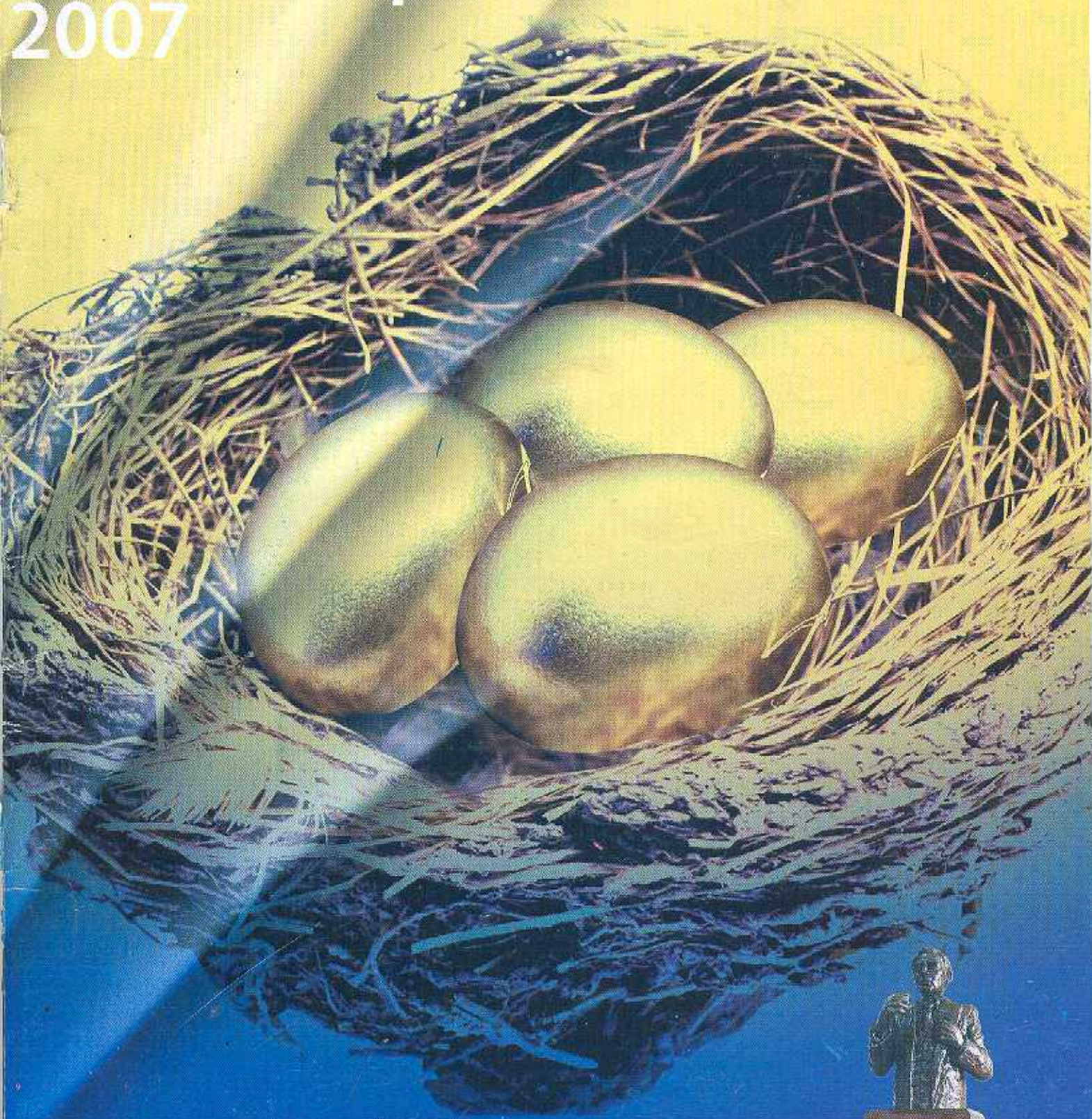




**GHANA
COMMERCIAL
BANK LTD.**

We serve you better

Annual Report 2007



Over 130 Branches Nationwide



Bank of the year for Ghana 2007







**GHANA
COMMERCIAL
BANK LTD.**

We serve you better

ONCE AGAIN.....

