

The Banker Awards 2008

Ghana Commercial Bank Ltd. has been adjudged

BANK OF THE YEAR 2008

FOR GHANA

By the **BANKER MAGAZINE** of the
FINANCIAL TIMES GROUP
OF
THE UNITED KINGDOM



**GHANA
COMMERCIAL
BANK LTD.**

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mission

“ To be the established leader in banking, satisfying the expectations of the customers and shareholders, providing a full range of cost efficient and high quality services, through the optimization of information technology and efficient branch network”

For the achievement of this mission, the Bank is committed to:

- The provision of first class customer service.
- Focusing on our core business competencies-banking.
- Constant improvement in the use of information technology.
- Ensuring that staff are well motivated and have a conducive work environment.
- Recruiting and retaining the best human resources to carry out the Bank's mandate.
- Applying the best practices in internal policies, procedures, processes and service delivery.
- Constant improvement in shareholder value.



**GHANA
COMMERCIAL
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We serve you better



NOTICE OF 15TH ANNUAL GENERAL MEETING

Notice is hereby given that the 15th Annual General Meeting of Ghana Commercial Bank Limited will be held at the Accra International Conference Centre on Friday, 27th March, 2009 at 10.00 a.m. to transact the following business:-

Ordinary Business

Ordinary Resolutions

1. To receive and consider the Accounts for the year ended 31st December, 2008 with the reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st December, 2008.
3. To re-elect a Director.
4. To ratify the appointment of a Director.
5. To approve the remuneration of Directors.
6. To authorise the Directors to determine the fees of the Auditors.

Special Business

To consider and if deemed fit, pass the following Special Resolution:

7. That Regulation 16 of the Company's Regulations be and is hereby amended as follows:
 - 16.1 "The Company may issue securities in uncertificated or dematerialized form and the Board of Directors shall pass a resolution to that effect."
 - 16.2 "The Company may convert a certificated security into an uncertificated security and the Board of Directors Shall pass a resolution to that effect"
 - 16.3 "Notwithstanding any provision to the contrary in the Company's Regulations the Company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Securities Depository Act 2007 (Act 733)"
 - 16.4 "The manner in which the records of shareholding in the Company shall be kept shall be as determined by The Ghana Stock Exchange and shall be in line with the Central Securities Depository Act, 2007 (Act 733)"

DATED THIS 12TH DAY OF FEBRUARY, 2009

BY ORDER OF THE BOARD



HELEN ADDO (MRS)
SECRETARY

NOTES:

1. A member of the company entitled to attend and vote is entitled to appoint a proxy to attend and vote in his/her stead. A proxy need not also be a member. A form of proxy is enclosed and for it to be valid for the purpose of the meeting it must be completed and deposited at the Share Registry, Ghana Commercial Bank Ltd., Head Office, High Street, Accra not less than 48 hours before the meeting.

BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

BOARD OF DIRECTORS

CHAIRMAN:	KWABENA GYIMA OSEI-BONSU
MANAGING DIRECTOR:	LAWRENCE NEWTON ADU-MANTE
OTHER DIRECTORS:	SAMUEL SARPONG SAMUEL AMANKWAH (APPOINTED 1ST AUGUST, 2008) CECILIA NYANN (MRS.) EBENEZER MOSES DEBRAH (DR.) FRANKLIN KWABENA ASAMOAH JOE OFORI PETER AUGUSTUS OCRAN SAMUEL NII-NOI ASHONG (DR.) MARTIN MENSAH (RETIRED 29TH JULY, 2008)
SECRETARY:	HELEN ADDO (MRS.)
MANAGEMENT:	LAWRENCE NEWTON ADU-MANTE - MANAGING DIRECTOR SAMUEL SARPONG - DEPUTY MANAGING DIRECTOR (OPERATIONS) SAMUEL AMANKWAH - DEPUTY MANAGING DIRECTOR (FINANCE)
AUDITORS:	PANNELL KERR FORSTER CHARTERED ACCOUNTANTS FARRAR AVENUE P. O. BOX 1219 ACCRA
REGISTERED OFFICE:	GHANA COMMERCIAL BANK BUILDING THORPE ROAD HIGH STREET ACCRA

CORPORATE GOVERNANCE

Introduction

The Bank acknowledges the importance of good corporate governance and is committed to the principles and implementation of same.

The Bank believes in transparency and full disclosure in its operations and therefore adopts standard accounting practices and ensures sound internal controls to facilitate the reliability of the financial statements.

Board of Directors

The Board, consisting of seven (7) Non-Executive Directors and three (3) Executive Directors is responsible for ensuring that the highest standards of corporate governance are achieved in directing and controlling the Bank's business.

Audit & Finance Committee

Mr. Peter Augustus Ocran	-	Chairman
Mr. Kwabena Gyima Osei-Bonsu	-	Member
Dr. Samuel Nii-Noi Ashong	-	Member
Mr. Joe Ofori	-	Member
Mrs. Cecilia Nyann	-	Member

The Committee reviews and makes recommendations to the Board on policy and operational issues related to the Bank's audit, inspection and financial management processes as well as reporting and regulatory conformance.

Remuneration Committee

Mr. Kwabena Gyima Osei-Bonsu	-	Chairman
Mr. Peter Augustus Ocran	-	Member
Dr. Ebenezer Moses Debrah	-	Member
Dr. Samuel Nii-Noi Ashong	-	Member
Mrs. Cecilia Nyann	-	Member

The Committee made up of Non-Executive Directors, reviews the remuneration of the Executive Management and General Managers and makes recommendations to the Board.

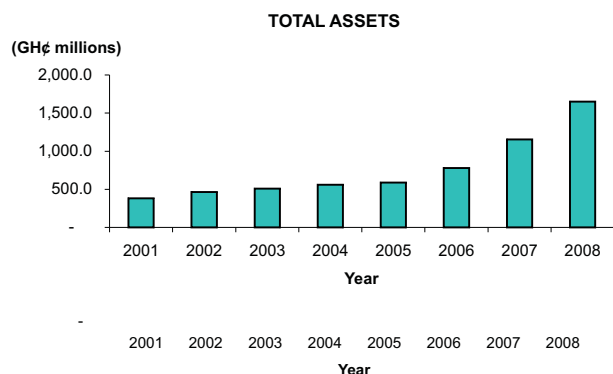
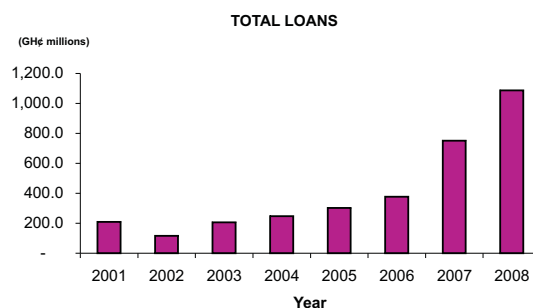
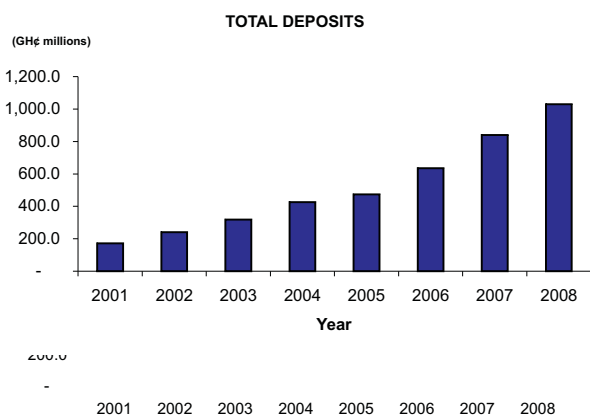
Legal & Public Relations Committee

Mr. Franklin Kwabena Asamoah	-	Chairman
Mr. Joe Ofori	-	Member
Dr. Ebenezer Moses Debrah	-	Member

The Committee made up of Non-Executive Directors, deals with legal matters as well as the media and makes recommendations to the Board.

FINANCIAL HIGHLIGHTS

	2008	2007
Profit Before Tax (GH¢)	49,713,392	46,961,304
Total Assets (GH¢)	1,650,220,348	1,154,719,385
Stated Capital (GH¢)	72,000,000	72,000,000
Shareholders' Fund (GH¢)	207,749,124	176,865,915
Customers Deposits (GH¢)	1,030,106,198	839,382,573
Total Loans and Advances (GH¢)	1,087,118,928	750,663,543
Number of Branches	148	136
Number of Employees	2,148	2,200
E. P. S. (GH¢)	0.142	0.124



CHAIRMAN'S STATEMENT



Mr. Kwabena Gyima Osei-Bonsu - Board Chairman

On behalf of the Board of Directors of Ghana Commercial Bank Limited, I am pleased to welcome you, our distinguished shareholders, to the 15th Annual General Meeting of your company.

I am even more pleased to report to you the positive results achieved last year: a strong financial performance, product and service delivery expansion, and significant progress towards business process excellence, among others.

These were achieved, however, in a less favorable operating environment.

Operating Environment

The world economy was projected to grow at around 4.8% in 2008, slower than the 5.2% growth rate of 2007. However, the world witnessed an economy mired in the most severe financial crisis since the Great

Depression. A subprime mortgage crises in the United States of America developed stresses in the US financial markets which transformed into full-blown global financial crisis and contributed to the recession in the global economy.

Several major financial institutions in the US and Europe failed, stock markets tumbled and commodity prices declined. Businesses, both large and small, experienced declining consumer demand and have responded by reducing employee levels.

As the crisis intensified, the effects on developing countries increased in step; risk aversion heightened, causing capital flows to decline and sent spreads soaring and equity markets tumbling.

In Ghana, increasing crude oil prices to near US\$150 per barrel caused domestic prices of fuel to increase and fuelled inflationary pressures across general goods and services. The Bank

of Ghana Prime Rate was adjusted upwards which led to an upward trend in money market rates and to which banks also responded by increasing their base rates.

A less than expected international finance inflows and increasing pressure for foreign currency to pay for the huge oil import bill contributed to worsening exchange rate regime and increased the budget deficit. The Ghana Cedi depreciated by 26% against the US Dollar in nominal terms.

Creating Shareholder Value

In 2008, GCB's financial performance was better than 2007. Profit Before Tax for the group was GH¢49.71 million in 2008 compared to GH¢46.96 million in 2007. Profit After Tax was GH¢37.59 million in 2008 compared to GH¢32.87 million in 2007. We achieved a commensurate growth in shareholder equity. Earnings per share was GH¢0.142 compared to GH¢0.124 in the previous year. The Board deems it fit for shareholders to take a share of their wealth and so recommends a dividend of GH¢0.06 per share, representing a pay-out ratio of 42%.

Product and Service Delivery Expansion

We continue to believe that optimizing the channels of delivery is an important element for creating sustainable shareholder value. Significant sizes of unbanked population in under-served city suburbs and in un-served districts provide a solid opportunity for our expansion strategy.

In this respect, your Bank opened eleven (11) **new branches** and installed **eleven(11) Automated Teller Machines (ATMs)** at strategically selected locations in easy reach of our target customers. These branches depict the unique branding of the Bank and offer real comfort to customers and staff. GCB also deepened its relationship with the banking community by launching new products such as the GCB Master Card.

The Board kept the commitment to sustaining the Bank's leadership position in the banking industry.

CHAIRMAN'S STATEMENT continued

A Strive Towards Business Process Excellence

We effectively employed a mix of human capital, information technology & systems and efficient processes to deliver service excellence. We have stayed on course; invested in technology, established a Customer Service Unit with attendant customer service standards, and not the least, rationalized staff levels and improved employee skills and knowledge.

Delivering the Rights Issue Promise

This strong financial and operational performance reflects the focused execution of the strategies we outlined in the Rights Issue circular. This was made possible by our experienced management team.

On behalf of the Board, I would like to sincerely thank the management team and GCB employees for a successful year.

To you the shareholders, we say thank you for the confidence you reposed in the Board when you approved the Rights Issue Programme.

Social Responsibilities

The Bank in line with its corporate social responsibility policy made donations to various institutions and individuals. Some of the beneficiary institutions were the Ghana National Trust Fund, Ghana Heart Foundation, Ghana Association of the Blind, Ghana Federation of the Disabled, and University of Ghana Needy Fund.

Awards

Your Bank won many awards in 2008. In the Ghana Banking Awards GCB won the

- ❑ Best Bank -Trade Finance,
- ❑ Best Bank- Financial Performance , and
- ❑ Best Bank Corporate Social Responsibility.

International awards won included

- ❑ "Best Bank in Ghana in Excellence" awarded by Euromoney Magazine;
- ❑ Best Bank, Ghana in the GlobalFinance World's Best Emerging Market Banks Award" given by Global Finance;
- ❑ "Best Moneygram International Money

Transfer Performing Receive Agent for Africa 2007" awarded by Moneygram International.

- ❑ "Bank of the Year for Ghana for 2008" by the Banker Magazine of the prestigious Financial Times Group of The United Kingdom.

Retired Director

Ladies and Gentlemen, during the year, Mr. Martin Mensah, our Deputy Managing Director for Finance retired from the Bank after a distinguishing career spanning 35 years. We wish him well.

Management Appointment

Mr. Samuel Amankwah, then the General Manager for Treasury Division of the Bank, was appointed the new Deputy Managing Director for Finance effective August 2008.

Outlook

The Board, Management and staff are committed to achieving a sustained financial performance and enhancement of shareholder value. Towards this goal, we pledge our commitment to implement in full, the remaining initiatives outlined in the Rights Issue Circular and the 2008-2010 Corporate Plan.

Dear shareholders, this programme will ensure that your Bank is branded uniquely and offer quality products and services to satisfy the needs of our customers. As well, we will continue to focus on improving our Systems & Processes, Employee Knowledge and Productivity. We will work on diversifying our revenue sources by establishing new subsidiaries such as Mortgages, Leasing and Investment Banking.

Amendment of Regulations

As you may be aware, operations of the GSE Securities Depository Company Ltd, began on November 14, 2008 with the voluntary deposit by investors of share certificates for immobilization. This is in accordance with s. 12(2) of the Central Securities Depository Act, 2007 Act 733), and is only the first of various steps to be taken in the Ghana Stock Exchange's quest to make the transition from the use of paper share certificates to electronic book entry securities. S12 (1) (a) and (b) of the Act also provides as follows:

"12 (1) An issuer of securities of the public

may

(a) Issue a security in uncertificated or dematerialized form where it is authorized in its regulations and authorized by a resolution of its board of directors,

(b) Convert a certificated security into an uncertificated security where it is authorized in its regulations and by a resolution of its board of directors".

In pursuance of this, the Council of the Exchange has decided that, as the next step, all listed companies are to amend their company regulations at their Annual General Meeting in 2009 to allow for the issue of and/or conversion to dematerialized securities. The Exchange's Council also decided that with effect from January 2009, all new or additional securities being listed should be electronic securities that have been admitted into the GSE Securities Depository.

Dear Shareholders, it is in compliance of this that you find a special resolution in the Notice to this meeting and for which the Board is recommending for your approval.

The amendment of the Regulations of listed companies in compliance of the Exchange's request will enhance the rate at which securities are placed in the depository, make for more efficient and less cumbersome keeping of shareholding records, and ultimately improve liquidity in the capital market.

We encourage all shareholders to contact a stockbroker with their share certificates and have their certificates placed in the GSE Securities Depository.

Conclusion

Once again, on behalf of the Board, I would like to sincerely thank the management team and GCB employees for a successful year.

To you the shareholders, we say thank you for the confidence you reposed in the Board.

To our valued customers, we say a big thank you for choosing GCB as your preferred bank.

Thank you.



K. G. Osei-Bonsu, Board Chairman

MANAGING DIRECTOR'S REVIEW OF OPERATIONS 2008

Introduction

During the year under review, the world economy was affected by shocks resulting in negative impacts on businesses all over the world. These were the financial, food and energy price shocks. Nevertheless, your Bank posed impressive financial results compared to its performance in 2007. This was primarily due to significant increase in our loan portfolio and increase in interest rates and effective cost control. This was further helped by the fact that the Government strived to ensure a relatively stable macro-economic performance in the face of the above mentioned disturbances.

Furthermore, GCB made great efforts to expand services countrywide. We expanded services to districts and market centers and made conscious effort to mobilize stable deposits from these markets. In doing so the Bank, mindful of the level of competition, adopted different approaches to service delivery. As a result, it has developed additional institutions whose purpose among others, include ensuring that the services of the Bank meet the expectations of our customers.

Above all, our investments in Information and Communications Technology (ICT) are now yielding dividends, which contributed to the sterling performance that we are reporting. Today GCB is also using ICT as a strategic tool in the delivery of its services.

Institutional Development

Retail Division

The Bank's customer-base is segmented into three (3) groups - Corporate, Small and Medium Scale Enterprises (SME) and Retail (individuals). Services are designed



Mr. Lawrence N. Adu-Mante (Managing Director)

specifically for each segment. Whereas the Corporate and SME divisions have been in existence for some time now, it is only in this year that the Retail Division was created to assume responsibility for the retail service. Consequently, the traditional institution known as Branch Operations Division has been dispensed with.

Clustering Department

In response to competitive pressures and in line with GCB's own Mission, a significant investment was made in ICT. This improvement made it possible for us to automate and centralize various back office activities. The Clustering Department was, therefore, established to perform a lead role in the automation effort. The activities involve centralizing various back office processes with the view to freeing a lot more staff from the back office to strengthen the front office for effective customer interaction and enhanced service delivery.

Customer Service Unit

Similarly, in line with the Bank's objectives and Mission Statement, Management has established a

Customer Service Unit to oversee the implementation of programmes that will ensure the provision of first class customer service. As well, the Unit will monitor and measure the performance of its operations and service delivery nationwide. With the establishment of this Unit, the Bank has developed benchmarks for its customer service delivery. Customers will have opportunity to assess the performance of all GCB retail outlets. The Bank will develop a feedback system that will inform and guide it in developing future products and services, as well as, re-packaging our existing ones.

