4.3 AUXILIARY SERVICES

Apart from the traditional services rendered by all banks, some banks try to be innovative so as to remain competitive. In view of this some supporting services are offered to customers by both commercial and rural banks. These auxiliary services include cash collection services, insurance, money transfer, payment order and standing order.

a. Cash collection services

Under this product the bank's accredited officials undertake cash collections at the door steps of customers who are too busy to visit the bank. These collections are then deposited with the Bank (all rural banks) on the behalf of the clients in their respective accounts.

b. Anidasoo Insurance

This is where an insurance company and a bank collaborate which allows customers of the Bank to have a flexible life Insurance Cover. Both the premium and the benefit are paid through the Bank.

c. Electronic transfers

Here both customers and non-customers send and receive funds from love ones whether domestic and international. This is in collaboration with Apex Bank and the transfer organizations. The services include Apex Link; Western Union and Money Gram.

d. i-Trans (Apex Link)

This product is designed to enable both clients of the Bank and the general public to transfer funds among network of Rural Banks and ARB Apex Bank Branches in the country. Apex Link (i-Trans) allows clients to send money to their loved ones from one rural bank to another within the country. Clients need not hold an account with the bank.

d. Western Union Money Transfer

This product is designed to enable clients and the general public to receive funds from Europe, America, Asia and Far East and other African countries through Western Union Money Transfer and other universal banks to the Bank.

e. Money Gram

The Bank in Partnership with the ARB Apex Bank Ltd also offers Money Gram Services to clients. These are other recognized transfer organizations that the Bank collaborates to serve both customers and non-customers.

f. Issuing of Payment Orders

Institutions these days due to huge transactions resort to the use of payment order. This is where the customer pays money to the Bank and the Bank issues a cheque that it will pay the named payee (person) on the cheque.

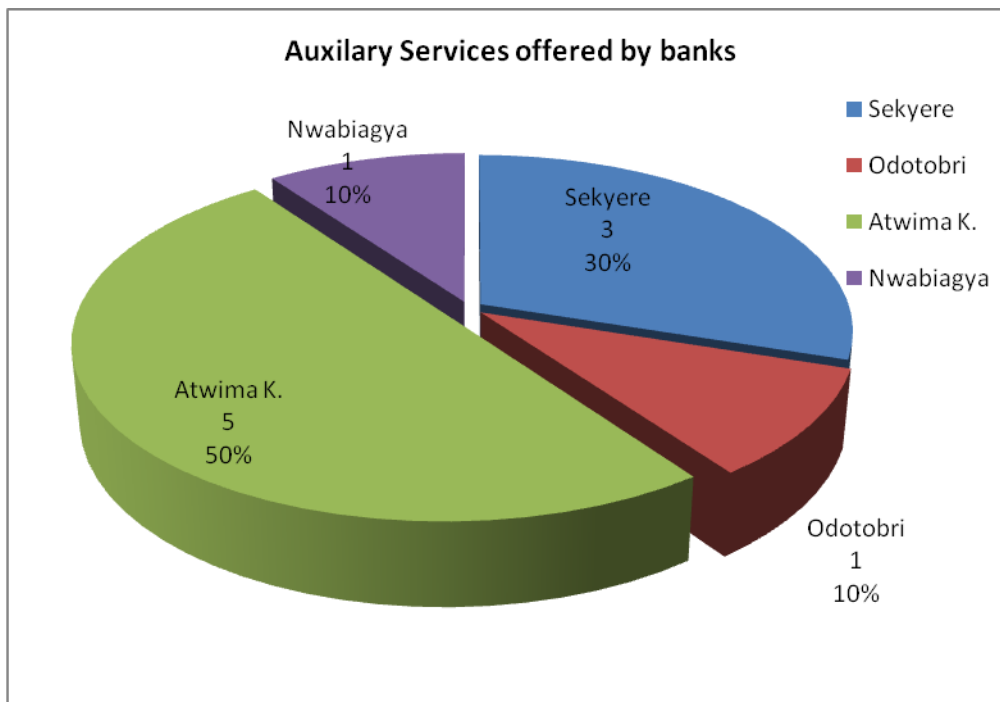
g. Clearing cheques on behalf of customers

The Banks receive and clear cheques on behalf of its customers both corporate and individuals. Hence, the Banks receive cheques of other banks and pay customers when the time is due.