We've topped them all

In recognition of our qualitative profile, performance and achievements, we have been voted as the best among 457 banks worldwide from 143 countries and crowned

'The Bank of the Year 2007'

(Country Award Category) by the Banker Magazine of the Financial Times Group, United Kingdom.

Welcome to our new world of unfolding successes.



The **Banker** Awards 2007



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CORPORATE MISSION

"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".

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 best practices in internal policies, procedures, processes and service delivery.
- Constant improvement in shareholder value.



**GHANA
COMMERCIAL
BANK LTD.**
We serve you better


NOTICE OF 14TH ANNUAL GENERAL MEETING

Notice is hereby given that the 14th Annual General Meeting of Ghana Commercial Bank Limited will be held at the Accra International Conference Centre on Friday, 28th March, 2008 at 10.00 a.m. to transact the following business:-

1. To receive and consider the Accounts for the year ended 31st December, 2007 with the reports of the Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st December, 2007.
3. To re-elect the following directors retiring by rotation:
 - i. Ebenezer Moses Debrah
 - ii. Peter Augustus Ocran
 - iii. Samuel Nii-Noi Ashong
4. To ratify the appointment of Mr. Samuel Sarpong as a Director.
5. To approve the remuneration of Directors.
6. To authorise the Directors to determine the fees of the Auditors.

DATED THIS 15TH DAY OF FEBRUARY, 2008

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.
2. 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 CYIMA OSEI-BONSU

MANAGING DIRECTOR: LAWRENCE N. ADU-MANTE

OTHER DIRECTORS: MARTIN MENSAH

CECILIA NYANN (MRS.)

EBENEZER MOSES DEBRAH (DR.)

FRANKLIN KWABENA ASAMOAH

JOE OFORI

PETER AUGUSTUS OCRAN

SAMUEL NII-NOI ASHONG (DR.)

KOJO MENSAH (RESIGNED 30TH JUNE, 2007)

ROKO FRIMPONG (DIED 28TH JUNE 2007)

SECRETARY: HELEN ADDO (MRS.)

MANAGEMENT: LAWRENCE N. ADU-MANTE - MANAGING DIRECTOR

MARTIN MENSAH - DEPUTY MANAGING DIRECTOR (FINANCE)

ROKO FRIMPONG - DEPUTY MANAGING DIRECTOR
(OPERATIONS) (DIED 28TH JUNE 2007)

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 recognises the importance of good corporate governance practice as a core requirement for the long term viability of the Bank.

Board of Directors

The Board of Directors is responsible for ensuring the success of the Bank by collectively providing leadership within a framework of prudent and effective controls.

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 reviews and makes recommendations to the Board on the remuneration, management development and succession plans for the Executive Management and General Managers of the Bank.

Legal & Public Relations Committee

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

The Committee deals with legal matters as well as media issues, and makes recommendations to the Board.