Performance

The expansion of our credit portfolio, investments in new products, deployment of ICT to deliver services efficiently through centralization and expense control contributed to your Bank recording Profit Before Tax of GH¢49.7 million in 2008 compared with GH¢47.0 million in 2007. This represents a rise of 5.7 per cent.

Gross Loans and Advances rose significantly by 45.1 per cent to GH¢1,087.1 million in 2008 from the 2007 level of GH¢750.6 million. This increase

MANAGING DIRECTOR'S REVIEW OF OPERATIONS 2008 continued

was due to the competitive pricing method adopted by the Bank and the Small and Medium Scale Enterprise (SME) advisory services being offered to existing and potential customers. This increase, however, resulted in an increase in Loan Loss Provision from GH¢10.2 million in 2007 to GH¢16.7 million in 2008. The percentage of Gross Non-Performing Loans to Total

However, other operating income, made up of mainly Recoveries and Dividends fell from GH¢19.2 million in 2007 to GH¢3.0 million in 2008.

Shareholder's funds rose from GH¢176.9 million in 2007 to GH¢207.7 million indicating a significant growth of GH¢ 30.8 million or 17.4 per cent over the 2007 level. This was due largely to an increase in Income Surplus from the 2007 level of GH¢ 73.1 million to GH¢89.9 in 2008.

Total Assets increased from GH¢1,154.7 million in 2007 to GH¢1,650.2 million in 2008 indicating a rise of GH¢ 495.5 million or 42.9 per cent.

Total Deposits increased from GH¢839.4 million in 2007 to GH¢1,030.1 million by the end of December 2008. This represents an increase of GH¢190.7 million or 22.7 per cent. The percentage increase for the different deposit products were Current Accounts - 27.7 per cent, Saving Accounts - 16.7 per cent and Time Deposits - 17.9 per cent.

Branch Development

GCB in pursuit of its objective to deliver quality service to customers and create value for shareholders successfully added eleven (11) new branches to its existing network to bring the total to one hundred and forty-eight (148) branches throughout the Country as of December 31, 2008. These new branches include Bantama, Dambai, Hospital Road (Tamale), Kasoa Main, Kisseiman, Tech. Junction (KNUST), Techiman Market, Safebond, Sampa, Walewale and Abelemkpe. All the branches are electronically linked enabling customers to access their accounts at any branch. The new branches are intended to bring GCB's products and services closer to customers thereby creating enhanced convenience for them.



Samuel Amankwah (DMD Finance)

Information and Communication Technology

The Bank is poised, more than ever, to improve service delivery to customers as well as provide enhanced and strengthened integrated back office operations to support service delivery. In this regard it has embarked on the upgrade of its banking application software and supporting computer equipment. This upgrade will replace the existing Sun Enterprise Computer Server with Hewlett Packard (HP) Superdome Computer Server and is expected to be completed by April, 2009. When fully implemented, it would give the Bank greater capacity to process and store data.

The upgrade of our inter-branch telephone communication system is in progress. The plan is to replace existing system with VOIP (Voice Over Internet Protocol) technology to reduce cost.

Furthermore, in order to increase the Bank's delivery channels to customers an additional set of fifty (50) automated teller machines (ATMs) have been procured for installation. These ATMs are all E-ZWICH adaptable, thereby enhancing further, the channels of service delivery. The Bank is also testing a system for the effective management of ATM cards, cheque books and savings



Samuel Sarpong (DMD Operations)

Credit Portfolio was 2.0 per cent unchanged from the 2007 level. The Bank will not relent in its effort to achieve excellence in loan portfolio management.

Interest income increased from GH¢112.4 million in 2007 to GH¢181.7 million in 2008 representing an increase of GH¢69.3 million or 61.6 per cent. The significant rise was due to the effective pricing method adopted in spite of the intense competition in the market. Income from loans and advances increased from GH¢75.5 million in 2007 to GH¢145.0 million in 2008 and indicated a rise of GH¢69.5 million or 92.1 per cent. Investment income increased marginally from GH¢32.2 million in 2007 to GH¢32.7 million in 2008, an increase of GH¢0.5 million or 1.5 per cent.

withdrawal books. In order to reduce cost, the Bank is actively promoting the use of electronic means of communication. An intranet system will be developed and implemented. When functional it will lead to further reduction in the Bank's Operating Costs. These efforts will reduce communication expenses by 30 per cent.

We are also working with some consultants in an effort to automate the budgetary process with a view to achieving a more efficient and effective budgetary process.

Internal Controls

Increased understanding of the Flexcube system by the Bank's inspectors resulted in quality inspection and reduced the time for branch inspections from ten (10) days to about five(5) days. The resultant effect is a reduction in operating cost by about 20 per cent.

As part of efforts to strengthen internal controls a new inspection rating system for branch has been established and will be fully implemented in 2009. In addition, training in the Audit Control Language (ACL) software acquired to facilitate remote inspection of branches has been completed and implementation has commenced. As a result of this remote inspection capability, staff strength in this area has been reduced significantly.

Product Development

The Royal Banking service was launched during the year. It is intended to provide differentiated services to our high networth customers.

Your Bank has also successfully launched its internet banking product known as CommernetPlus. It is expected that the product will help decongest our banking halls. Another product, which was launched

during the year, is christened SmartPay. This product facilitates the payment of fees and bills directly into various institutions accounts at GCB branches. To date, all the three national universities are using the service for fee collection.

The Bank also launched a global product during the year under review. The internationally branded card, GCB MasterCard now enables customers who travel and purchase items abroad to use the MasterCard debit card since it is accepted in more than 26 million locations worldwide. The card can also be used in more than 1.8 million automated teller machines (ATMs) the world over. With the GCB MasterCard, there will not be any need for a traveler to change the local Cedi into a convertible currency before embarking on a trip abroad.

Furthermore, we have repackaged and re-launched the GCB Kudi Nkosuo (a micro finance product). This product now has a credit element which provides opportunity for the customer to access credit facilities after a minimum period of operating the account. Patrons of this product also have the opportunity of being groomed into SME customers by our business advisory personnel.

Small and Medium Scale Enterprises (SME)

For some time now, the Bank has been organizing business clinics for its SME customers, in order to equip them with management and other skills necessary for effective operation of their businesses. During the year under review, the Bank extended these clinics to regions which, hitherto had not benefitted from this service. During these workshops, customers are taken through the rudiments of record keeping, succession planning, international trade, marketing, customer service and information technology.

In view of the management skills being imparted, the Bank has increased its support for the sector; credit facilities to SMEs increased from GH¢15.7 million in January, 2008, to GH¢40.0 million by the end of December, 2008. The beneficiaries of these facilities include a broad spectrum of businesses in almost all the sectors of the economy. These are Commerce, Construction, Services, Education and Not-For-Profit Organizations (NGOs). The Not-For-Profit Organizations were assisted to deliver micro-credit to rural settlers and promote exports in the non-traditional sector.

Human Resource Development

Broadband Salary Structure (BSS)

The Bank in the course of the year implemented the BSS to simplify its salary administration. Broad-banding is the grouping of jobs with similar duties, responsibilities and levels of accountability. This has resulted in fewer bands and wider ranges compared with the old system. The BSS is intended to simplify the compensation or salary administration process, achieve a manageable range of positions and grades, and link promotion to significant changes in job content among others.

Staff Rationalization

In line with its medium term plans, the Bank determined a target number of three hundred (300) employees for the rationalization exercise. The first batch of one hundred and sixty-four left the service on December 31, 2008. The second batch is expected to follow by end of the first quarter, 2009

The rationalization exercise is intended to improve efficiency, as the Bank increasingly deploys information technology systems to facilitate its operations. As well, it will enable it attract young and energetic people, who

are diversely skilled.

Graduate Entrance Training (GET)

Due to the keen competitive environment, a graduate entrance training programme (GET) was commenced in 2007. This programme has been successful in attracting and retaining highly qualified staff to the Bank. As a result, the programme has been expanded to include one hundred (100) graduates who joined the Bank between 2002 and 2005. The programme is specifically designed to provide the targeted staff with skills that are required to enhance their performance and increase productivity at their various workplaces.

Training

During the year under review, a massive training programme was organized for all categories of staff. In anticipation of branches ultimately becoming sales points, special training on sales and service delivery was organized for Retail Managers as part of Retail Transformation programme.

In addition, a number of leadership development programmes were organized both locally and abroad for selected senior managers. It is envisaged that several other Managers and Senior Managers will also attend such programmes in the following year.

In preparation for the implementation of Basel II regulatory framework in the Bank, fifty members of staff were trained at the GCB Training School on the elements of Basel II Accord. The Programme was run by a renowned international consultant from the United Kingdom. Topics covered included capital adequacy measurements, credit risk, operational risk and other issues.

Outlook

In line with the Bank's mission statement "to be the established leader in banking, satisfying the expectations of customers and shareholders, providing a full range of cost efficient and high quality services through the optimization of information technology and efficient branch network", the Bank will:

- ◆ Continue to invest in technology by upgrading our existing telephone system (PABX);
- ◆ Implement a Voice Over Internet Protocol (VOIP) system. To facilitate communication between branches. This is intended to reduce communications cost significantly.
- ◆ Expand the international branded card program by implementing merchant acquiring, Visa ATM acquiring; Visa Debit, Visa Credit and MasterCard Credit cards issuing.
- ◆ Establish subsidiaries for Investment Banking, Mortgage Lending, Insurance and Leasing.
- ◆ Continue to invest in employee training particularly leadership skills through foreign attachments.
- ◆ Accelerate the program to refurbish and reconfigure our older branches in order to improve upon ambience and serve our customers better.

Conclusion

Distinguished shareholders, I will like to conclude my review by reiterating that the Bank is very much poised to

achieve objectives stated in its Corporate Plan and Rights Issue Circular.

I commend the Management Team and Senior Managers for the exemplary manner in which they supported me in steering the affairs of the Bank. I am also very grateful to the Board of Directors for their visionary direction. Above all, my gratitude goes to you the shareholders for your continued loyalty and investment in the Bank.

Finally my greatest appreciation goes to the hardworking staff of the Bank for their contribution to the sterling performance of the Bank during the year. I must say that the relative improvement in the results for 2008 is an indication of their dedication to duty, diligence and loyalty to the Bank without which these results would not have been achieved. It is my fervent hope that all stakeholders will put in greater effort towards achieving higher laurels for the Bank in the years ahead.



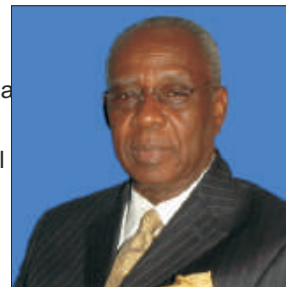
L.N. Adu Mante

(Managing Director).

PROFILE OF DIRECTORS

Mr. Kwabena Gyima Osei-Bonsu - Board Chairman

Non-Executive Director - Mr. Osei-Bonsu joined the Board in September, 2001 and was subsequently appointed Chairman of the Board of Directors. He has a Bachelor of Laws Degree, LLB (Hons) and is a Barrister at Law, having been called to the British Bar in 1962. He is an experienced private legal practitioner. He has served the country in several capacities. He was a Director of Ghana Commercial Bank from 1966 to 1967, Commissioner for Information in the Government of the National Liberation Council in 1967, Hon. Member of Parliament for Asokwa from 1969 - 1972, and Minister of State for National Security and Chief of State Protocol in the Second Republic (1969-1972)



Mr. Lawrence N. Adu-Mante - Managing Director

Managing Director - Mr. Lawrence Newton Adu-Mante joined the Board in December, 2003 and holds a B.Sc. Honours Degree in Economics and a Master of Business Administration (MBA) Degree with specialization in Finance and Strategic Management. He joined the Bank in 1972 and was appointed Deputy Managing Director responsible for Finance in 2003 and Managing Director on 11th February 2005. Prior to these appointments he was the General Manager of the Planning and Research Division of the Bank.

He serves on the Boards of Ghana International Bank, Plc, UK, Mondex Ghana Ltd. and Development Finance & Holdings Ltd. and was at various times a director of Fidelity Discount House Ltd., and a member of the Greater Accra and Ghana Hockey Associations. He is also the Chairman of the Presbyterian Church of Ghana National Education Foundation.



Mr. Samuel Sarpong - Deputy Managing Director, Operations

Deputy Managing Director (Operations) - Mr. Samuel Sarpong joined the Board in March 2008 and holds degrees from the Kwame Nkrumah University of Science & Technology (B.Sc. Agric); University of Guelph, Ontario, Canada (M.Sc. Agric.); and Wilfrid Laurier University, Ontario, Canada (MBA). He has also completed many professional courses.

From 1990 to 1995, Mr. Sarpong served as Policy Adviser in the Ontario Ministry of Agriculture & Food and Ministry of Economic Development & Trade Canada. In 1996, he joined Canadian Imperial Bank of Commerce (CIBC), holding senior roles in credit risk management including Director Lending Products. During his nine (9) years at CIBC, he worked in the following divisions - Retail & Small Business Lending, BizSmart and CIBC Visa. In 2005, he joined General Electric Corporation's (GE) Consumer Lending Business (GE Money Canada). As Senior Manager in GE, Mr. Sarpong served as Risk Leader for 3 business units - Credit Cards, Risk Infrastructure & Fraud and Mortgages.

Mr. Sarpong also serves on the Boards of Development Finance & Holdings Ltd. and Shell Gh. Ltd.



Mr. Samuel Amankwah - Deputy Managing Director, Finance

Deputy Managing Director (Finance) - Mr. Samuel Amankwah joined the Board in August 2008 and holds a Master of Science Degree in Accounting & Finance. He is a Fellow of the Association of Chartered Certified Accountants (UK) and a member of the Institute of Chartered Accountants (GH). Prior to his appointment as Deputy Managing Director, Finance he had held various positions in the Bank.

Before joining the Bank in 2000, Mr. Amankwah worked with the UAC Group Audit and with Guinness Gh. Ltd. He also worked with Metropolitan Police Car Pound, Adomako Basoah & Co. and JSA Accountancy Services (Watford) all in the United Kingdom.

He is currently the Ag. Board Chairman of Activity Venture Finance Co. and the Director of Finance at Kaneshie Presbyterian Church.



PROFILE OF DIRECTORS continued

Mr. Franklin Kwabena Asamoah - Board Member

Non-Executive Director - Mr. Asamoah joined the Board in March, 1999. He has a Bachelor of Laws Degree (LLB Hons.) as well as a Masters Degree in Law (LLM). He is presently a private legal practitioner and consultant and the Head of Asamoah Legal Services, a Kumasi based law firm. He acts as a Consultant/Solicitor for a number of agencies, both local and foreign. He is also the Diocesan Solicitor/Consultant as well as the Chairman of the Diocesan Development Committee of the Roman Catholic Diocese of Obuasi in the Ashanti Region.



Mr. Peter Augustus Ocran - Board Member

Non-Executive Director - Mr. Ocran joined the Board in March, 1999. He holds a B.Sc. Degree and Masters Degree in Economics. He was, between 1981-1984, a Chief Manager of the Bank and was at different times the Head of Credit Management, Development and Agricultural Finance, and the Research Departments of the Bank. He has also held various positions in other organisations in Ghana and abroad and worked for several years as UNDP Chief Technical Advisor to the Uganda Commercial Bank.



Dr. Samuel Nii-Noi Ashong - Board Member

Non-Executive Director - Dr. Ashong joined the Board in September, 2001. He has a PhD in Economics.

In April 2005, he rejoined the team of Research Fellows at the Center for Policy Analysis (CEPA) where he had previously served from January 1996 to mid-April 2003. Between April 2003 and April 2005 he was the Minister of State responsible for Economic Planning. He has held several other positions including visiting Professor at The National Urban League, New York, and Lead Analyst/Subject Matter Expert at AT&T Consumer Communications Services, New Jersey, U.S.A. He is also a director of the National Board for Small-Scale Industries (NBSSI), the Chairman of the Boards of Mondex Ghana Ltd. and the Venture Capital Trust Fund (VCTF) and a member of the Board of The Capital Group Ltd.



Dr. Ebenezer Moses Debrah - Board Member

Non-Executive Director - Dr. Debrah joined the Board in September, 2001. He has a Bachelor of Arts Degree in History - B.A. (Hons) and Doctor of Laws, Honoris Causa from Universities in the United States of America.

He has served the country in several capacities including High Commissioner of Ghana to the United Kingdom, Australia, Malaysia and Papua New Guinea and Ambassador of Ghana to Ethiopia and the United States of America between 1963 and 1980. He was Secretary to the Cabinet and Head of the Ghana Civil Service between 1973 to 1977. He has also served as a Commonwealth and UNDP Consultant in Diplomatic Service training and Management for a number of countries including Papua New Guinea, Zimbabwe, the Kingdom of Lesotho, Namibia and Liberia. He has received a number of awards including Member of the Star of Ghana (MSG) 2006, Member of the Order of the Volta (MV) 1975, national awards for meritorious service to Ghana and the Ghana Civil Service Certificate of Merit and Badge in 2002.

He is currently the chairman of the Eastern Region Lands Commission, the Chairman of the Ghana Civil Service Council and an honorary Fellow of Legon Hall, University of Ghana, Legon. He was the first Lay Chairman of the Koforidua Diocese of the Methodist Church Ghana.



PROFILE OF DIRECTORS continued

Mr. Joe Ofori - Board Member

Non-Executive Director - Mr. Ofori joined the Board in September, 2001. He has a Bachelor of Laws Degree LLB (Hons) and a Master of Laws Degree (LLM) with specialisation in corporate and commercial law.