4.4 NUMBER OF AUXILIARY SERVICES OFFERED BY THE BANKS

The rural banks also provide certain auxiliary services that are non-banking products.

Figure 4.8 Auxiliary services offered by the banks



Source: Researcher's own construction

With regards to the auxiliary services Atwima Kwanwoma provides five (5) being the highest with Sekyere bank following with just three (3) auxiliary services. Odotobri and Nwabiagya each provide one (1) auxiliary service. Atwima Kwanwoma provides Transfer, Money gram, Western Union, Cash collecting and Payment order. Sekyere on the other hand provides I-Trans Transfers, Western union and cash collecting while Odotobri provides Payment order. Nwabiagya also provides only money gram.

For the auxiliary services customer base could not be verified. But incomes are made when efficient services are rendered. They are also able win customers as a result of good customer relations.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.0 INTRODUCTION

The role of Rural Banks in developing rural communities has long been acknowledged. This research aims to find out comparatively, the extent to which rural banks are meeting and helping to financially meet the needs of rural dwellers through their products. Using questionnaires and focused interview with key personnel at the various banks, certain findings were discovered, the summary, conclusion and recommendations of which are provided below.

5.1 SUMMARY OF FINDINGS

Sekyere rural bank has the highest number deposit of products followed by Odotobri while Atwima Kwanwoma has the least deposit number of products. The dominance of Sekyere rural bank in terms of number of deposit products also resulted in higher number of deposit customers followed by Nwabiagya. Odotobri on the other has the least number of deposit customers base. For all the four rural banks, savings product dominates all other category deposit products with Atwima Kwanwoma having the highest savings value and followed by Odotobri. Although Sekyere rural bank has the highest customer base of savers, the money value of these customers is comparatively low in relation to the other three banks. This means that Sekyere bank has large number of deposit customers but they each hold relatively lower amount of deposit. Nwabiagya has the next highest deposit customers with low deposit values.

Savings, Current and Fixed deposit were identified as the commonest category of deposit products largely patronized by customers. Furthermore it was discovered that income level does not influence the choice and the level of deposit. The study further

showed that Sekyere rural bank has the highest category of loan products with corresponding large customer base while other three banks have just one loan product each.

Further analysis of the interest rate charged by the four banks revealed that Sekyere rural bank has the highest average interest rate followed by Odotobri while Nwabiagya on the other hand has the least average interest rate. Although income level does not influence the choice and level of deposit among rural dwellers, respondents indicated that Majority of respondents agree that interest rate has a significant influence on loan. Personal loan was found out to be the most patronized loan product followed by commercial loan and then housing loan. Majority of the respondents are of the opinion that volume of loan and deposit issued and received have significant influence on the profitability of the banks.

Atwima Kwanwoma has the highest number of auxiliary service products followed by Sekyere. Odotobri and Nwabiagya have same number of auxiliary service products. Sekyere rural bank leads in terms of maximizing the use of auxiliary service products. Odotobri is the second bank under consideration to draw maximum benefit from the auxiliary service products. Atwima Kwanwoma could not give any information on which auxiliary service contributes largely to profitability.

5.2 CONCLUSION

The research aimed to conduct comparative analysis of four rural banks namely Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri. In examining the Deposit and Loan products of four banks it realized although Sekyere rural bank has lowest savings customer base, the money value of this customers was relatively higher compared to the other three banks with comparatively larger customer base. The study again shows that banks with wide range of deposit and loan products are found to command large

number of customers. The study further revealed that interest rate significantly influence volume of loan issued but interest rate on deposit does not have significant influence on the amount of deposit which means that rural dwellers are not sensitive to returns when they save.

5.3 RECOMMENDATIONS

The four rural banks have a lot of deposit products but have not been able to make some of the products attractive. This leads to low patronage by customers. For example, cash collecting has not been vigorously pursued by almost all the banks. There is the need therefore to give more attention to cash collecting techniques to maximize collection from busy customers. If this is adhered to more cash deposits would be marshaled and unemployment could be reduced.

Again, of the deposit products, savings is the only popular deposit product patronized by most customers. But the savings volume for all the banks is nothing to ride home about. Social intermediation is very necessary to equip the rural people on how to make viable investment of their low incomes. Successful investment will lead high returns and which will in turn boost savings.

Also, for people to save their surplus incomes, the banks should offer better rate of returns on the customers' savings. This will be a motivation for people at the rural areas to sacrifice present consumption for future wealth maximization. Low interest on deposit is disincentive to savings.