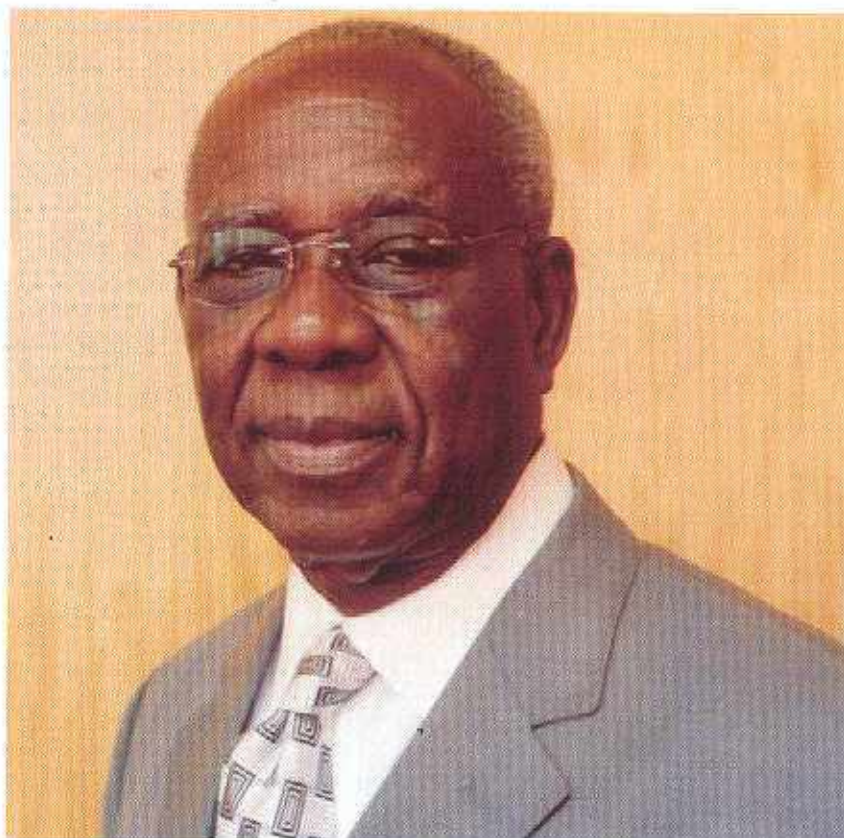


FINANCIAL HIGHLIGHTS

	2007	2006
Profit Before Tax (GH¢)	39,543,580	39,214,700
Total Assets (GH¢)	1,145,837,703	779,201,664
Stated Capital (GH¢)	72,000,000	12,000,000
Total Reserves & Income Surplus (GH¢)	167,983,680	91,900,400
Customers Deposits (GH¢)	839,382,273	634,572,700
Total Loans and Advances (GH¢)	742,696,325	364,538,500
Number of Branches	136	133
Number of Employees	2,200	2,160
E. P. S. (GH¢)	0.1163	0.1576



CHAIRMAN'S STATEMENT



Mr. K. G. Osei-Bonsu (Board Chairman)

Introduction

I have great pleasure, once again, to welcome all Shareholders, Board Members, Management and Staff to the 14th Annual General Meeting of Ghana Commercial Bank Limited, and present to you the Annual Report and the Financial Statements of your Bank for the year ended 31st December, 2007.

Ladies and Gentlemen, the year 2007 brought on the entire banking sector lots of challenges both domestic and international. However, with the pragmatic strategies adopted by Management, your Bank was able to contain these challenges and consolidate its strong presence in the industry.

Valued shareholders, before I present to you the details of your Bank's

performance for 2007, I would like to give a brief account of the environment, both domestic and international within which your Bank operated.

Operating Environment

The International Environment

The global economy was robust with sustained impressive growth despite the surge in oil prices. Global growth remained slightly above 5% in 2007. The combined contributions of China, India and Russia accounted for about half of the global growth. Furthermore, appreciable economic performance of both emerging and developing economies added to this impressive growth. Growth in the United States, Japan and the Euro Zone was, however, moderate and hovered around 2.3%. High labour

productivity resulting from massive investments in human capital and efficient utilization of information communication technology, among others, propelled the remarkable growth in these economies.

Debt relief funds, massive investments in telecommunication, prudent macroeconomic management, continued foreign inflows, among others, resulted in the remarkable growth of 5.5% in Africa.

Crude oil prices were expected to fall below US\$50.00 per barrel having recorded about US\$54.47 per barrel in early January, 2007. However, the prices continued to increase. By the end of the year, crude oil prices had risen to US\$100.00 per barrel. The hikes in crude oil prices exerted immense pressures on oil-importing countries, including Ghana. Global demand and supply imbalances partly accounted for the price hikes in crude oil. Global inflation, therefore, picked-up but marginally.