He was a Deputy Registrar (Legal Duties) at the West African Examinations Council between 1992 and 1993 and is currently a private legal consultant to a number of companies and firms. He is also a director of Cosmos Forex Bureau Ltd.



Mrs. Cecilia Nyann - Board Member

Non-Executive Director - Mrs. Cecilia Nyann joined the Board in March, 2003. She is a Chartered Accountant by profession and a Fellow of the Institute of Taxation. She was a Partner of Deloitte and Touche for fourteen (14) years and now the Managing Partner of Intellisys, a firm of chartered accountants. She served on the board of Bank of Ghana between 1999 and 2001. Mrs. Nyann is the President of The Institute of Chartered Accountants (Ghana) and a council member of The Association of Accountancy Bodies in West Africa (ABWA).



Mrs. Helen Addo - Board Secretary

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REPORT OF THE DIRECTORS

The Directors in submitting to the Shareholders the Consolidated Financial Statements of the Bank and its subsidiary for the year ended 31st December, 2008 report as follows: -

	GH¢
Profit Before Tax for the year ended 31st December, 2008	49,713,392
From which is deducted Taxation	12,119,876
Giving a Profit for the year after Taxation of	37,593,516
Less: Transfer to Statutory Reserve	4,699,190
Giving Profit for the year after Taxation and Transfer to Statutory Reserve	32,894,326

Nature of Business and Corporate Status

The Bank was incorporated as a public limited liability company on 7th September, 1994 and is listed on the Ghana Stock Exchange. The public holds 48.83%, SSNIT 29.81% and the Government of Ghana 21.36% of the Bank's shares. In June 2007, the Bank was able to raise an amount of GH¢60 million through its Rights Issue. The Bank operates as a Universal Bank.

Board Changes

On 29th July, 2008, Mr Martin Mensah retired from the service of the Bank and Mr Samuel Amankwah appointed Deputy Managing Director (Finance) effective 1st August, 2008.

Re-Election of Directors

In accordance with the regulations of the Bank, Mrs Cecilia Nyann is to retire by rotation at the Annual General Meeting and being eligible will be offering herself for re-election.

The Board will also seek the shareholders' ratification of the appointment of Mr. Samuel Amankwah as Deputy Managing Director (Finance)

REPORT OF THE DIRECTORS

Distribution Channels

As of 31st December, 2008 the Bank has 148 Branches and 11 Agencies all on the Wide Area Network and using Flexcube. It has also installed 77 Automated Teller Machines at various Branches and introduced e-Banking products and services such as the CommerNet Plus, Education Fees Collection and Utility Bills Payment Systems and Money Transfer Services such as SMA Online, Moneygram and VIGO.

Subsidiary

Development Finance & Holdings Limited, a Company incorporated in Ghana to undertake investments, is a wholly owned subsidiary of the Bank.

Auditors

Pannell Kerr Forster will continue in office as Auditors of the Bank in accordance with Section 134 (5) of the Companies Code, 1963 (Act 179).

Acknowledgement

The Board of Directors takes this opportunity to express its sincere thanks to you our shareholders for your support, to our customers for their patronage, and to the Management and Staff for their dedicated service in year 2008.

Dated this 12th Day of February, 2008

By Order of the Board



Chairman



Director

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Companies Code 1963, (Act 179) and the Banking Act of 2004 (Act 673) as amended by the Banking Act of 2007 (Act 738) require the Directors to cause to be prepared financial statements for each financial period which give a true and fair view of the state of affairs of the Bank and the Group and of the Profit and Loss of the Bank and the Group for that period. In preparing those financial statements the Directors are required to:

- ◆ select suitable accounting policies and apply them consistently;
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ to ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Bank and Group will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Bank and the Group which enable them to ensure that the financial statements comply with the Companies Code 1963, (Act. 179) and the Banking Act of 2004 (Act 673) as amended by the Banking Act of 2007 (Act 738). They are also responsible for safeguarding the assets of the Bank and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The above statement which should be read in conjunction with statement of the Auditors responsibilities set out on page is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

REPORT OF THE AUDITORS



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GHANA COMMERCIAL BANK LIMITED AND ITS SUBSIDIARY

Report on the Financial Statements

We have audited the accompanying financial statements of Ghana Commercial Bank Limited and its subsidiary which comprise the balance sheet as of December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

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 in the manner required by The Companies Code, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an 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, plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit 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 assessments, the auditor considers internal control 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Directors, 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 financial statements give a true and fair view of the financial position of Ghana Commercial Bank Limited and its subsidiary as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Ghana Companies Code, 1963 (Act 179), the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738), Securities and Exchange Commission Regulations 2003, LI 1728 and Ghana Stock Exchange Membership Regulations 1991.

Report on Other Legal and Regulatory Requirements

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

- i) 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.
- ii) In our opinion proper books of accounts have been kept by the Bank and its subsidiary, so far as appears from our examination of those books, and
- iii) The consolidated balance sheet and consolidated profit and loss account of the Bank and its subsidiary are in agreement with the books of accounts. The Banking Act 2004 (Act 673), section 78(2) requires that we state certain matters in our report. We hereby state that:
 - i) The consolidated financial statements give a true and fair view of the state of affairs of the Bank and its results for the period under review,
 - ii) We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors,
 - iii) The Bank's transactions are within its powers, and
- iv) The Bank has complied with the relevant provisions of the Banking Act, 2004 (Act 673) as amended by Banking (Amendment) Act 2007 (Act 738).

FARRAR AVENUE
ACCRA


PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS

.....2009

INCOME STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2008

	Notes	THE GROUP		THE BANK	
		2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
Interest & Similar Income	6	181,663,097	112,452,442	181,663,097	112,452,442
Interest & Similar Expenses	7	(49,610,404)	(22,347,443)	(49,610,404)	(22,347,443)
Net Interest Income		132,052,693	90,104,999	132,052,693	90,104,999
Fee and Commission Income	8	48,215,588	36,068,318	48,215,588	36,068,318
Fees & Commission Expenses	8a	(484,437)	(114,668)	(484,437)	(114,668)
Net fees & Commission Income		47,731,151	35,953,650	47,731,151	35,953,650
Gains less Losses on Financial Transactions	9	3,750,900	1,799,348	3,750,900	1,799,348
Other Operating Income	10	3,026,832	19,240,460	1,784,968	18,149,059
Total Operating Income		186,561,576	147,098,457	185,319,712	146,007,056
Credit Impairment Loss	11	(8,784,170)	(647,915)	(8,784,170)	(647,915)
Net Operating Income		177,777,406	146,450,542	176,535,542	145,359,141
Staff Cost	12	(67,925,902)	(58,026,185)	(67,714,010)	(57,884,160)
Depreciation		(7,514,042)	(5,931,005)	(7,514,042)	(5,931,005)
Other Operating Expenses	13	(43,499,721)	(35,765,795)	(43,254,635)	(35,497,559)
Operating Profit		58,837,741	46,727,557	58,052,855	46,046,417
Other Income	14	257,891	233,747	257,891	233,747
Profit Before Exceptional Item		59,095,632	46,961,304	58,310,746	46,280,164
Exceptional Item	12a	(9,382,240)	0	(9,382,240)	0
Profit Before Taxation		49,713,392	46,961,304	48,928,506	46,280,164
Taxation	15	(12,119,876)	(14,082,039)	(11,923,655)	(14,012,918)
Profit After Tax Attributable to Equity Sareholders of the Bank		37,593,516	32,879,265	37,004,851	32,267,246
Basic Earnings Per Share (GH¢)	32	0.142	0.124	0.140	0.122

BALANCE SHEET AS AT 31ST DECEMBER, 2008

ASSETS	Notes	THE GROUP		THE BANK	
		2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
Cash and Balances with Bank of Ghana	16	203,584,140	116,215,000	202,811,774	115,338,071
Due from Other Banks and Financial Institutions	17	57,166,284	21,681,861	57,166,284	21,681,861
Short-Term Investments	18	117,597,348	94,819,067	116,371,223	92,996,512
Medium Term Investments	18a	110,000,000	110,000,000	110,000,000	110,000,000
Loans and Advances to Customers	19	1,087,118,928	750,663,543	1,087,118,928	750,663,543
Investment in Subsidiary	22	0	0	20	20
Available for Sale Financial Assets	23	17,804,666	5,849,814	15,453,659	4,973,757
Deferred Tax Asset	15a	2,312,309	990,534	2,312,309	990,534
Other Assets	24	13,551,035	24,627,086	13,477,660	24,481,971
Property, Plant & Equipment	25	41,085,638	29,872,480	41,085,138	29,871,980
TOTAL ASSETS		1,650,220,348	1,154,719,385	1,645,796,995	1,150,998,249
LIABILITIES					
Customers Deposits	26	1,030,106,198	839,382,573	1,030,106,198	839,382,573
Due to Other Banks and Financial Institutions	28	91,337,682	58,044,439	91,337,682	58,044,439
Interest Payable and Other Liabilities	29	192,819,988	57,329,506	192,381,784	56,896,239
Current Tax Liabilities	15	10,907,356	9,096,952	10,807,666	8,983,718
Borrowings	30	117,300,000	14,000,000	117,300,000	14,000,000
TOTAL LIABILITIES		1,442,471,224	977,853,470	1,441,933,330	977,306,969
SHAREHOLDERS' FUND					
Stated Capital	31	72,000,000	72,000,000	72,000,000	72,000,000
Capital Surplus	36	8,605,489	868,505	7,742,534	0
Retained Earnings	36	89,940,975	73,087,071	87,288,658	71,077,544
Regulated Reserve Fund	36	9,794,777	8,201,646	9,794,777	8,201,646
Statutory Reserve Fund	36	27,407,883	22,708,693	27,037,696	22,412,090
SHAREHOLDERS' FUND		207,749,124	176,865,915	203,863,665	173,691,280
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		1,650,220,348	1,154,719,385	1,645,796,995	1,150,998,249

Approved by the Board on 12th February, 2009


Director


Director

**STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER, 2008**

GROUP	Stated Capital GH¢	Regulatory Credit Reserve Risk GH¢	Capital Surplus GH¢	Retained Earnings GH¢	Statutory Reserve GH¢	Total GH¢
2008						
Balance at 1st January 2008	72,000,000	8,201,646	868,505	73,087,071	22,708,693	176,865,915
Net profit for the year	0	0	0	37,593,516	0	37,593,516
Changes in fair value of shares	0	0	7,736,984	0	0	7,736,984
Other Adjustments	0	0	0	127,709	0	127,709
Transfer to statutory reserve	0	0	0	(4,699,190)	4,699,190	0
Transfer to Regulatory Credit Reserve	0	1,593,131	0	(1,593,131)	0	0
Dividend paid	0	0	0	(14,575,000)	0	(14,575,000)
	<u>72,000,000</u>	<u>9,794,777</u>	<u>8,605,489</u>	<u>89,940,975</u>	<u>27,407,883</u>	<u>207,749,124</u>
2007						
Balance at 1st January 2007	12,000,000	549,494	1579,200	58,695,200	19,526,000	92,349,894
Release on disposal	0	0	(302,717)	0	0	(302,717)
Net profit for the year	0	0	0	32,879,265	0	32,879,265
Changes in fair value of shares	0	0	(755)	0	0	(755)
Other Adjustments	0	0	(407,223)	1,422,451	0	1,015,228
Transfer to statutory reserve	0	0	0	(3,182,693)	3,182,693	0
Transfer to Regulatory Credit Reserve	0	7,652,152	0	(7,652,152)	0	0
Capitalisation issuance	60,000,000	0	0	0	0	60,000,000
Dividend paid	0	0	0	(9,075,000)	0	(9,075,000)
	<u>72,000,000</u>	<u>8,201,646</u>	<u>868,505</u>	<u>73,087,071</u>	<u>22,708,693</u>	<u>176,865,915</u>
BANK						
2008						
Balance at 1st January 2007	72,000,000	8,201,646	0	71,077,544	22,412,090	173,691,280
Net profit for the year	0	0	0	37,004,851	0	37,004,851
Changes in fair value of shares	0	0	7,742,534	0	0	7,742,534
Transfer to statutory reserve	0	0	0	(4,625,606)	4,625,606	0
Transfer to Capital Surplus	0	0	0	0	0	0
Transfer to Regulatory Credit Reserve	0	1,593,131	0	(1,593,131)	0	0
Dividend paid	0	0	0	(14,575,000)	0	(14,575,000)
	<u>72,000,000</u>	<u>9,794,777</u>	<u>7,742,534</u>	<u>87,288,658</u>	<u>27,037,696</u>	<u>203,863,665</u>
2007						
Balance at 1st January 2007	12,000,000	549,494	407,565	57,728,965	19,305,900	89,991,924
Net profit for the year	0	0	0	32,267,246	0	32,267,246
Transfer to statutory reserve	0	0	0	(3,106,190)	3,106,190	0
Transfer to Regulatory Credit Risk	0	7,652,152	0	(7,652,152)	0	0
Other Adjustments	0	0	(407,565)	914,675	0	507,110
Capitalisation issuance	60,000,000	0	0	0	0	60,000,000
Dividend paid	0	0	0	(9,075,000)	0	(9,075,000)
	<u>72,000,000</u>	<u>8,201,646</u>	<u>0</u>	<u>71,077,544</u>	<u>22,412,090</u>	<u>173,691,280</u>

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER

	THE GROUP		THE BANK	
	2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
Cash flows from operating activities				
Net profit before tax	49,713,392	46,961,304	48,928,506	46,280,164
Adjustments for:				
Dividend received	(2,203,223)	(1,306,332)	(1,136,250)	(835,498)
Depreciation charge	7,514,042	5,931,005	7,514,042	5,931,005
Credit impairment Loss	8,784,170	647,915	8,784,170	647,915
Loss/(Profit) on sale of fixed assets	1,791,500	(29,039)	1,791,500	(29,039)
Operating profit before working capital changes	65,599,881	52,204,853	65,881,968	51,994,547
Decrease in investments	21,801,824	24,641,624	21,195,976	24,019,024
Increase in Loans and Advances to Customers	(342,958,975)	(384,147,064)	(342,958,974)	(384,147,064)
Decrease/(Increase) in Other Assets Accounts	11,076,051	(13,847,886)	11,004,311	(13,721,440)
Increase in Customers Deposits	190,723,625	204,809,873	190,723,625	204,809,873
Increase in Interest Payable and Other Liabilities	127,718,698	5,605,699	129,527,391	5,655,764
Increase in Borrowings	103,300,000	14,000,000	103,300,000	14,000,000
Increase in Balance Due to Other Banks	33,293,243	57,403,944	33,293,243	57,403,944
Cash generated from operations	210,554,347	(39,328,957)	211,967,539	(39,985,352)
Tax paid	(11,518,013)	(7,728,288)	(11,421,482)	(7,609,000)
Net cash inflow from operating activities	199,036,334	(47,057,245)	200,546,057	(47,594,352)
Cash flows from investing activities				
Purchase of Property, Plant & Equipment	(20,591,679)	(12,697,235)	(20,591,679)	(12,697,235)
Decrease/(Increase) in Available for Sale Financial Assets	(11,954,852)	421,486	(10,479,902)	47,043
Proceeds on sale of Property, Plant & Equipment	72,979	29,039	72,979	29,039
Dividend received from investments	2,203,223	1,306,332	1,136,250	835,498
Dividends paid	(14,575,000)	(9,075,000)	(14,575,000)	(9,075,000)
Net cash outflow from investing activities	(44,845,329)	(20,015,378)	(44,437,352)	(20,860,655)
Cash flows from financing activities				
Proceeds from rights issue of ordinary shares	0	60,000,000	0	60,000,000
Sale of treasury shares	0	211	0	211
Net cash inflow from financing activities	0	60,000,211	0	60,000,211
Net Increase in cash and cash equivalents	154,191,005	(7,072,412)	156,108,705	(8,454,796)
Cash and cash equivalents at beginning of the year	151,139,524	158,211,936	148,440,040	156,894,836
Cash and cash equivalents at end of the year	305,330,529	151,139,524	304,548,745	148,440,040
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and Balances with Bank of Ghana	203,584,140	116,215,000	202,811,774	115,338,071
Treasury Bills	44,580,105	13,242,663	44,570,687	11,420,108
Due from other Banks and Financial Institutions	57,166,284	21,681,861	57,166,284	21,681,861
	305,330,529	151,139,524	304,548,745	148,440,040

NOTES TO THE FINANCIAL STATEMENTS

1. Corporate Information

Ghana Commercial Bank Limited is a bank incorporated in Ghana. The Bank operates with a universal banking license that allows it to undertake all banking and related activities. The Bank is listed on the Ghana Stock Exchange. The address of the registered office of the Bank is Ghana Commercial Bank Building, Thorpe Road, High Street, Accra.

2. Basis of Preparation

a. Statement of Compliance

The financial statements of Ghana Commercial Bank Limited and its subsidiary have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations adopted by the International Accounting Standards Board (IASB) and as required by Bank of Ghana and Ghana Stock Exchange. These are the Bank's first set of financial statements prepared in accordance with IFRS and IFRS1 has been applied. In accordance with the transitional requirements of these standards, the Bank has provided full comparative information.

b. Basis of Measurement

The consolidated and individual financial statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial assets and liabilities to the extent required or permitted under accounting standards and as set out in the relevant accounting policies.

c. Use of Estimates and Judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and the associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

d. Functional and Presentation Currency

The financial statements are presented in Ghana Cedis(GH¢), which is the Bank's functional and presentational currency.