Furthermore, „Me Daakye“ is similar to fixed deposit except that the former has some restriction on withdrawal. This makes the Me Daakye product unattractive. The banks should reconsider this product to make it more attractive.

Moreover, all rural banks charge exorbitant interest rate in the face stiff global competition. The average lending rate for most of the rural banks ranges between 27 and 35 percent. In some cases the rate is higher than 50%. This makes it very difficult for the rural banks to compete with commercial banks. Bank of Ghana should set a limit above which it is prohibitive to lend or borrow. This measure will reduce the excess liquidity that many rural banks have to lend more out to customers who are interest rate sensitive.

Again, rural banks are created to mobilize rural savings to channel the funds to cottage businesses and farming for rural development. Farmers are the least considered customers because of the high risk involved in financing agricultural production in Ghana. Government should make concerted effort to make it possible for rural farmers to benefit from the rural savings. This will create employment and also help increase Gross Domestic Product (GDP).

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APPENDIX

**KWAME NKRUMAH UNIVERSITY OF SCIENCE AND TECHNOLOGY,
KUMASI**

**SCHOOL OF BUSINESS – MASTER OF BUSINESS ADMINISTRATION
(FINANCE)**

RESEARCH WORK

This questionnaire is designed to solicit information on the topic “COMPARATIVE STUDY OF THE PRODUCT APPRAISAL OF RURAL BANKS”, the case study of Atwima Kwanwoma, Sekyere, Nwabiagya and Odotobri Rural Banks. I am hoping that you could spare me some of your precious time to complete this survey form. Through your participation, the study will be able to make possible recommendations as to which product a selected rural should major in order to be profitable and sustainable. Be

assured that all information appearing herein will be kept strictly confidential and be used for academic purpose only. Your data will be used in this study only and will be prudently destroyed after use.

DIRECTION: Please tick () where appropriate.

1. Tick as many deposit products as possible offered to customers.

- a. Savings () b. Current () c. Fixed Deposit () d. Me Daakye () e. Salary () f. Business ()
- g. Personal () h. Susu () i. Bronya Anidasoo ()

2. How many are deposit customers?

3. Which deposit product has the largest customer base?

- a. Savings () b. Current () c. Fixed Deposit () d. Me Daakye () e. Salary () f. Business ()
- g. Personal () h. Susu () i. Bronya Anidasoo ()

4. Which deposit product has the highest amount of deposit?

- a. Savings () b. Current () c. Fixed Deposit () d. Me Daakye () e. Salary () f. Business ()
- g. Personal () h. Susu () i. Bronya Anidasoo ()

5. What is the number of customers of the highest amount of deposit?

6. Tick as many loan products offered to customers?

- a. Agric /Farmers Loan () b. Aku/Group Sika Loan () c. Commercial Loan ()
- d. Personal Loan () e. Business/SME Loan f. Susu Loan () g. Traditional Loan ()

h. Overdraft () i. Salary Loan () j. Funeral and Social Loan () k. Micro Finance Loan ()

l. Housing Loan () m. Motor Vehicle Loan () n. Institutional Loan o. Clearance Loan ()

p. Church Development

7. How many are the loan product customers?

8. Which loan product has the highest customer base?

a. Agric /Farmers Loan () b. Aku/Group Sika Loan () c. Commercial Loan ()

d. Personal Loan () e. Business/SME Loan f. Susu Loan () g. Traditional Loan ()

h. Overdraft () i. Salary Loan () j. Funeral and Social Loan () k. Micro Finance Loan ()

l. Housing Loan () m. Motor Vehicle Loan () n. Institutional Loan o. Clearance Loan ()

p. Church Development

9. Which loan product has the highest loan value?

a. Agric /Farmers Loan () b. Aku/Group Sika Loan () c. Commercial Loan ()

d. Personal Loan () e. Business/SME Loan f. Susu Loan () g. Traditional Loan ()

h. Overdraft () i. Salary Loan () j. Funeral and Social Loan () k. Micro Finance Loan ()

l. Housing Loan () m. Motor Vehicle Loan () n. Institutional Loan o. Clearance Loan ()

p. Church Development ()

10. What is the number of customers of the highest loan value?

11. What is the average lending rate of the highest loan product per annum?

a. 27 () b. 28 () c. 29 () d. 30 () e. 31 () f. 32 () g. 33 () h. 34 ()