3. Significant Accounting Policies

The significant accounting policies adopted by the Bank and its subsidiary which have been used in preparing these financial statements are as follows:

a. Basis of Consolidation

- (i) The consolidated financial statements comprise the financial statements of Ghana Commercial Bank Limited and its subsidiary as at 31 December each year. Subsidiaries are all entities including special purpose entities over which the Bank has the power to directly or indirectly govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.
- (ii) Subsidiaries are fully consolidated from the date on which the Bank effectively obtains control. They are de-consolidated from the date the control ceases. Subsidiaries that are considered insignificant are not consolidated and the Bank's interests in those subsidiaries are classified as long term investment.
- (iii) Investments in Subsidiaries, Associates and Joint Ventures are held at cost less impairment and dividend from pre-acquisition profits received, if any.

b. Revenue Recognition

(i) Interest Income and Expense

Interest Income and expenses are recognized in the statement of income for all financial instruments measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial assets or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instruments, when appropriate, a shorter period to the net carrying amount of the financial asset or liability. When calculating the effective interest rate, the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the instrument.

When a financial asset or a group of similar financial assets have been written down as a result of impairment, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of

NOTES TO THE FINANCIAL STATEMENTS

measuring the impairment loss.

Interest Income and expenses on financial assets and liabilities held at fair value through profit or loss is recognized in the income statement in the period they arise.

(ii) Fees and commissions

Fees and commissions income and expenses that are an integral part to the effective interest rate on financial instruments are included in the measurement of the effective interest rate. Fees and commission relating to specific services are recognised as revenue when the related services are performed.

(iii) Rental Income

Rental Income is recognised on accrual basis.

(iv) Other Operating Income

Other operating Income comprises other income including gains or losses arising on fair value changes in trading assets and liabilities, derecognised available for sale financial assets, and foreign exchange differences.

(c.) Financial Assets and Financial Liabilities

(i) Categorisation of Financial Assets and Financial Liabilities

The Bank classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivable; available-for-sale financial assets; and held-to-maturity investments. Financial liabilities are classified as either held at fair value through profit or loss, or amortised cost. Management determines the categorisation of its financial assets and financial liabilities at initial recognition.

(ii) Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

Financial asset or liability at fair value through profit or loss is a financial asset or financial liability that meets either of the following conditions:

(iii) Held for Trading

A financial asset or financial liability is classified as held for trading if it is: acquired or incurred principally for the purpose of selling or repurchasing in the near future; or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

(iv) Designated at Fair Value Through Profit or Loss

Upon initial recognition as financial asset or financial liability, it is designated by the Bank as at fair value through profit or loss except for investments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

(v) Loans and Advances

Loans and Advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(vi) Available-for-sale Financial Assets

Available-for-sale financial assets are non-derivative financial assets that are designated on initial recognition as available for sale and are held for an indefinite period of time and may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(vii) Held-to-maturity Investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Bank has the positive intention and ability to hold to maturity.

(viii) Initial Recognition of Financial Assets and Financial Liabilities

The Bank shall recognise a financial asset or financial liability on its balance sheet when, and only when, the Bank becomes a party to the contractual provisions of the instrument subject to the provisions in respect of regular way purchases or sales of a financial asset which state that, 'a regular way purchase or sale of financial assets is recognised and derecognized using either trade date or settlement date accounting'.

(ix) Initial Measurement of Financial Assets and Financial Liabilities

When a financial asset or financial liability is recognised initially, the Bank measures it at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

When the Bank uses settlement date accounting for an asset that is subsequently measured at cost or amortised cost, the asset is recognised initially at its fair value on the trade date.

NOTES TO THE FINANCIAL STATEMENTS

(x) Subsequent Measurement of Financial Assets

After initial recognition, the Bank measures financial assets, including derivatives that are assets, at their fair value, without any deduction for transaction costs it may incur on sale or other disposal, except for the following financial assets: loans and receivables, which are measured at amortised cost using the effective interest method; held-to-maturity investments and investment in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, which shall be measured at cost.

(xi) Subsequent Measurement of Financial Liabilities

After initial recognition, the Bank measures all financial liabilities at amortised cost using the effective interest method, except for: financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, measured at fair value except for a derivative liability that is linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, which shall be measured at cost; and financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or is accounted for using the continuing involvement approach.

(xii) Derecognition of Financial Assets and Financial Liabilities

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Bank has transferred substantially all the risks and rewards of ownership. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset.

A financial liability (or part of a financial liability) is removed from the Bank's balance sheet when, and only when, it is extinguished i.e. when the obligation specified in the contract is: discharged; cancelled; or expired.

(xiii) Fair value measurement

The determination of fair values of quoted financial assets and liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or liability is not actively traded or unlisted securities, the Bank establishes fair values by using valuation techniques. These techniques include the use of arm's length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants in setting a price.

The valuation techniques may be adjusted to allow for a number of factors as appropriate because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value in the balance sheet.

(xiv) Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only the Bank has a legal right to set off the amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(xv) Amortised Cost Measurement

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal repayment, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(xvi) Measurement of Impairment and Provision for Credit Losses

The Bank shall assess at each balance sheet date, whether there is any objective evidence that a financial asset or group of financial assets is impaired.

A financial asset or group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after initial recognition of the asset (a loss event) and that loss event(s) has an impact on the estimated future cash flows of the financial assets or group of financial assets that can be reliably estimated. It may not be possible to identify a single, discrete event that caused the impairment. Rather, the combined effect of several events may have caused the impairment. Objective evidence that a financial asset or group of financial assets is impaired includes observable data that comes to the attention of the Bank about the following loss events:

- ☐ significant financial difficulty of the issuer or the obligor;
- ☐ a breach of contract, such as a default or delinquency in interest or principal payment;

NOTES TO THE FINANCIAL STATEMENTS

- the lender (the Bank), for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Bank would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with individual financial assets in the group, including:
 - adverse changes in the payment status of borrowers in the group (e.g. an increased number of delayed payments); or
 - national or local economic conditions that correlate with defaults in the group (e.g. an increase in the unemployment rate in the geographical area of the borrowers, a decrease in property prices for mortgages in the relevant area, a decrease in oil prices for loan assets to oil companies, or adverse changes in the industry conditions that affect the borrowers in the group).

A provision for credit losses is established if there is objective evidence that the Bank will be unable to collect all amounts due on a claim according to the original contractual term. A "claim" means a loan, a commitment such as a letter of credit, guarantee or commitment to extend credit or other credit product.

An allowance for credit loss is reported as a reduction in carrying value of a claim on the balance sheet, whereas for an off-balance sheet item such as a commitment, a provision for credit loss is reported in other liabilities. Additions to provisions for credit losses are made through credit loss expense.

Provision for credit losses is based on the following principles:

Counterparty-specific A claim is considered as a loss when management determines that it is probable that the Bank will not be able to collect all amounts due according to the original contractual terms.

Individual credit exposures are evaluated based on the borrower's character, overall financial condition, resources and payment record, prospects of support from financially responsible guarantor and cash collaterals.

An impaired asset refers to an asset where there is no longer reasonable assurance of timely collection of the full amount of principal and interest due to deterioration in the credit quality of the counterparty. An asset is impaired if the estimated recoverable amount of an asset is less than its carrying amount shown in the books of the Bank. Impairment is measured and a provision for credit losses is established for the difference between the carrying amount and its estimated recoverable value.

Estimated recoverable amount is measured by discounting the expected future cash flows at the effective interest rate inherent in the asset. When the amount and timing of future cash flows cannot be estimated with reasonable reliability, estimated, recoverable amounts may be measured at either:

The fair value of any security underlying the assets, net of expected costs of recovery and any amount legally required to be paid to the borrowers; or Observable market prices for the assets.

Upon impairment the accrual of interest income based on the original terms of the claim is discontinued until the asset has been written down to its estimated recoverable amount. Interest income thereafter is recognised.

A write-off is made when all or part of a claim is deemed uncollectible or forgiven. Write-offs are charged against previously established allowances for credit losses or directly to credit loss expense and reduce the principal amount of a claim.

(d) **Foreign Currency Translation**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the functional currency rate of exchange ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or year-end exchange rates if held at fair value, and the resulting foreign exchange gains and losses are recognised in the income statement or shareholders' equity as appropriate.

NOTES TO THE FINANCIAL STATEMENTS

(f) Property, Plant and Equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Bank and the cost can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and fair value less cost to sell. Impairment losses are recognised in the Income Statement.

Depreciation is recognised in the income statement on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Freehold Buildings	2%
Computer and Related equipment	33.3%
Furniture and Equipment	25%
Motor Vehicles	25%

Depreciation methods, residual values and useful lives are reassessed at each financial year. Gains and losses on disposal of property, plant and equipment are included in the income statement.

(g) Taxation

The Bank provides for income taxes at the current tax rates on the taxable profits of the Bank.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustment to tax payable in respect of previous years.

(h) Deferred Taxation

Deferred tax is provided in full using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying values for financial reporting purposes.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on law that has been enacted or substantively enacted by the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(i) Impairment of Non-financial Assets

The carrying amount of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the assets recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

NOTES TO THE FINANCIAL STATEMENTS

(j) Employee Benefits

(i) Short Term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short term cash bonus or profit sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Post Employment Benefits

Social Security and National Insurance Trust (SSNIT)

Under a National Deferred Benefit Pension Scheme, the Bank contributes 12.5% of employee's basic salary to the SSNIT for employee pensions. The Bank's obligation is limited to the relevant contributions, which were settled on due dates. The pension liabilities and obligations, however, rest with SSNIT.

Provident Fund

The Bank has a Provident Fund Scheme for all employees who have completed probation with the Bank. Employees contribute 10% of their basic salary to the Fund whilst the Bank contributes 12.5%. The obligation under the plan is limited to the relevant contribution and these are settled on due dates to the fund manager.

(iii) Post Employment Medical Care

The Bank is committed to paying post retirement medical care of the Bank's staff. All payments made under this commitment are charged to the income statement as incurred in accordance with the rules of the scheme.

(iv) Termination Benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Bank recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(k) Provisions

Provisions are recognised when the Bank has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Where the obligation is expected to be settled over a period of years, the provision is discounted using a discount rate appropriate to the nature of the provision.

(l) Dividend

Dividends declared are treated as an appropriation of profits in the year of approval, whilst dividend proposed is disclosed as a note to the financial statements.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any difference between the amount initially recognised (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest rate method.

Borrowings are classified as non-current liabilities where the Bank has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(n) Post Balance Sheet Events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

(o) Financial Guarantees

Financial Guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instruments.

(p) Cash and Cash Equivalents

For the purposes of cash flow statement, cash and cash equivalents include cash, non-restricted balances with Bank of Ghana, amounts due from other banks and financial institutions and short term Investments maturing in three months or less from the date of acquisition.

NOTES TO THE FINANCIAL STATEMENTS

4. PERCENTAGE OF GROSS NON-PERFORMING LOANS TO TOTAL CREDIT PORTFOLIO

Percentage of Gross Non-Performing Loans (Substandard to Loss) to Total Credit Portfolio is 2% (2007 : 2%).

5. Amount spent on fulfilling social responsibility obligations was GH¢1,051,989 (2007: GH¢683,886)

	THE GROUP		THE BANK	
	2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
6. INTEREST INCOME				
Cash and Short Term Funds	4,038,048	4,732,833	4,038,048	4,732,833
Investment Securities	32,659,800	32,173,733	32,659,800	32,173,733
Loans and Advances	144,965,249	75,545,876	144,965,249	75,545,876
	<u>181,663,097</u>	<u>112,452,442</u>	<u>181,663,097</u>	<u>112,452,442</u>
7. INTEREST EXPENSE				
Current Accounts	19,141,089	11,067,385	19,141,089	11,067,385
Time and Other Deposits	8,792,866	4,109,681	8,792,866	4,109,681
Overnight and Call Accounts	21,676,449	7,170,377	21,676,449	7,170,377
	<u>49,610,404</u>	<u>22,347,443</u>	<u>49,610,404</u>	<u>22,347,443</u>
8. FEES & COMMISSION INCOME				
Letters of Credit and Guarantees	7,711,809	5,125,313	7,711,809	5,125,313
Foreign Services	5,154,971	2,798,846	5,154,971	2,798,846
Commission on Turnover	15,100,870	12,771,413	15,100,870	12,771,413
Processing and Facility Fees	2,712,257	1,699,573	2,712,257	1,699,573
Others	17,535,681	13,673,173	17,535,681	13,673,173
	<u>48,215,588</u>	<u>36,068,318</u>	<u>48,215,588</u>	<u>36,068,318</u>
8a. FEES & COMMISSION EXPENSES				
Fees & Commission Expenses	<u>484,437</u>	<u>114,668</u>	<u>484,437</u>	<u>114,668</u>
	<u>484,437</u>	<u>114,668</u>	<u>484,437</u>	<u>114,668</u>
9. GAINS LESS LOSSES ON FINANCIAL TRANSACTIONS				
Net Gain from Exchange Transactions	<u>3,750,900</u>	<u>1,799,348</u>	<u>3,750,900</u>	<u>1,799,348</u>
	<u>3,750,900</u>	<u>1,799,348</u>	<u>3,750,900</u>	<u>1,799,348</u>
10. OTHER OPERATING INCOME				
Bad Debts Recoveries	91,479	16,155,259	91,479	16,155,259
Dividend income	2,203,223	1,306,332	1,136,250	835,498
Profit on Disposal of Assets	0	29,039	0	29,039
Others	732,130	1,749,830	557,239	1,129,263
	<u>3,026,832</u>	<u>19,240,460</u>	<u>1,784,968</u>	<u>18,149,059</u>
11. CREDIT IMPAIRMENT LOSS				
Corporate Lending	6,503,590	351,216	6,503,590	351,216
Financial Guarantees	2,280,580	296,699	2,280,580	296,699
	<u>8,784,170</u>	<u>647,915</u>	<u>8,784,170</u>	<u>647,915</u>
12. STAFF COST				
Wages & Salaries	36,754,167	35,717,772	36,629,770	35,586,347
Social Security Fund Contributions	3,951,670	3,457,549	3,940,183	3,457,549
Provident Fund contributions	3,873,779	3,372,481	3,862,292	3,372,481
Medical Expenses	1,068,877	766,093	1,059,327	755,493
Pension/Gratuity	3,705,642	3,030,806	3,705,642	3,030,806
Other Employee costs	18,571,767	11,681,484	18,516,796	11,681,484
	<u>67,925,902</u>	<u>58,026,185</u>	<u>67,714,010</u>	<u>57,884,160</u>

The average number of persons employed by the Bank during the year was 2,148 (2007 : 2,200)

12a. EXCEPTIONAL ITEM

Staff Rationalisation Cost	<u>9,382,240</u>	<u>0</u>	<u>9,382,240</u>	<u>0</u>
	<u>9,382,240</u>	<u>0</u>	<u>9,382,240</u>	<u>0</u>

In the course of the year the Bank as a result of repositioning itself in the industry paid an amount of GH¢9,382,240 on staff rationalisation.

NOTES TO THE FINANCIAL STATEMENTS

	THE GROUP		THE BANK	
	2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
13. OPERATING EXPENSES				
Advertising and Marketing	1,877,238	897,136	1,877,238	897,136
Administrative Expenses	18,806,962	16,288,305	18,806,962	16,288,305
Training	1,675,083	1,138,313	1,650,483	1,135,813
Directors Emoluments	528,978	492,395	528,978	492,395
Auditors Remuneration	170,875	116,475	161,250	107,500
Floatation Expenses	8,071	2,013,269	8,071	2,013,269
Others	18,641,014	14,819,902	18,430,153	14,563,141
Loss on Disposal	1,791,500	0	1,791,500	0
	<u>43,499,721</u>	<u>35,765,795</u>	<u>43,254,635</u>	<u>35,497,559</u>
14. OTHER INCOME				
Rental Income	257,891	233,747	257,891	233,747
	<u>257,891</u>	<u>233,747</u>	<u>257,891</u>	<u>233,747</u>
15. TAXATION				
(I) Income Tax Expense				
Current Tax Expense	13,441,651	12,203,645	13,245,430	12,134,524
Deferred Tax (Credit)/Expenses	(1,321,775)	1,878,394	(1,321,775)	1,878,394
	<u>12,119,876</u>	<u>14,082,039</u>	<u>11,923,655</u>	<u>14,012,918</u>
(ii) Reconciliation of effective tax rate				
Profit Before Tax	<u>49,713,392</u>	<u>46,961,304</u>	<u>48,928,506</u>	<u>46,280,164</u>
Tax at 25% (2007: 25%)	<u>12,428,348</u>	<u>11,740,326</u>	<u>12,232,127</u>	<u>11,570,041</u>
Tax effect of non-deductible expenses	4,645,029	2,905,245	4,645,029	2,905,245
Tax effect of deductible income and unrealised gains	(1,290,473)	(827,057)	(1,290,473)	(725,893)
Tax effect of capital allowance	(2,496,625)	(1,689,101)	(2,496,625)	(1,689,101)
Other Taxes	155,372	74,232	155,372	74,232
Deferred Tax (Credit)/Expenses	(1,321,775)	1,878,394	(1,321,775)	1,878,394
	<u>12,119,876</u>	<u>14,082,039</u>	<u>11,923,655</u>	<u>14,012,918</u>
Effective tax rate	24%	30%	24%	30%
(Iii) Current Tax liabilities				
	Balance 1-1-08 GH¢	Payments During the Year GH¢	Credit Charge for the year GH¢	Balance 31-12-08 GH¢
THE BANK				
Income Tax	8,983,718	0	0	8,983,718
1994-2007	0	(11,421,482)	13,245,430	1,823,948
2008	<u>8,983,718</u>	<u>11,421,482</u>	<u>13,245,430</u>	<u>10,807,666</u>
THE GROUP				
Income Tax	9,096,952	0	0	9,096,952
1994-2007	0	(113,234)	0	(113,234)
Over Provision	0	(11,518,013)	13,441,651	1,923,638
2008	<u>9,096,952</u>	<u>(11,631,247)</u>	<u>13,441,651</u>	<u>10,907,356</u>