12. Which auxiliary service is well patronized by customers in your bank?

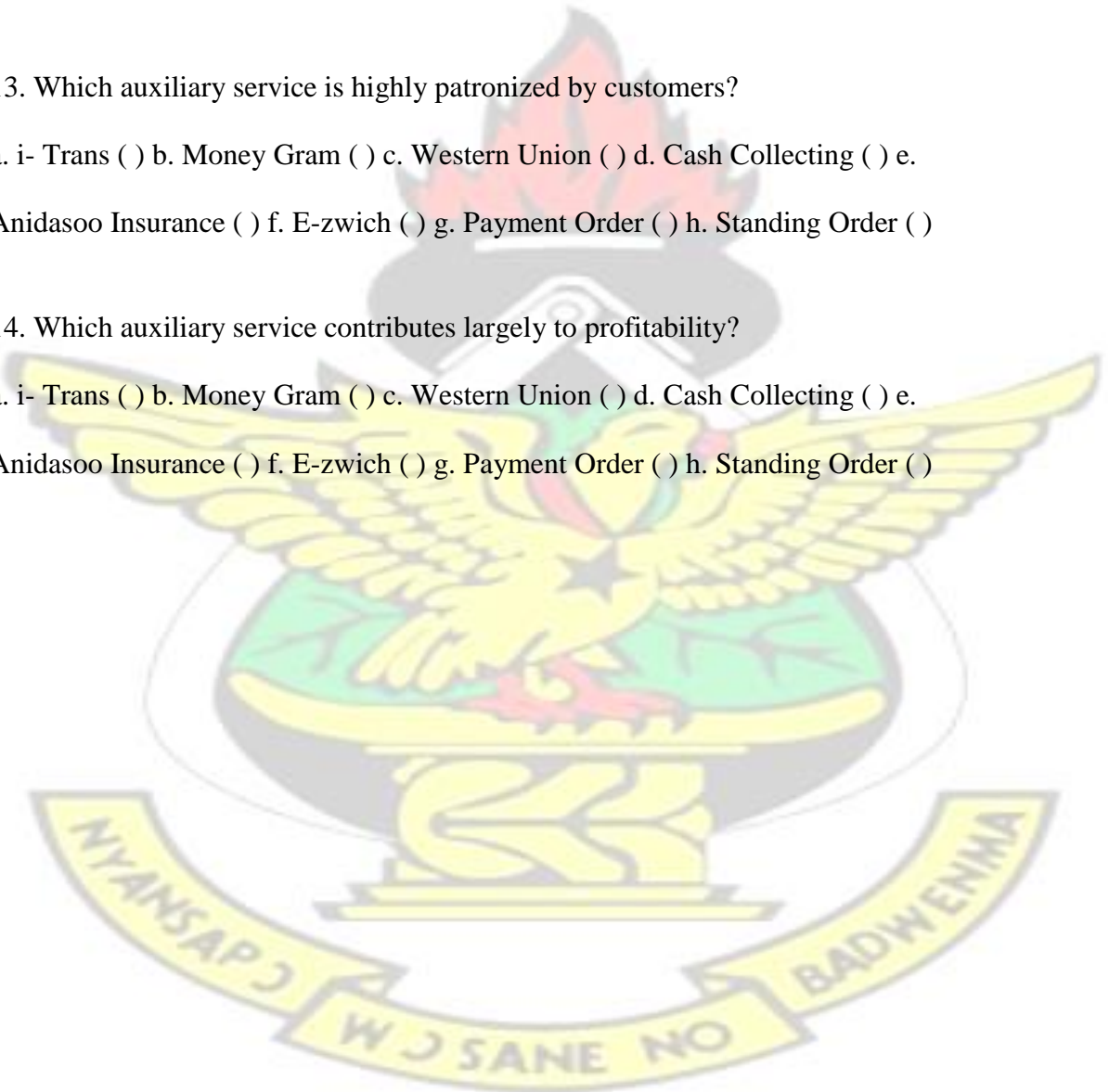
a. i- Trans () b. Money Gram () c. Western Union () d. Cash Collecting () e.
Anidasoo Insurance () f. E-zwich () g. Payment Order () h. Standing Order ()