NOTES TO THE FINANCIAL STATEMENTS

		THE GROUP		THE BANK	
		2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
15a	DEFERRED TAXATION				
	THE BANK				
	1994-2007	(990,534)	0	0	(990,534)
	2008	<u>0</u>	<u>0</u>	<u>(1,321,775)</u>	<u>(1,321,775)</u>
		<u>(990,534)</u>	<u>0</u>	<u>(1,321,775)</u>	<u>(2,312,309)</u>
	THE GROUP				
	1994-2007	(990,534)	0	0	(990,534)
	2008	<u>0</u>	<u>0</u>	<u>(1,321,775)</u>	<u>(1,321,775)</u>
		<u>(990,534)</u>	<u>0</u>	<u>(1,321,775)</u>	<u>(2,312,309)</u>
16.	CASH AND BALANCES WITH BANK OF GHANA				
	Cash in Hand	55,677,062	22,791,782	55,677,062	21,914,85323
	Balances with Bank of Ghana	<u>147,907,078</u>	<u>93,423,218</u>	<u>147,134,712</u>	<u>93,423,218</u>
		<u>203,584,140</u>	<u>116,215,000</u>	<u>202,811,774</u>	<u>115,338,071</u>
17.	DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS				
	Nostro Account Balances	15,064,728	1,239,765	15,064,728	1,239,765
	Placements with Other Banks	<u>42,101,556</u>	<u>20,442,096</u>	<u>42,101,556</u>	<u>20,442,096</u>
		<u>57,166,284</u>	<u>21,681,861</u>	<u>57,166,284</u>	<u>21,681,861</u>
18.	SHORT TERM INVESTMENTS				
	Stocks and Bonds	65,330,000	65,330,000	65,330,000	65,330,000
	Treasury Bills/Notes	<u>52,267,348</u>	<u>29,489,067</u>	<u>51,041,223</u>	<u>27,666,512</u>
		<u>117,597,348</u>	<u>94,819,067</u>	<u>116,371,223</u>	<u>92,996,512</u>
18b.	MEDIUM TERM INVESTMENT				
	TOR Bonds	<u>110,000,000</u>	<u>110,000,000</u>	<u>110,000,000</u>	<u>110,000,000</u>
19.	LOANS AND ADVANCES TO CUSTOMERS				
	Analysis By Type:				
	Overdrafts	716,401,801	540,842,315	716,401,801	540,842,315
	Loans	<u>387,439,332</u>	<u>220,039,843</u>	<u>387,439,332</u>	<u>220,039,843</u>
	Gross Loans and Advances	<u>1,103,841,133</u>	<u>760,882,158</u>	<u>1,103,841,133</u>	<u>760,882,158</u>
	Impairment allowance	<u>(16,722,205)</u>	<u>(10,218,615)</u>	<u>(16,722,205)</u>	<u>(10,218,615)</u>
	Net Loans and Advances	<u>1,087,118,928</u>	<u>750,663,543</u>	<u>1,087,118,928</u>	<u>750,663,543</u>
a.	Loans and Advances (Including Credit Bills Negotiated) To Customers and staff	1,719,302,216	1,223,797,107	1,719,302,216	1,223,797,107
b.	Loan Loss Provision Ratio	0.01:1	0.01:1	0.01:1	0.01:1
c.	Gross Non-Performing Loans Ratio	0.02:1	0.02:1	0.02:1	0.02:1
d.	50 Largest exposures (Gross Funded Loan And Advances) to Total Exposures	0.59:1	0.61:1	0.59:1	0.61:1

NOTES TO THE FINANCIAL STATEMENTS

	THE GROUP		THE BANK	
	2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
20. Analysis by business Segments:				
Agriculture, Forestry & Fishing	3,750,399	1,355,469	3,750,399	1,355,469
Mining & Quarrying	9,729,270	2,117,170	9,729,270	2,117,170
Manufacturing	40,380,394	17,002,282	40,380,394	17,002,282
Construction	22,115,106	7,726,361	22,115,106	7,726,361
Commerce and Finance	868,586,943	650,266,417	868,586,943	650,266,417
Transport, Storage & Communication	7,202,463	6,089,106	7,202,463	6,089,106
Services	149,107,600	74,055,880	149,107,600	74,055,880
Miscellaneous	2,968,958	2,269,473	2,968,958	2,269,473
	<u>1,103,841,133</u>	<u>760,882,158</u>	<u>1,103,841,133</u>	<u>760,882,158</u>
Impairment allowance	<u>(16,722,205)</u>	<u>(10,218,615)</u>	<u>(16,722,205)</u>	<u>(10,218,615)</u>
	<u>1,087,118,928</u>	<u>750,663,543</u>	<u>1,087,118,928</u>	<u>750,663,543</u>
21. Analysis by type of customer:				
Individuals	123,983,209	46,502,016	123,983,209	46,502,016
Other Private Enterprises	201,240,122	185,351,076	201,240,122	185,351,076
Government Departments and Agencies/Public Enterprises	778,617,802	529,029,066	778,617,802	529,029,066
	<u>1,103,841,133</u>	<u>760,882,158</u>	<u>1,103,841,133</u>	<u>760,882,158</u>
Impairment allowance	<u>(16,722,205)</u>	<u>(10,218,615)</u>	<u>(16,722,205)</u>	<u>(10,218,615)</u>
	<u>1,087,118,928</u>	<u>750,663,543</u>	<u>1,087,118,928</u>	<u>750,663,543</u>
Movement in the Bank's impairment are as follows:				
Balance at 1st January	10,218,615	0	10,218,615	0
Net increase in provisions	6,503,590	10,218,615	6,503,590	10,218,615
Balance at 31st December	<u>16,722,205</u>	<u>10,218,615</u>	<u>16,722,205</u>	<u>10,218,615</u>
22. INVESTMENT IN SUBSIDIARY				
Investment in subsidiary:	<u>0</u>	<u>0</u>	<u>20</u>	<u>20</u>
	Nature of Business	Country of Incorporation	Percentage Interest	
Development Finance & Holdings Limited	Investments	Ghana	100%	
23. AVAILABLE FOR SALE FINANCIAL ASSETS				
Listed Equity Securities	11,585,557	73,320	11,513,787	0
Unlisted Equity Securities	<u>6,219,109</u>	<u>5,776,494</u>	<u>3,939,872</u>	<u>4,973,757</u>
	<u>17,804,666</u>	<u>5,849,814</u>	<u>15,453,659</u>	<u>4,973,757</u>
24. OTHER ASSETS				
Accounts Receivable and Prepayments	8,547,948	20,462,601	8,474,573	20,317,486
Accrued Income	5,003,087	4,164,485	5,003,087	4,164,485
	<u>13,551,035</u>	<u>24,627,086</u>	<u>13,477,660</u>	<u>24,481,971</u>

NOTES TO THE FINANCIAL STATEMENTS

25. PROPERTY, PLANT & EQUIPMENT

THE BANK	LAND AND BUILDINGS GH¢	COMPUTERS GH¢	FURNITURE AND EQUIPMENT GH¢	MOTOR VEHICLES GH¢	TOTAL GH¢
COST OR VALUATION					
Balance at 1-1-2008	22,600,408	16,687,250	14,672,034	2,611,833	56,571,525
Additions	8,418,883	7,202,787	4,921,143	48,866	20,591,679
Disposals	0	(1,214,874)	(2,206,083)	(59,146)	(3,480,103)
Balance at 31-12-2008	<u>31,019,291</u>	<u>22,675,163</u>	<u>17,387,094</u>	<u>2,601,553</u>	<u>73,683,101</u>
DEPRECIATION					
Balance at 1-1-2008	4,253,178	11,530,849	8,848,817	2,066,701	26,699,545
Charge for the year	536,892	4,041,134	2,654,532	281,484	7,514,042
Disposals	0	(651,825)	(927,326)	(36,473)	(1,615,624)
Balance at 31-12-2008	<u>4,790,070</u>	<u>14,920,158</u>	<u>10,576,023</u>	<u>2,311,712</u>	<u>32,597,963</u>
NET BOOK VALUE					
31-12-2008	<u>26,229,221</u>	<u>7,755,005</u>	<u>6,811,071</u>	<u>289,841</u>	<u>41,085,138</u>
31-12-2007	<u>18,347,230</u>	<u>5,156,401</u>	<u>5,823,217</u>	<u>545,132</u>	<u>29,871,980</u>
THE GROUP					
COST OR VALUATION					
Balance at 1-1-2008	22,600,408	16,689,650	14,672,034	2,625,233	56,587,325
Additions	8,418,883	7,202,787	4,921,143	48,866	20,591,679
Disposals	0	(1,214,874)	(2,206,083)	(59,146)	(3,480,103)
Balance at 31-12-2008	<u>31,019,291</u>	<u>22,677,563</u>	<u>17,387,094</u>	<u>2,614,953</u>	<u>73,698,901</u>
DEPRECIATION					
Balance at 1-1-2008	4,253,178	11,536,649	8,848,817	2,076,201	26,714,845
Charge for the year	536,892	4,041,134	2,654,532	281,484	7,514,042
Disposals	0	(651,825)	(927,326)	(36,473)	(1,615,624)
Balance at 31-12-2007	<u>4,790,070</u>	<u>14,925,958</u>	<u>10,576,023</u>	<u>2,321,212</u>	<u>32,613,263</u>
NET BOOK VALUE					
31-12-2008	<u>26,229,221</u>	<u>7,751,605</u>	<u>6,811,071</u>	<u>293,741</u>	<u>41,085,638</u>
31-12-2007	<u>18,347,230</u>	<u>5,153,001</u>	<u>5,823,217</u>	<u>549,032</u>	<u>29,872,480</u>

NOTES TO THE FINANCIAL STATEMENTS

		THE GROUP		THE BANK	
		2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
26.	DUE TO CUSTOMERS				
	Current Account	480,658,584	376,317,153	480,658,584	376,317,153
	Time Deposits	214,953,457	182,301,613	214,953,457	182,301,613
	Savings Accounts	315,499,698	270,418,943	315,499,698	270,418,943
	Certificates of Deposit	18,994,459	10,344,864	18,994,459	10,344,864
		<u>1,030,106,198</u>	<u>839,382,573</u>	<u>1,030,106,198</u>	<u>839,382,573</u>
27.	ANALYSIS BY TYPE OF DEPOSITORS:				
	Financial Institutions	33,146,362	23,749,011	33,146,362	23,749,011
	Individuals and other Private Enterprises	599,921,779	556,109,610	599,921,779	556,109,610
	Public Enterprises	397,038,057	259,523,952	397,038,057	259,523,952
		<u>1,030,106,198</u>	<u>839,382,573</u>	<u>1,030,106,198</u>	<u>839,382,573</u>
A.	Ratio of 20 Largest Depositors to Total Deposits	0.31:1	0.32:1	0.31:1	0.32:1
28.	DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS				
	Deposits from Other Banks	91,337,682	58,044,439	91,337,682	58,044,439
		<u>91,337,682</u>	<u>58,044,439</u>	<u>91,337,682</u>	<u>58,044,439</u>
29.	INTEREST PAYABLE AND OTHER LIABILITIES				
	Creditors	21,928,562	25,098,814	21,928,562	25,098,814
	Accruals	2,239,533	1,360,814	2,239,533	1,360,814
	Others	168,651,893	30,869,878	168,213,689	30,436,611
		<u>192,819,988</u>	<u>57,329,506</u>	<u>192,381,784</u>	<u>56,896,239</u>
30.	BORROWING				
	Inter-Bank Market	117,300,000	14,000,000	117,300,000	14,000,000
		<u>117,300,000</u>	<u>14,000,000</u>	<u>117,300,000</u>	<u>14,000,000</u>

NOTES TO THE FINANCIAL STATEMENTS

		2008 Number	2008 Amount GH¢	2007 Number	2007 Amount GH¢
31. STATED CAPITAL					
a. Authorised Ordinary Shares					
Number of Ordinary shares of no par value		<u>1,500,000,000</u>		<u>1,500,000,000</u>	
b. Issued Ordinary Shares					
Issued Ordinary shares for Cash		115,000,000	60,030,100	115,000,000	60,030,100
Transfer from Income Surplus		86,500,000	343,000	86,500,000	343,000
Transfer from Income Surplus		0	10,000,000	0	10,000,000
Capitalization of Reserves		1,000,000	1,900	1,000,000	1,900
Transfer from Capital Surplus		62,500,000	1,625,000	62,500,000	1,625,000
		<u>265,000,000</u>	<u>72,000,000</u>	<u>265,000,000</u>	<u>72,000,000</u>

32. NUMBER OF SHARES IN ISSUE

The calculation of earnings per share was based on the profit attributable to ordinary shareholders and ordinary shares in issue during the year.

33. NUMBER OF SHAREHOLDERS

CATEGORIES OF SHAREHOLDERS			NO. OF SHARE- HOLDERS	NO. OF SHARES	PERCENTAGE HOLDINGS
Under	–	1,000 Shares	89,881	27,892,676	11%
1,001	–	5,000 Shares	7,639	16,929,359	6%
5,001	–	10,000 Shares	626	4,654,570	2%
Over	–	10,000 Shares	383	215,523,395	81%
			<u>98,529</u>	<u>265,000,000</u>	<u>100%</u>

34. DIRECTORS' SHAREHOLDINGS

DIRECTOR	SHAREHOLDING
KWABENA GYIMA OSEI-BONSU	6,000
LAWRENCE NEWTON ADU-MANTE	34,938
SAMUEL SARPONG	500
SAMUEL AMANKWAH	1,500
FRANKLIN KWABENA ASAMOAH	4,000
PETER AUGUSTUS OCRAN	13,500
DR. SAMUEL NII-NOI ASHONG	1,000
DR. EBENEZER MOSES DEBRAH	1,500
CECILIA NYANN (MRS)	1,227
JOE OFORI	727
	<u>64,892</u>

NOTES TO THE FINANCIAL STATEMENTS

35. Twenty largest shareholders

NO.	NAME	ADDRESS	SHARE-HOLDING	PERCENTAGE HOLDING
1.	SSNIT	P.O. Box MB. 149, Ministries	79,000,000	29.81%
2.	GH/GV Act. by Min. Of Fin. & Eco. Plann.	P.O. Box MB 40 Ministries	56,608,613	21.36%
3.	BBGN NORTHERN TRUST COAVFC 6314B	Barclays Bank Ghana, Head Office Accra	10,559,352	3.98%
4.	Daniel Ofori	P.O. Box KIA 16409 Accra	8,579,276	3.24%
5.	BBG NBNY JPMCC CLEARING GHC	Barclays Bank Ghana Nom. Ltd. Head Office. Accra	6,051,271	2.28%
6.	QVT FD LP	DataBank Brokerage Ltd PMB Ministries Accra	5,759,067	2.17%
7.	BBGN Re Epack Invst Fund Ltd	Barclays Bank Ghana Nom Ltd.	5,626,898	2.12%
8.	STD Bank Noms TVL PTY Ltd	Stanbic Bank Custodial Service, P.O. Box Ct2344 Accra	3,433,300	1.30%
9.	GCB Staff Provident Fund	P.O. Box 134 Accra	2,996,695	1.13%
10.	BBGN HSBC Bank PLC	Barclays Bank Ghana Nom. Ltd. Head Office, Accra	1,931,767	0.73%
11.	Ghana Reinsurance Co. Ltd	P.O. Box 7509 Accra	1,799,651	0.68%
12.	State Insurance Co. (Gh) Ltd.	P.O. Box 2363 Accra	1,796,399	0.68%
13.	Ghana Cocoa Board	P.O. Box 933 Accra	1,600,000	0.60%
14.	BBGN Barclays Mauritius	Barclays Bank Ghana Ltd	1,500,000	0.57%
15.	BBGN HSS LUX HALBIS FD	Barclays Bank Ghana Ltd Head Office Accra	1,400,000	0.53%
16.	BBGN Barclays Mauritius Re ICAP Sec. Ltd	Barclays Bank Ghana Ltd. Head Office Accra	1,338,908	0.51%
17.	Anglogold Ashanti Ltd Provident Fund	P.O. Box 2665 Accra	1,300,000	0.49%
18.	Tema Oil Refinery Limited	P.O. Box 599 Tema	1,000,000	0.38%
19.	BBGN SSB Eaton Vance Tax Managed FD	Barclays Bank Ltd Head Office Accra	967,303	0.37%
20.	ESSPA	Treasury Division GCB Head Office Accra	944,529	0.36%
TOTALS			194,193,029	73.28%

NOTES TO THE FINANCIAL STATEMENTS

36. OTHER RESERVES

THE GROUP

	Retained Earnings	Statutory Reserve Fund	Regulatory Credit Risk Reserve	Capital Surplus
	GH¢	GH¢	GH¢	GH¢
2008				
Balance at 1 January 2008	73,087,071	22,708,693	8,201,646	868,505
Net profit for the year	37,593,516	0	0	0
Changes in fair value of shares	0	0	0	7,736,984
Other Adjustments	127,709	0	0	0
Transfer to statutory reserve	(1,593,131)	0	1,593,131	0
Transfer to Statutory Reserve Fund	(4,699,190)	4,699,190	0	0
Dividend paid	(14,575,000)	0	0	0
Balance at 31-12-2008	89,940,975	27,407,883	9,794,777	8,605,489

2007

Balance at 1-1-2007	58,695,200	19,526,000	549,494	1,579,200
Net Profit for the Year	32,879,265	0	0	0
Release on Disposal	0	0	0	(302,717)
Other adjustments	1,422,451	0	0	(407,223)
Transfer to Regulated General Credit Risk	(7,652,152)	0	7,652,152	0
Transfer to Statutory Reserve Fund	(3,182,693)	3,182,693	0	0
Changes in fair value of shares	0	0	0	(755)
Dividend Paid	(9,075,000)	0	0	0
Balance at 31-12-2007	73,087,071	22,708,693	8,201,646	868,505

THE BANK

2008

Balance at 1-1-2008	71,077,544	22,412,090	8,201,646	0
Changes in fair value of Shares	0	0	0	7,742,534
Net Profit for the Year	37,004,851	0	0	0
Transfer to Statutory Reserve Fund	(4,625,606)	4,625,606	0	0
Transfer to Regulated General Credit Risk	(1,593,131)	0	1,593,131	0
Dividend Paid	(14,575,000)	0	0	0
Balance at 31-12-2008	87,288,658	27,037,696	9,794,777	7,742,534

2007

Balance at 1-1-2007	57,728,965	19,305,900	549,494	0
Net Profit for the Year	32,267,246	0	0	0
Other adjustments	914,675	0	0	0
Transfer to Statutory Reserve Fund	(3,106,190)	3,106,190	0	0
Dividend Paid	(9,075,000)	0	0	0
Transfer to Regulated General Credit Risk	(7,652,152)	0	7,652,152	0
Balance at 31-12-2007	71,077,544	22,412,090	8,201,646	0

(i) **Retained Earnings**

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

ii) **Statutory Reserve**

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with section 29 of the Banking Act., 2004(Act 673).

iii) **Capital Surplus**

This Comprises marked to market unrealised gains/loss on available for sale investment securities.