13. Which auxiliary service is highly patronized by customers?

a. i- Trans () b. Money Gram () c. Western Union () d. Cash Collecting () e.
Anidasoo Insurance () f. E-zwich () g. Payment Order () h. Standing Order ()

14. Which auxiliary service contributes largely to profitability?

a. i- Trans () b. Money Gram () c. Western Union () d. Cash Collecting () e.
Anidasoo Insurance () f. E-zwich () g. Payment Order () h. Standing Order ()



comparative study of the product appraisal of rural banks: the case of atwima kwanwoma, sekyere, nwabiagya and odotobri rural banks

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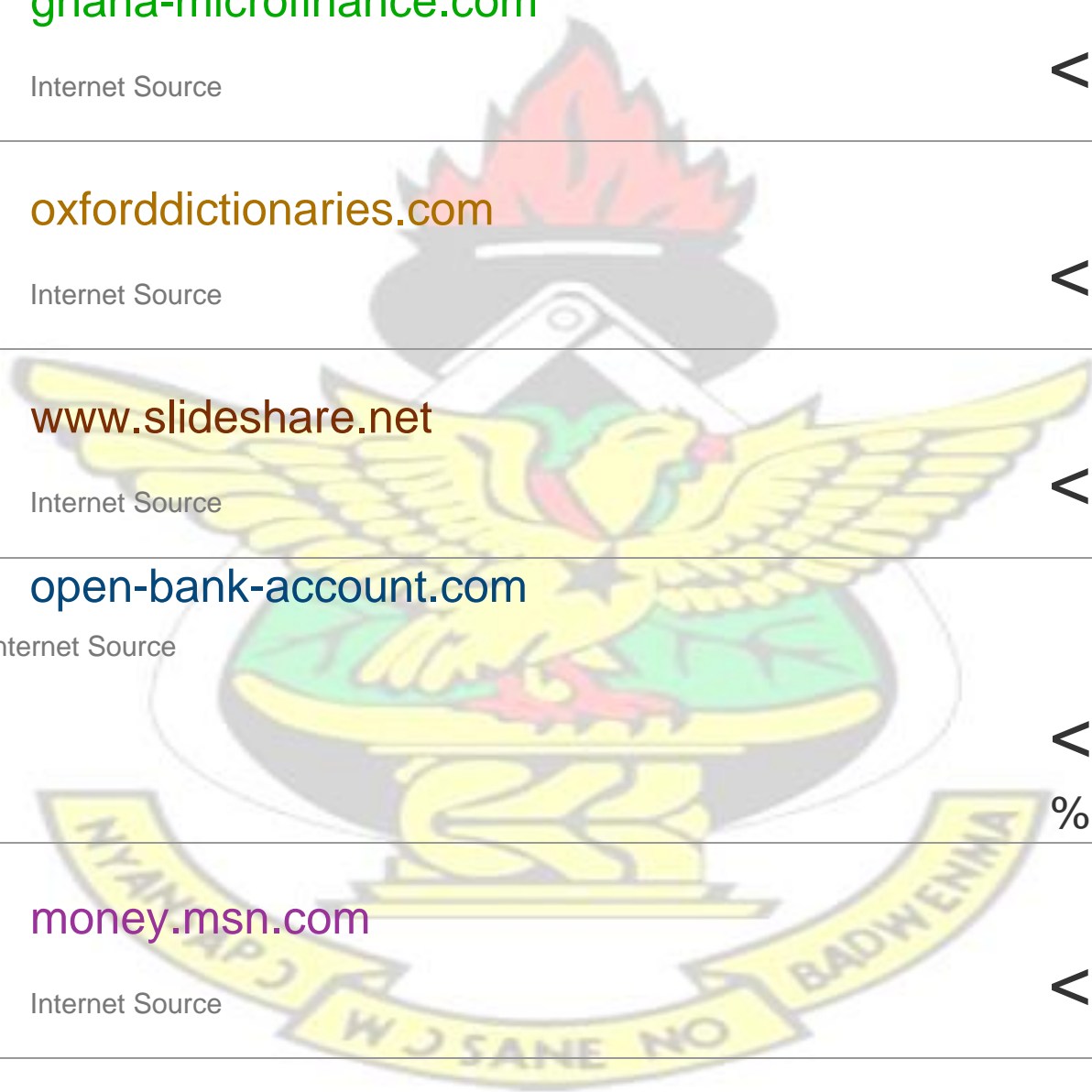
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