(iv) **Regulatory Credit Risk Reserve**

This represents amounts set aside from retained earnings to meet the minimum requirements of statutory impairment allowance for non-performing loans and advances.

NOTES TO THE FINANCIAL STATEMENTS

37. CONTINGENCIES AND COMMITMENTS

	THE GROUP		THE BANK	
	2008 GH¢	2007 GH¢	2008 GH¢	2007 GH¢
Letters of credit	615,461,083	462,914,949	615,461,083	462,914,949
Guarantees and Indemnities	173,038,460	97,526,608	173,038,460	97,526,608
	<u>788,499,543</u>	<u>560,441,557</u>	<u>788,499,543</u>	<u>560,441,557</u>

The Bank entered into various commitments in the normal course of banking business which are reflected in the accompanying balance sheet.

38. DIVIDEND

Balance at 1st January	0	0	0	0
Final dividend in respect of preceding year	14,575,000	9,075,000	14,575,000	9,075,000
Payments during the year	(14,575,000)	(9,075,000)	(14,575,000)	(9,075,000)
Balance at 31st December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The Directors have recommended a dividend of GH¢0.060 per share (2007: GH¢0.55 per share) amounting to GH¢15,900,000 (2007: GH¢14,575,000).

39. RELATED PARTY TRANSACTIONS

(I) Directors, Officers and Other Employees

The following are loan balances due from related parties:

Directors	19,419	0	19,419	0
Officers and Other Employees	12,668,334	9,313,958	12,668,334	9,313,958
	<u>12,687,753</u>	<u>9,313,958</u>	<u>12,687,753</u>	<u>9,313,958</u>

NOTES TO THE FINANCIAL STATEMENTS

40. CURRENCY EXPOSURE AT YEAR-END IN CEDI EQUIVALENTS OF THE FOLLOWING MAJOR CURRENCIES

	USD GH¢	GPB GH¢	EURO GH¢	OTHERS GH¢
ASSETS				
Cash and balances with Central Bank	8,796,237	789,198	3,018,679	2,694
Investment in other securities	0	0	0	0
Due from Other Banks	7,647,877	461,331	3,158,648	540,221
Loans and Advances to Customers	157,628,529	0	11,970,684	0
Investment in Subsidiary	0	0	0	0
Property and Equipment	0	0	0	0
Other Assets	0	0	0	0
Total Assets	174,072,643	1,250,529	18,148,011	542,915
LIABILITIES				
Due to customers	77,778,968	8,101,130	12,900,603	81,480
Due to other banks	0	0	0	0
Other liabilities	0	0	0	0
Tax	0	0	0	0
Borrowings	91,005,000	0	0	0
Total Liabilities	168,783,968	8,101,130	12,900,603	81,480
Net On Balance Sheet Position	5,288,675	(6,850,601)	5,247,408	461,435
Off-Balance Sheet Credit Commitments	423,093,140	7,082,649	12,477,609	852,915

41. MATURITIES OF ASSETS AND LIABILITIES (BANK)

	TOTAL GH¢	0-3 Months GH¢	3-6 Months GH¢	6-12 Months GH¢	Over 12 Months GH¢
Cash and Balances with Bank of Ghana	202,811,774	202,811,774	0	0	0
Due from Other Banks and Financial Institutions	57,166,284	57,166,284	0	0	0
Short-Term Investments	116,371,223	0	116,371,223	0	0
Medium Term Investments	110,000,000	0	0	0	110,000,000
Loans and Advances to Customers	1,087,118,928	312,700,826	145,500,757	199,919,434	428,997,911
Investment in Subsidiary	20	0	0	0	20
Available for Sale Financial Assets	15,453,659	0	0	0	15,453,659
Deferred Tax Assets	2,312,309	2,312,309	0	0	0
Other Assets	13,477,660	7,053,226	5,683,437	740,997	0
Property, Plant & Equipment	41,085,138	0	0	0	41,085,138
TOTAL ASSETS	1,645,796,995	582,044,419	267,555,417	200,660,431	595,536,728
LIABILITIES					
Customers Deposits	1,030,106,198	297,050,654	140,503,771	194,283,188	398,268,585
Due to Other Banks and Financial Institutions	91,337,682	91,337,682	0	0	0
Interest Payable and Other Liabilities	192,381,784	192,381,784	0	0	0
Current Tax Liabilities	10,807,666	10,807,666	0	0	0
Borrowings	117,300,000	117,300,000	0	0	0
TOTAL LIABILITIES	1,441,933,330	708,877,786	140,503,771	194,283,188	398,268,585
Net liquidity gap	203,863,665	(126,833,367)	127,051,646	6,377,243	197,268,143

NOTES TO THE FINANCIAL STATEMENTS

42. FINANCIAL RISK MANAGEMENT

The Bank has exposure to the following risk from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

This note presents information on the Bank's exposure to each of the risks, the Bank's objective, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Asset and Liability Management Committee (ALCO), Risk Management Division (RMD), Compliance Unit (CU) and Credit Committees which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. These committees report regularly to the Board of Directors on their activities through Executive Management.

The Bank's risk management policies are established to identify and analyse the risks faced by the Bank, to set appropriate risk limits and controls, and to monitor risks and adherence to established policies. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Bank through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Bank's CU is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank.

Credit Risk

Credit Risk Management

Credit risk is the risk of financial loss to the Bank if a customer or a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the bank's loan and advances to customers and other banks and investment securities.

The Credit Committees have responsibility for credit risk issues. Procedures for managing credit risk are determined at the business levels with specific policies and procedures being adapted to different risk environment and business goals. Risk officers are located in the business units to maximize the efficiency of decision making.

The business units working with the Risk Officers take responsibility for managing pricing for risk, portfolio diversification and overall asset quality within the requirement of bank's standards, policies and business strategy.

Corporate Banking

Within the Corporate Banking business, a numerical grading system of 1-8 with 1 being the highest quality is used for quantifying the risk associated with counterparty. The grading is based on the probability of default measures. Expected loss is used for further assessment of individual exposures and portfolio analysis. There is a clear segregation of duties with loan applications being prepared separately from the approval.

Retail Banking

For Retail Banking standard credit application forms are generally used to process and approve loans. As with Corporate Banking, origination and approval roles are segregated.

NOTES TO THE FINANCIAL STATEMENTS

Credit Management and Provisioning

Retail Banking

An account is considered to be in default when payment is not received on due date. Accounts that are overdue by more than 30 days are considered delinquent. These accounts are closely monitored and subjected to a collections process.

The process used for provisioning is dependent on the product. For unsecured products, individual provisions are made for the entire outstanding amount at 360 days past due. In certain situations such as bankruptcy, fraud and death, the loss recognition process is accelerated.

A portfolio impairment provision (PIP) is held to cover the inherent risk of losses, which although not identified, are known through experience to be present in the loan portfolio. The provision is made with reference to past experience and judgmental factors.

Corporate Banking

In Wholesale Banking accounts or portfolios are placed on Early Alert when they display signs of weakness. Such accounts and portfolios are subject to a dedicated process with oversight involving Senior Risk Officers and Remedial Officers in the Loans Recovery Unit. Account plans are re-evaluated and remedial actions are agreed and monitored until delinquency situation is resolved. Remedial actions include, but are not limited to, exposure reduction, security enhancement, and exit of the account or immediate movement of the account into the control of Loans Recovery Unit.

Loans are designated as impaired and considered non-performing where recognized weakness indicates that full payment of their interest or principal may become questionable. Impaired accounts are managed by the Loans Recovery Unit. Where any amount is considered uncollectible, an individual impairment provision is made, being the difference between the loan carrying amount and the present value of the estimated future cash flows. In any decision relating to provisioning, the Bank attempts to balance economic conditions, local knowledge and experience, and the results of independent asset review. Where it is considered that there is no realistic prospect of recovering an account against which an impairment provision has been made, then that amount is written off.

NOTES TO THE FINANCIAL STATEMENTS

Set out below is an analysis of various credit exposures

Analysis by credit grades of loans and advances

	2008	2007
Impaired loans, net of individual provisions GH¢	6,164,383	2,545,984
Loan past due but not impaired		
Past due up to 30days GH¢	3,895,798	4,045,428
Past due 31-60 days GH¢	1,319,393	1,370,068
Past due 61-90 days GH¢	430,045	446,562
Past due 91-120 days GH¢	447,158	464,333
Past due 121-150 days GH¢	231,860	240,765
Past due for more than 150 days GH¢	272,711	283,186
	6,596,965	6,850,342
Loans neither past due nor impaired GH¢	1,076,847,681	742,573,792
Credit grading 1-10 or equivalent	1- 10	1 - 10
Less: Portfolio impairment provision GH¢	2,490,101	1,306,575
Total net loans GH¢	1,087,118,928	750,663,543

Maximum credit exposure

As of December 31, 2008, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. The maximum exposure to loss is considered to be the instruments' balance sheet carrying amount or, for non-derivative off balance sheet transactions, their contractual nominal amounts.

	2008 GH ¢	2007 GH ¢
Short-Term Government Securities	117,597,348	94,819,067
Placement with other Banks	57,166,284	21,681,861
Loans and Advances	1,087,118,928	750,663,543
Unsecured Contingent liabilities and commitments	116,266	62,954

Fair value of collateral held

An estimate of the fair value of collateral and other security enhancements held against financial assets is shown below:

	2008 GH ¢	2007 GH ¢
Against impaired assets	10,387,466	4,384,511
Against past due but not impaired assets	12,695,791	5,358,847
	23,083,257	9,743,358

NOTES TO THE FINANCIAL STATEMENTS

ii) **Liquidity risk**

The Bank defines liquidity risk as the risk associated with situation where the Bank does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost. It is the policy of the Bank to maintain adequate liquidity at all times, and for all major currencies. Hence the Bank aims to be in a position to meet all obligations, to repay depositors, to fulfill commitments to lend and to meet any other commitments. Liquidity risk management is governed by the Bank's Asset and Liability Management Committee (ALCO), which is chaired by an Executive Director. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities and development policies and procedures.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of surplus funds.

An analysis of various maturities of the Bank's assets and liabilities is provided in note 41.

(iii) **Market Risk**

Management of Market Risk

The Bank recognizes market risk as the exposure created by potential changes in market prices and rates. The Bank is developing policies, processes and evaluating methodologies to better manage this risk.

Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. Concentration of foreign currency denominated assets and liabilities are disclosed in note 40.

Interest Rate Exposure

The Bank's interest rate exposures arise from the differing re-pricing characteristics of banking assets and liabilities. The over 64 per cent of the Bank's funded facilities are overdraft loans. The Bank uses variable rate pricing for this type of loans to minimise interest rate risk.

(iv) **Operational Risk**

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify, assess, monitor, control and report such risks. The Bank's Risk Management Division is developing comprehensive strategies to manage this risk.

(v) **Compliance and Regulatory Risk**

Compliance and Regulatory risk include the risk of non-compliance with regulatory requirements. The Bank's Compliance Risk Unit is responsible for establishing and maintaining an appropriate framework of the Bank's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers. However, the Compliance Unit monitors and reports on compliance to Executive Management and the Board.

(vi) **Capital Management**

The Central Bank sets and monitors capital requirements of the Bank.

In implementing current capital requirements, the Central Bank requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's capital is analysed into two tiers:

Tier 1 capital, which includes ordinary paid up share capital and disclosed reserves, after deducting some assets such as investment in capital of other banks and financial institutions.

NOTES TO THE FINANCIAL STATEMENTS

Tier2 capital, which includes some reserves such as the element of the fair value reserve relating to unrealized gains on equity instruments classified as available for sale.

Various limits are applied to elements of the capital base, and other assets and liabilities are given various classifications such as claims on government, claims on the central bank and contingent liabilities and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also taken into consideration, and the Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by sound capital position. The Bank has complied with all imposed capital requirements throughout the period. There have been no material changes in the Bank's management of capital during the period.

NOTES TO THE FINANCIAL STATEMENTS

43. TRANSITION TO IFRS

As stated in note (2), these are the Bank's first financial statements prepared in accordance with IFRS. The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended 31 December 2008, the comparative information presented in these financial statements for financial statements for the year ended 31 December 2007 and in the preparation of an opening IFRS balance sheet at 1 January 2007 (the Bank's date of transition).

Ghana Commercial Bank Limited has reported under Ghana National Accounting Standards (GNAS) in its previous published financial statements for the year ended 31 December 2007. The analysis below shows a reconciliation of profit and net assets as reported under GNAS as at 31 December 2007 to the revised profit and net asset reported under IFRS in these financial statements. In addition there is a reconciliation of net assets under GNAS to IFRS at the transition date for this Bank 1 January 2007.

Reconciliation of Profit previous reported under GNAS to that reported under IFRS as at 31 December 2007

	Notes	GNAS GH¢	Effect of transition to IFRs GH¢	IFRs GH¢
Interest & Similar Income	a.	112,169,289	283,153	112,452,442
Interest & Similar Expense		(22,347,443)	0	(22,347,443)
Net Interest Income		89,821,846	283,153	90,104,999
Fee And Commission Income	a	36,585,899	(517,581)	36,068,318
Fees & Commission Expenses		(114,668)	0	(114,668)
Net Fees & Commission Income		36,471,231	(517,581)	35,953,650
Gains Less Losses On Financial Transactions		1,799,348	0	1,799,348
Other Operating Income		18,149,059	0	18,149,059
Total Operating Income		146,241,484	(234,428)	146,007,056
Credit Impairment Loss	b.	(8,300,067)	7,652,152	(647,915)
Net Operating Income		137,941,417	7,417,724	145,359,141
Staff Cost	c.	0	(57,884,160)	(57,884,160)
Depreciation	c..	0	(5,931,005)	(5,931,005)
Other Operating Expenses		(99,312,724)	63,815,165	(35,497,559)
Operating Profit		38,628,693	7,417,724	46,046,417
Other Income		233,747	0	233,747
Profit Before Taxation		38,862,440	7,417,724	46,280,164
Taxation		(14,012,918)	0	(14,012,918)
Profit After Tax Attributable To Equity Shareholders Of The Bank		24,849,522	7,417,724	32,267,246

NOTES TO THE FINANCIAL STATEMENTS

43. TRANSITION TO IFRS (continued)

Reconciliation of equity previously reported under GNAS to that reported under IFRS as at 31st December, 2007

ASSETS	Notes	GNAS GH¢	Effect of transition to IFRS GH¢	IFRS GH¢
Cash and Balances with Bank of Ghana		115,338,071	0	115,338,071
Government Securities	d.	202,996,512	(202,996,512)	0
Held to Maturity Investments	d.	0	110,000,000	110,000,000
Due from Other Banks and Financial Institutions		21,681,861	0	21,681,861
Available for Sale Investments	d.	0	92,996,512	92,996,512
Equity Investment Available for Sale		4,973,757	0	4,973,757
Loans and Advances to Customers	e.	742,696,325	(7,967,218)	750,663,543
Investment in Subsidiary		20	0	20
Other Assets	f.	24,481,971	0	24,481,971
Property, Plant & Equipment		29,948,050	76,070	29,871,980
TOTAL ASSETS		<u>1,142,116,567</u>	<u>(7,891,148)</u>	<u>1,150,007,715</u>
LIABILITIES				
Customers Deposits		839,382,573	0	839,382,573
Due to Other Banks and Financial Institutions		58,044,439	0	58,044,439
Borrowings		14,000,000	0	14,000,000
Interest Payable and Other Liabilities		56,896,239	0	56,896,239
Current Tax Liabilities	g.	8,983,718	0	8,893,718
Deferred Tax Asset		0	(990,534)	(990,534)
TOTAL LIABILITIES		<u>977,306,969</u>	<u>(990,534)</u>	<u>976,316,435</u>
SHAREHOLDERS' FUND				
Stated Capital		72,000,000	0	72,000,000
Capital Surplus	h.	507,776	(507,776)	0
Retained Earnings	h.	69,889,732	1,187,812	71,077,544
Regulatory Credit Risk Reserve	i.	0	8,201,646	8,201,646
Statutory Reserve Fund		22,412,090	0	22,412,090
SHAREHOLDERS' FUND		<u>164,809,598</u>	<u>8,881,682</u>	<u>173,691,280</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		<u>1,142,116,567</u>	<u>7,891,148</u>	<u>1,150,007,715</u>

NOTES TO THE FINANCIAL STATEMENTS

43. TRANSITION TO IFRS (continued)

Reconciliation of equity previously reported under GNAS to that reported under IFRS as at 1st January 2007

ASSETS	Notes	GNAS GH¢	Effect of transition to IFRS GH¢	IFRS GH¢
Cash and Balances with Bank of Ghana		72,520,336	0	72,520,336
Government Securities	d.	215,595,428	(215,595,428)	0
Held to Maturity Investments	d.	0	157,367,000	157,367,000
Due from Other Banks and Financial Institutions		84,374,500	0	84,374,500
Available for Sale Investments	d.	0	58,228,428	58,228,428
Equity Investment Available for Sale		5,020,800	0	5,020,800
Loans and Advances to Customers	e.	364,538,500	549,494	365,087,994
Investment in Subsidiary		20	0	20
Other Assets	f.	10,760,531	0	10,760,531
Property, Plant & Equipment		23,182,200	0	23,182,200
TOTAL ASSETS		<u>775,992,315</u>	<u>549,494</u>	<u>776,541,809</u>
LIABILITIES				
Customers Deposits		634,572,700	0	634,572,700
Due to Other Banks and Financial Institutions		640,495	0	640,495
Interest Payable and Other Liabilities		49,164,455	0	49,164,455
Current Tax Liabilities		2,506,475	0	2,506,475
Deferred Tax Asset	g.	73,325	0	73,325
TOTAL LIABILITIES		<u>686,957,450</u>	<u>0</u>	<u>686,957,450</u>
SHAREHOLDERS' FUND				
Stated Capital		12,000,000	0	12,000,000
Share Deal	h.	100,000	(100,000)	0
Capital Surplus	h.	407,565	(407,565)	0
Retained Earnings	i.	57,221,400	507,565	57,728,965
Regulatory Credit Risk Reserve		0	549,494	549,494
Statutory Reserve Fund		19,305,900	0	19,305,900
SHAREHOLDERS' FUND		<u>89,034,865</u>	<u>549,494</u>	<u>89,584,359</u>
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		<u>775,992,315</u>	<u>549,494</u>	<u>776,541,809</u>

NOTES TO THE FINANCIAL STATEMENTS

43. TRANSITION TO IFRS (continued)

	2007 GH¢	2006 GH¢
Retained Earnings at 31 December (GNAS)	69,889,732	57,221,400
Reversal of Bad Debt Provision	17,870,767	11,647,100
Regulatory Credit Risk Reserve	(7,652,152)	(549,494)
Loan origination fees not recognised	(234,428)	0
Impairment Loss	(10,218,615)	(11,097,606)
Others	(76,070)	0
Capital Surplus	507,776	507,565
Deferred Tax	990,534	0
Retained Earnings at 31 December (Restated)	<u>71,077,544</u>	<u>57,728,965</u>

The adjustments listed above have been described in the notes set out below

The adjustments listed above have been described in the notes set out below:

- a. Under GNAS all arrangements fees for facilities granted were recognised in fees and commissions on granting the facility. Under IFRS however arrangement fees on loans that are considered as an integral part of the effective interest calculation (EIR) are Recognised as interest income over the life of the facility. This has resulted in reclassification of fees and commission income of GH¢283,153 to interest income in 2007 and a deferment of GH¢234,428 over the life of the related loans.
- b. The impairment loss evaluation under IFRS is done by calculating the present value of estimated future cash flows and comparing these against the carrying amounts of loans and advances as well as creating an allowance for inherent risk of loss in loan portfolio. The effect of this is a decrease in net impairment losses by GH¢7,652,152.
- c. The adjustments represent the reclassification of 2007 amounts for operating expenses into their appropriate nature in line with IFRS.
- d. These are adjustments to reclassify government securities into their prescribed headings under IFRS - available for sale and held to maturity investment.
- e. Under GNAS, provisions for bad debt were computed based on past due days as set out in the Bank of Ghana's guidelines. A general provision of 1% was also required for net current contingent liabilities (Off Balance Sheet items). Under IFRS the impairment loss Evaluation is done by calculating the present value of estimated future cash flows and comparing these against the carrying amounts of loans and advances and a provision to cover inherent risk of losses in loan portfolios. The effect of this is an increase in net loans and advances for 2007 of GH¢7,967,218 and GH¢549,494 in 2006.
- f. This adjustment relates to change in depreciation rates in 2007.
- g. These adjustments relates to deferred tax effect emanating from the IFRS transition adjustments.
- h. Adjustments to transfer capital surplus resulting from revaluation of property, plant and equipment and share deals account which have nil carrying value at transition date.
- i. This represents an extra provision as per Bank of Ghana's requirement on loans provision.

NOTES TO THE FINANCIAL STATEMENTS

44. FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES.

	THE BANK	
	2008 GH¢	2007 GH¢
ASSETS		
Cash and Balances with Bank of Ghana	202,811,774	115,338,071
Due from Other Banks and Financial Institutions	57,166,284	21,681,861
Short-Term Investments	116,371,223	92,996,512
Medium Term Investments	110,000,000	110,000,000
Loans and Advances to Customers	1,087,118,928	750,663,543
Available for Sale Financial Assets	15,453,659	4,973,757
Other Assets	13,477,660	24,481,971
Total Carrying Amount	1,602,399,528	1,120,135,715
LIABILITIES		
Customers Deposits	1,030,106,198	839,382,573
Due to Other Banks and Financial Institutions	91,337,682	58,044,439
Interest Payable and Other Liabilities	192,381,784	58,896,239
Borrowings	117,300,000	14,000,000
Total Carrying Amount	1,431,125,664	968,323,251

The following sets out the bank's basis of establishing fair values of the financial assets and liabilities

Cash and balances at central banks

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using the prevailing money market rates for debts with a similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Deposit and borrowings

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The fair value for all other deposits and customer accounts is estimated using discounted cash flows applying either market rates where applicable, or current rates for deposits of similar remaining maturities.

Available-for-sale financial assets

Listed securities are valued at market prices whilst unlisted securities that do not have observable market data are presented at cost. Other financial assets are valued based on discounted cash flows, market prices of similar instruments and other appropriate valuation techniques.

Debt securities in issue

The fair value of short-term debt securities in issue is approximately equal to their carrying value. Fair value for other debt securities is estimated using quoted market prices. For those where market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining terms of maturity.

HEAD OFFICE & LIST OF BRANCHES

OFFICE	ADDRESS	TELEPHONE
Head Office	P.O. Box 134, Accra	672852 - 4, 672859 - 65, 664910 - 18
High Street	P.O. BOX 2971, Accra	Br. Mgr: 662337, Ops.Mgr: 672857, Cent. Accts: 672867, Fax: 673496, Cables: 673493 Current/Savings: 662508, Foreign Desk: 662434
Kotoka International Airport (Agency)	P.O. BOX 2971, Accra	0289106651
Kotoka Int. Airport (Aviance Agency)	-do-	0289106652
Diamond House (PMMC Agency)	P.O. Box 2971, Accra	662094, Dir.Line: 664931 (Ext. 147)
Royal Banking	Private Mail Bag, Osu email:royalbanking@gcb.com.gh	Tel: 021-782798/9 Fax: 021-782812
ACCRA ZONE		
Area Manager's Office	P.O. Box NT 96 Accra New Town	222641, 225928, Area Mgr: 249772 Fax: 236671, Mobile: 0202015797
Zonal Legal Officer	-do-	249773
Valuation	-do-	234028, 249773 (Valuation Officer) Fax: 258448
Kwame Nkrumah Circle Branch	P.O. Box AN 5709, Accra-North	246008-15, Mgr: 257616, Fax: 246035
Liberty House	P.O. Box 4443, Accra	666631-7, Mgr: 663556/024-358-9639 Fax: 663556
Clearing Secretariat		663096, Fax: 021-674915
Republic House	P.O. Box 5550, Accra-North	683112, 681862, Mgr: 680355, Fax: 681812
Tantra Hill	Private Mail Bag, Achimota Market	412817, Mgr: 413094, Fax: 412822
Dome	Private Mail Bag, Atomic Post Office	420039, Mgr: 420041, Fax: 420040
Ring Road West	P.O. Box ST 498, Accra,	224703, 225605, 0244-209-726 Mgr: 225270, Fax: 225270
Kaneshie Ind. Area	P.O. Box 12513, Accra-North	220551, Mgr: 220591, Fax: 220591
Kaneshie Market	P.O. Box 171, Kaneshie	229005, Fax: 227568
Derby Avenue	P.O. Box 4832, Accra	664191-4, Mgr: 665847, Fax: 665847
Boundary Road	P.O. Box 819, Accra	682992, 682993
Accra New Town	P.O. Box NT 96, Accra New Town	222641, 225928, Mgr: 236935, Fax: 236935
Osu	P.O. Box 0212, Osu	774124-5, Mgr: 774456, 020-2011912 Fax: 774456
Ministries	P.O. Box M.88, Accra	662170, Mgr: 673950, Fax: 674150
Korle-Bu	P.O. Box 3852, Accra	666521, Mgr: 666524, Fax: 666524
Trade Fair Site	P.O. Box 198, Trade Fair Center, La	778274, Mgr: 774270, Fax: 778275
Burma Camp	P.O Box B.C. 268, Burma Camp, Accra	784182, Mob. 02895446175, Fax: 770341

HEAD OFFICE & LIST OF BRANCHES

Makola Market Branch	P.O. Box 4832, Accra	Mgr. 660370, Fax: 682278
Kasoa Main	P. O. Box KS. 557, Kasoa	Mgr:862430, 862429, 862431
Kasoa Market	P. O. Box KS 557, Kasoa	021-910409, Tel/Fax: 021-298080
Abelenkpe	PM.B. Achimota School	769135, Mgr.769137, Fax.769142
Kisseiman	P.O. Box 1946, Achimota kisseimanmgr@gcb.com.gh	021-410799 Mgr:021-410444, Fax:021-410724
TEMA ZONE		
Area Manager's Office	P.O. Box 152, Tema	022-204824, Fax: 022-204824
Zonal Legal Officer	-do-	022-212037
Tema Main 212038,	P.O. Box 152, Tema Fax: 022-204346	Mgr - 022-202768/9, Server Rm.022-
Tema Agency(Long Rm.)	-do-	022-204768
Agency (Golden Jubilee)		0289104444
Tema Market	P.O. Box 173, Tema Email:temamkt@gcb.com.gh	Mgr.-022-202861, Fax: 022-204763
Evergreen Agency		022-212094, 022-212094

HEAD OFFICE & LIST OF BRANCHES

Kasoa Main	P. O. Box KS. 557, Kasoa	Mgr:862430, 862429, 862431
Kasoa Market	P. O. Box KS 557, Kasoa	021-910409, Tel/Fax: 021-298080
Abelenkpe	PM.B. Achimota School	769135, Mgr.769137, Fax.769142
Kisseiman	P.O. Box 1946, Achimota kisseimanmgr@gcb.com.gh	021-410799 Mgr:021-410444, Fax:021-410724
TEMA ZONE		
Area Manager's Office	P.O. Box 152, Tema	022-204824, Fax: 022-204824
Zonal Legal Officer	-do-	022-212037
Tema Main	P.O. Box 152, Tema	Mgr - 022-202768/9, Server Rm.022-212038, Fax: 022-204346
Tema Agency(Long Rm.)	-do-	022-204768
Agency (Golden Jubilee)		0289104444
Tema Market	P.O. Box 173, Tema Email:temamkt@gcb.com.gh	Mgr.-022-202861, Fax: 022-204763
Evergreen Agency		022-212094, 022-212094
Tema Ind. Area	P.O. Box 8202, Tema Ind. Area Email:temaindmgr@gcb.com.gh	Mgr/Fax.-022-306082 Main Line: 302818, Server Rm-300575
Tema Fishing Harbour	P.O. Box 281, Fishing Hbr..Tema	Mgr/Fax: 022-202344, Office: 022-202413
Tema Safe Bond	P. O. Box CO 1737, Tema	Mgr.: 022-215588, Office: 022-215576 Fax: 022-215591
Ashaiman	P.O. Box AS 199, Ashaiman	Mgr/Fax: 022-306606, Office: 022-306790
Legon	P.O. Box LG 17, Legon	500644, Mgr-513131, Fax: 021-500854
Madina	P.O. Box 431, Madina, email:madinamgr@gcb.com.g	Mgr-501240 501241, Fax: 501240
Aburi	P.O. Box 98, Aburi email:aburimgr@gcb.com.gh	Mgr/Fax: 0876-22045
Mampong-Akwapim	P.O. Box 54, Mampong-Akwapim	Mgr: 0872-22049, Fax: 0872-22218
Akropong Akwapim	P.O. Box 83, Akropong Akwapim	Mgr: 081- 94360, Fax: 081-24261
Ada Foah	P.O. Box 55, Ada Foah	Mgr: 022-910412, Office: 022-910413, 910411
Somanya	P.O. Box 78, Somanya	Mgr: 081-91421, Office: 081-91428
Akosombo	P.O. Box 24, Akosombo	Mgr-0251-21142, Office: 0251-20472 Fax: 0251-20530
Akuse	P. O. Box 40, Akuse	Mgr: 081-91311, 024-4336359 Fax-0244-392-189
Tetteh Quarshie Circle	Private Mail Bag, LG14, Legon Email:ttgmgr@gcb.com.gh	Mgr: 021- 506221, Office: 021-506198/9 Fax: 021-506223, Mobile: 0244-284- 764

HEAD OFFICE & LIST OF BRANCHES

KOFORIDUA ZONE

Area Manager's Office	P.O. Box KF 286, Koforidua	Direct: 081-22258, 26831 Office: 23049, 23059, 23069, Fax: 081-22525
Clearing Secretariat	-do-	081-23652
Koforidua	-do-	081-23049, 23059, 23069 Mgr: 081-22258, 26831, Ops. Mgr: 081-26832
New Tafo	P.O. Box 42, New Tafo	081-24278, 0244329645, Fax-081-24772
Suhum	P.O. Box SU 155, Suhum	0858-22121, 22370
Asamankese	P.O. Box 167, Asamankese	Mgr: 081-91135, Ops: Mgr: 081-91011 Fax: 081-24392
Akim Oda	P.O. Box 364, Akim Oda	0882-2124, Fax: 0882-2697
Kade	P.O. Box 62, Kade	0244313398
Nsawam	P.O. Box NW 280, Nsawam	0832-22062, Fax: 0244312757
Kibi	P.O. Box 97, Kibi	Tel/Fax: 081-24112
Anyinam	P.O. Box AY 46, Anyinam	Mgr: 081- 94473 Email: anyinammgr@gcb.com.gh Fax: 081-24027
Nkawkaw	P.O. Box 272, Nkawkaw	0842-22105, 22126, Fax: 0842-22126
Mpraeso	P.O. Box 56, Mpraeso	0846-22040, 22057, Fax: 0846-22057
Donkorkrom	P.O. Box 11, Donkorkrom	Office: 0848-22040, Fax: 0848-22040
Konongo	P.O. Box 137, Konongo	Mgr: 0531-24336, Fax: 0531-24209
Agogo	P.O. Box 74, Agogo	051-92184 , Fax: 051-81215
Juaso	P.O. Box 51, Juaso,	Email: juasomgr@gcb.com.gh 0531-24809

HO ZONE

Area Manager's Office	P.O. Box 164, Ho	091-28251, 26543, Fax: 091-27598
Ho Branch	P.O. Box 164, Ho	091-28396, 26436, 27067, 28395, 27597, 28905 Fax: 091-28396
Ho Market Branch	P. O. Box 164, Ho	Mgr. 091-24691, 091-26459
Ho Clearing Secretariat	P.O. Box 164, Ho	091-28882
Hohoe	P.O. Box 178, Hohoe	0935-22986, 22133, 22070, Fax: 0935-22432
Hohoe Clearing Secretariat	P. O. Box 178, Hohoe	0935-22431
Dzodze	P.O. Box 88, Dzodze	091-91227

HEAD OFFICE & LIST OF BRANCHES

Aflao	P.O. Box 12, Aflao	0962-30207, 0962-31305-9, Mgr: 0962-31311 GCNET 31119, Fax: 0962-30451
Keta	P.O. Box 33, Keta	0966-42663, Fax: 0966-43053
Akatsi	P.O. Box 39, Akatsi	0966-44401, 44754, Fax: 0966-44401
Abor	P.O. Box 48, Abor	0244-313-679
Sogakope	P.O. Box 8, Sogakope	0966-44712,
Kpando	P.O. Box 70, Kpando	0936-50203, Fax: 0936- 50984 Mgr: 020-8174421
Peki	P.O. Box 12, Peki	0244-313-094
Jasikan	P.O. Box 85, Jasikan	0935-20492, Mgr.: 0243-860-293, 0276-807-015
Kadjebe	P.O. Box 27, Kadjebe	Mgr:0244-447-909, 0242-968-868 0935-20491,0249-332-265
Nkwanta	Private Post Bag, Nkwanta	0244334835, 0244334835, Fax: 0244334835 Mgr: 0243867403, 0242256082
Dambai	P. O. Box DM38, Dambai Volta Region	Mgr: 0242-214388 0247-262517, Tel/Fax: 0953-220066

KUMASI ZONE

Area Manager's Office	P.O. Box SE 1212, Suame, Kumasi	051-31604, Fax: 051-23512
Area Manager's Secretariat	-do-	051-29001
Clearing Secretariat	-do-	051-29002
Corporate Office	-do-	051-81884
Valuation	-do-	051-26468
S & IT	-do-	051-82812
Kumasi Main	P.O. Box 852, Kumasi email:kumasimainmgr@gcb.com.gh	051-25291-3 Mgr: 051-37303, Fax: 051-24569
Ahinsan	P.O. Box 8818, Ahinsan, Kumasi Email:ahinsanmgr@gb.com.gh	051-28255, 33452, 37192 Mgr: 051-31964, Fax: 051-24129
Kejetia	P.O. Box 1630, Kumasi , Email:kejetiamgr@gcb.com.	051-31446 Fax/Mgr: 051-22692
Asafo Market	P.O. Box 3696, Kumasi Email:asafoamgr@gcb.com.gh	051-23514, 45252, Mgr: 051-45251 Fax: 051-36721
Harper Road	P. O. Box KS 14751, Kumasi Email:harperroad@gb.com.gH.	051-81880, Mgr - 051-81881 Fax 051-81882
Jubilee House	P.O. Box SE 1212, Suame Kumasi email:jubileeemgr@gcb.com.gh	051-30189, Mgr: 051-26366 Fax: 051-25070
Bantama	P.O. Box PC 80, Kumasi Email:bantamamgr@gcb.com.gh	Tel/Fax:051-48823

HEAD OFFICE & LIST OF BRANCHES

Kwame Nkrumah Univ.of Sci. & Tech.	Private Post Bag, Kumasi email:knust@gcb.com.gh	051-60153, 62135 Mgr: 051-62136
Tech Junction	P.O.Box UP11551, KNUST Techjunctionmgr@gcb.com.gh	051-64800, Mgr:051-64830 Fax:64831
Ejura	P.O Box 24, Ejura ejuramgr@gcb.com.gh	Tel/Fax: 0565-22006
Yeji	P.O. Box 29, Yeji Email:yejimgr@gcb.com.gh	Tel/Fax: 0568-22008
Obuasi	P.O. Box 290, Obuasi Email:obuasimgr@gb.com.gH.	0582- 42669 Fax: 0582-40255
Bekwai Ashanti	P.O. Box 127, Bekwai Ash. email:bekwai-ashantimgr@gcb.om.gh	0572-20204, 20143 Mgr/Fax:
Dunkwa-On-Offin	P.O. Box 228, Dunkwa-On-Offin Email:dunkwamgr@gcb.com.gh	0372-28236, Fax: 0372-28673
New Edubiase	P.O. Box 42, New Edubiase email:edubiasemgr@gcb.com.gh	051-94702
New Offinso	P.O. Box 60, New Offinso Email:offinsomgr@gcb.com.gh	0243-669114, 0248-303851 020-849-6837
Nkawie	P.O Box 69, Nkawie Email:nkawiemgr@gcb.com.gh	051-92192
Mampong Ashanti	P.O. Box 94, Mampong- Ashanti Email:ashantimampongmgr@gcb.com.gh	0561-22329, Mgr: 0561-22327 Fax: 0561-22327, Mobile: 020-8202615
Effiduase Ashanti	P.O. Box 10, Effiduase email:effiduasemgr@gcb.com.gh	051-92173 Mgr: 051-92173
Ejisu	P.O. Box 49, Ejisu email:ejisumgr@gcb.com.gh	051-20183, 94280 Fax - 05120183
Agona Ashanti	P.O. Box 16, Agona Ashanti email:agonaashantimgr@gcb.com.gh	051-91820
TAMALE ZONE		
Area Manager's Office	P.O. Box 228, Tamale	071-26415, 22999, 25715, Fax: 22765
Tamale Main	P.O. Box 228, Tamale	071-22827, 23216, 071-22755, 26406
Tamale Market	P.O. Box 766, Tamale	071-22608, Fax: 071-22608
Tamale Hospital Rd.		Tel/Fax:071-27278/9, Mgr:071-27278
Bolgatanga	P.O. Box 12, Bolgatanga	072- 22445, 24961, Mgr: 072-23462 Fax: 072-23446, Clearing: 072-22500
Bawku	P.O. Box 36, Bawku	0743-22225, Fax: 0743-22225 Main Office: 0743-22214
Navrongo	P.O. Box 28, Navrongo	0742-22318, 22390, Fax: 0742-22318
Tumu	P.O. Box 2, Tumu	0756-22420, Fax: 0756-22420
Lawra	P.O. Box 92, Lawra	0756-22409
Wa	P.O. Box 66, Wa	0756-22025, 22039,20499, Clearing: 20501
Bole	P.O. Box 24, Bole	0746-22006
Damongo	P.O. Box 40, Damongo	0717-22020, Mgr: 0244-979-079 Ops Mgr:0244-659-992
Yendi	P.O. Box 32, Yendi	0744-22382, 22192, Fax: 22382

HEAD OFFICE & LIST OF BRANCHES

Salaga	P.O. Box 7, Salaga	0752-22021, 22091
Kete-Krachi	P.O. Box 13, Kete Krachi	0953-22034, Mgr.: 0953-22035
Bimbilla	P.O. Box 27, Bimbilla	071-23434
Walewale	P. O. BOX 91, Walewale	0715- 22040, Fax: 0715-22041
SUNYANI ZONE		
Area Manager's Office	P.O. Box 34, Sunyani	Area Mgr: 061-25957 061-25958, 24084, Fax: 061-27162
Zonal Clearing Secretariat	P.O. Box 34, Sunyani	061-23506
Sunyani 27087	-do-	061- 27157, Mgr: 061-27716, Fax: 061-
Berekum	P.O. Box 115, Berekum	0642-22042, 22193 Fax: 0642-22042
Dormaa Ahenkro	P.O. Box: 16, Dormaa Ahenkro	0648-22033, 22047, Fax: 0648-22047
Techiman	P.O. Box 196, Techiman	0653- 22369, 061-91092, Fax:0653-22369
Techiman Market	P.O. Box TM 976, Techiman	Tel/Fax:0653-22394/5
Wenchi	P.O. Box 49, Wenchi Email:wenchimgr@gcb.com.	061-91445, Fax:0652-22233, Mgr0244-603-224 0276-964-710, Ops Mgr:0244-363-839
Nkoranza	P.O. Box 44, Nkoranza email:nkoranzamgr@gcb.com.gh	061-47305
Kintampo	P.O. Box 31, Kintampo Email:kintampomgr@gcb.com.gh.	061-38839 Fax: 37306
Duayaw Nkwanta	P.O. Box 66, Duayaw Nkwanta	Mgr:024-313-7530, 020-912-6053 Ops Mgr:0243-110-998
Bechem	P.O. Box 69, Bechem Email:bechem@gcb.com.gh	0632-22302
Akumadan	P.O. Box 33 Akumadan Ash. Email:akumadanmgr@gcb.com.gh	0244313714
Tepa	P.O. Box 103, Tepa email:tepamgr@gcb.com.gh	051-20900 Fax: 47100
Hwidiem	P.O. Box 11, Hwidiem email:hwidiem@gcb.com.gh	051-47082
Goaso	P.O. Box 83, Goaso email:goasomgr@gcb.com.gh	061-91815
Mim	P.O. Box 33, Mim email:mimmgr@gcb.com.gh	061-91821, 24102
Sankore	Private Post Bag, Sankore Email:sankoremgr@gcb.com.gh	0242789556
Sampa	Private Mail Bag email:sampamgr@gcb.com.gh	Mgr: 0271-276- 955 0274- 169-582 Ops Mgr:0271-497-602, 0275-682020 Office:0244-341-751
Drobo	Private Post Bag	0244-334-836
TAKORADI ZONE		
Area Manager's Office	P.O. Box 475, Takoradi	031-23072, 22355 Area Mgr:031- 24948, Fax: 031-25226
Corporate Banking	-do-	031-26700,
Clearing Secretariat	-do-	031-23383
Zonal Legal Office	-do-	031 29340
Takoradi Main	-do-	031-22351- 4, Mgr: 031- 23102 Fax: 031- 23540, Office: 031-29103

HEAD OFFICE & LIST OF BRANCHES

GCNET

Takoradi Harbour	P.O. Box 707, Takoradi	031-22534, Mgr: 22731, Fax: 031-27309
Takoradi Market Circle	P.O. Box 098, Takoradi	Office -031-23569, Mgr/Fax: 031-25370
Sekondi	P.O. Box 101, Sekondi	Office: 031-46511, Mgr/Fax: 031-46746 Mgr's Res. 03122475
Tarkwa	P. O. Box 90, Tarkwa	Office: 0362-20394, Mgr/Fax: 0362-20374
Axim	P.O. Box 55, Axim	0342-22256, Mgr/Fax 0342-22408
Half-Assini	P.O. Box 54, Half-Assini	Mgr/ Fax : 031-20253, Office: 031- 94517
Dadieso	Private Mail Bag, Dadieso	024-4335687
Elubo	P. O. Box EL 134, Elubo	Office: 0345-22544, Mgr: 0345-22545 Fax: 0345-22546
GCNET Elubo	-do-	0345-22547
Enchi	P.O. Box 15, Enchi	0395-22020, Fax: 0395-22093
Samreboi	P.O. Box 40, Samreboi	0394-22008, Fax: 0394-22049, Mobile: 027-783-660
Sefwi-Wiawso	P.O. Box 59, Sefwi-Wiawso	Office: 0244-313153, 031- 94488 Fax : 0244-391029
Prestea	P.O. Box 102, Prestea	0244-313089, 031 -92670
Bogoso	P.O. Box 42, Bogoso	0244-313088, 031-92655

CAPE COAST ZONE

Area Manger's Office	P.O. Box 65, Cape Coast	Mgr/Fax : 042-32625, Office: 042-37887
Clearing Secretariat	-do-	042-37038
Cape Coast Main	-do-	042-32812/3, 042-32354, Mgr: 042-34253 Fax: 042-32549
Cape Coast University	P.O. Box 046, Cape Coast	042-32287, 34020, Fax: 042-36377 Mgr: 042- 30069
Agona Swedru	P.O. Box 186, Agona Swedru	041-20291, Fax: 041-20414, Mgr: 041-20291
Assin Foso 91141	P.O. Box 76, Assin Foso	042-40541 Mobile:0276-793-122, Fax:042-
Mankessim	P.O. Box 78, Mankessim email:mankessimmgr@gcb.com.gh	Mgr:042-94026, Fax:042-36626, 042-91435
Winneba	P.O. Box 128, Winneba Email:winnebammgr@gcb.com.gh	Mgr:0432-22133, 0432-22364
Twifu Praso	P.O. Box TW 84, Twifu Praso	Mgr:0244-314-810
Breman Asikuma	P.O. Box 60, Breman-Asikuma	0246-339-233, Mgr:0243-087-178
Saltpond	P.O. Box SP. 096, Saltpond email:saltpond@gcb.com.gh	Mgr:042-92003 042-92003
Abura Dunkwa	P.O. Box 29, Abura Dunkwa	042-91964

OUR CORRESPONDENT BANKS

GHANA COMMERCIAL BANK LIMITED – INTERNATIONAL BANKING DIVISION

OUR CORRESPONDENT BANKS

UNITED KINGDOM

GHANA INTERNATIONAL BANK PLC

1st Floor Old Broad Street, London
EC2N 1DW
BIC: GHIBGB2L
Tel: 0044 207 8470 350

HSBC BANK PLC

27-32 Poultry, London
EC2P 2BX
BIC: MIDL GB22

NATIONAL WESTMINSTER BANK PLC

135 Bishopsgate, London
EC2M 3UR
BIC: NWBKGB2L

GERMANY

DRESDNER BANK

Jurgen-Ponto-Platz
D-60301
Frankfurt Am Main
BIC: DRESDEFF

BHF BANK

60323 Frankfurt
Bockenheimer Landstr. 10
BIC: BHFBDEFF

COMMERZBANK AG

Frankfurt Am Main
BIC COBADEFF

UNITED STATES OF AMERICA

CITIBANK N.A.

16th Floor, Zone Street
New York, N.Y. 10043
BIC: CITIUS 33

DEUTSCHE BANK TRUST CO. (BTC)

1 Bankers Trust Plaza
New York, N.Y. 1006
USA
BIC: BKTRUS 33

HOLLAND

ABN AMRO BANK BV

ABN Amro Holding BV
Foppingadreef 22
BIC: ABNANL2A
Fax: 0046 8720 2491

AGENTS FOR FAST INTERNATIONAL MONEY TRANSFER

UNITED STATES OF AMERICA

SPEEDY FOREX BUREAU LLC

43618 Preddy CT, Ashburn 20147

Virginia USA

Email: speedyforex@aol.com

Tel: 001 703 729 7035

Fax 001 703 729 010

MONEYGRAM INTERNATIONAL MONEY TRANSFER

1550 Utica Avenue South

Minneapolis, MN 55416, USA

Email: www.moneygram.com

Tel: +1720 568 8299

Direct call centre: +1720 568 8340; +1720 568 8341

+1720 568 8764

Fax: 0013 03716 6803

VIGO REMITTANCE CORP.

1300 Sawgrass Corporate

Parkway, Suite 110,

Sunrise, Florida 33323

Email: viania@vigousa.com

Tel: 954 625 6741; 720 332 7518

Fax: 954 835 1427

FAMILYLINK MONEY TRANSFER INC.

1205 College Avenue,

Bronx N.Y. 10456

Tel: 001 718 293 6280

Fax: 001 718 293 1790

Email: familylink@mns.com

GERMANY

UNIVERSAL MONEY TRANSFER GMBB

Wandesbeker Chausee

29, 22089 Hamburg, Germany

Tel: 0049 40 2000 7919

Fax: 0049 402000 7939; 0049 40 2100 7395

0049 4053 026 782

HOLLAND

UNITY MONEY SERVICES BV

Bijlmerdreef 1129 A/1131A

1103 TT Amsterdam

Tel: 0031 206 957 122

Fax: 0031 206 904 956

Email: unityms@xs4all.nl

UNITED KINGDOM

UNITY LINK FINANCIAL SERVICES LTD.

(Head Office) 158-160 Balham High Road

London SW12 BN

Tel: 0044 20-8772 2160

Fax: 0044-20-8675 3716

Email: unitylinkmoney@aol.com

UNITYLINK FINANCIAL SERVICES LTD.

10 High Street, Harlesden, London

NW 104 LX

Email: unitylinkmoney@aol.com

Tel: 0044-20-883801166, 0044-208-4539 780

Fax: 0044-20-8838-2266

UNITYLINK FINANCIAL SERVICES LTD.

465 Green Street,

Upton Park

London E13 9AX

Email: unitylinkmoney@aol.com

Tel: 0044-20-7722-160

Fax: 0044-208-4727113

UNITYLINK FINANCIAL SERVICES LTD.

691 Seven Sisters

London Road, NW15 5LA, London

Tel: 0044-20821-18625

Fax: 0044-020-88094418

SAMBA INTERNATIONAL LTD.

Unit 17, Eurolink Business Center

49 Effra Road, London SW2 TB2

Email: www.sambamoney.com

Tel: 0044 207 3261 955

Fax: 0044 207 100 9490

GLOBAL EXPATRIATE SERVICES (GES)

816A – 818A High Road London

N17 OEY, United Kingdom

Email: support@gesmoney.com

Website: www.gesmoney.com

Tel: 0044 208 8855 200



GHANA COMMERCIAL BANK LIMITED

INVITATION AND FORM OF PROXY

FOR USE AT ANNUAL GENERAL MEETING

To be held at 10.00 am on Friday, March 27, 2009 at the Accra International Conference Centre

Dear Member(s)

You are hereby cordially invited to the next Annual General Meeting of Ghana Commercial Bank Limited, for which the details are as given above. If you will be attending in person, please bring along to the meeting this invitation or the counterfoil printed below, to facilitate registration, which will begin at 7:00 a.m.

If you are unable to attend the meeting, you may use the Form below to exercise your vote by filling in the appropriate sections; then fold the Form as instructed overleaf and return it to GCB Registry at least 48 hours before the meeting. Alternatively you may appoint a Proxy (who need not be a Member of the Company) to attend and vote in your stead.

PROXY FORM

RESOLUTION	FOR	AGAINST	NOTES
1. To receive and consider the Accounts for The year ended 31st December, 2008 With the reports of the Directors and Auditors Thereon			1. A member (shareholder) who is unable to attend an Annual General Meeting is allowed by law to vote by proxy. The proxy form at the left has been prepared to enable you to exercise your vote if you cannot attend personally.
2. To declare a dividend for the year ended 31st December, 2008			2. Provision has been made for the Chairman of the Meeting to act as your proxy, but you may wish to name any person to attend the meeting and vote on your behalf.
3. To re-elect a Director .			3. In case of joint holders, each holder should sign
4. To ratify the appointment of a Director			4. If executed by a Company/Corporation, the admission card should bear the Common Seal or be signed on its behalf by a Director
5. To approve the remuneration of Directors			5. For a postal proxy, please sign and post it so as to reach the GCB Registry not later than 10am on Wednesday March 25, 2009
6. To authorize Directors to determine the fees of the Auditors			

To consider and if deemed fit pass the following **Special Resolutions**:

SPECIAL RESOLUTION	FOR	AGAINST
1. The Company may issue securities in uncertificated or dematerialised form and the Board of Directors shall pass a resolution to that effect.		
2. The Company may convert a certificated security unto an uncertificated security and the Board of Directors shall pass a resolution to that effect.		
3. Notwithstanding any provision to the contrary in the Company's Regulations the Company shall accept for registration, transfers in the form approved by the Ghana Stock Exchange or under the Central Securities Depository Act 2007 (Act 733)		
4. The manner in which the records of shareholding in the Company shall be kept shall be as determined by the Ghana Stock Exchange and shall be in line with the Central Securities Depository Act, 2007 (Act 733)		

Please Tear along Dotted Lines

Shareholder Details	Folio No.	All Signatories to Sign Below

Please use this Counterfoil to indicate whom (if any) you might wish to act as your Proxy

FORM OF PROXY FOR USE AT AGM	Date
I/Wea member/members(*) of GCB	
Hereby appointor failing whom, the Chairman of the meeting as my/our(*) proxy to vote for me/us on my/our(*) behalf at the Annual General Meeting of the Company to be held at 10 am on March 27, 2009 and at any adjournment therefore.2009

(*) Delete whichever is not applicable

(3) Fold here last and tuck flap formed by Second fold

Affix Stamp
here, fold
and Post the
form to the
Address
below

The Registrar
Ghana Commercial Bank Limited
Share Registry
Head Office
Accra
Ghana

(2) Fold here Second