Domestic Environment

The Ghanaian economy was robust and remained resilient, despite the energy shocks and the rising fuel prices on the international market. The Gross Domestic Product (GDP) grew at 6.4% in 2007, compared to the projected growth of 6.5% and the realised growth of 6.2% in 2006.

The main thrust of fiscal stance has been efficient revenue mobilisation and prudent expenditure management. Total revenue and grants amounted to GH¢4,317.2 million (1.1% below the annual target) representing 30.1% of GDP, and an increase of 25.0% over the outturn of 2006. Total expenditure stood at GH¢4,960.1 million (6.4% above the end year target) representing 35.2% of GDP and an increase of 30.3% over



the spending level in 2006. The fiscal operations resulted in a deficit of GH¢642.9 million (4.6% of GDP), compared with GH¢897.1 million (7.8% of GDP) for the same period in 2006.

Ladies and Gentlemen, developments in monetary stance saw a slight increase in broad money. Broad money including foreign currency deposits (M2+) grew by 36.3% to close the year at GH¢5,767.4 million. In general, interest rates on financial assets trended downward. The interest rates on the bench mark 91-day Treasury bill and 182-day Treasury bill fared around 10.6% and 10.8% respectively at the end of 2007. The base rates of deposit money banks fell from an average of 21.5% in 2006 to about 19.1% following the 10-month stability of the Bank of Ghana's (BOG) prime rate at 12.5% for 2007. This translated into comparatively lower interest rates.

Overall, developments in the banking industry showed strong asset growth and significant improvement in financial soundness. Total assets of the banking industry grew remarkably. The Deposit Money Banks' lending to the sectors of the economy showed strong upward trend, with substantial part of the funds channeled to the private sector. Total private sector credit rose by 59.8%, up from GH¢2,064.0 million in December 2006 to GH¢3,298.2 million in December 2007. The quality of the banking industry's loan portfolio also remained strong as non-performing loans ratio reduced drastically from 7.9% in December 2006 to 6.9% in December 2007.

Headline inflation stood at 10.9% in January 2007 and rose to 11.0% in May 2007. Despite the rising international oil prices, inflation rate kept falling until it reached 10.1% in October. However, the trend reversed and by the end of December, inflation had peaked at 12.7%. The foreign

exchange market was quite stable, allowing for marginal fluctuations. The Cedi lost about 5.0%, 6.9% and 17.5% of its value to the United States Dollar, the British Pound Sterling and the Euro respectively for the year 2007. On external sector developments, total merchandise exports amounted to US\$4,194.72 million, 12.6% higher than the 2006 level, while total merchandise imports recorded US\$8,073.57 million, representing 20.0% growth over 2006 level. Trade deficit, therefore, amounted to US\$3,878.85 million compared to the US\$3,027.0 million in 2006.

The Ghana Stock Exchange (GSE) recorded a moderate performance during the year under review. Almost all the major indicators exhibited uphill trend. The year-to-date gain for 2007 remained positive.

GCB's Right Issue

Ladies and Gentlemen, the extraordinary general meeting held in October 2006, gave the Bank the mandate to float up to 100 million additional shares through a rights issue. I am happy to announce that the offer, which sought to raise Gh¢45 million finally brought in Gh¢60 million. In all, the rights issue was oversubscribed by 71.6% and this has contributed immensely to the marked increase in capital gain of your shares on the Ghana Stock Exchange.

Strategy Overview

The year 2007 marked the end of the Bank's corporate plan "2005-2007". With operational efficiency and business positioning being the two main broad strategic objectives, GCB was able to aggressively hook all its 136 branches and the 11 agencies onto the Flexcube Wide Area Network (WAN). This remarkable achievement has given the Bank improved technological advantage over our

competitors besides our widespread and geographical representation in the Country.

Rigorous staff training was embarked upon to upgrade and equip staff knowledge on information communication technology and banking operations. These were adopted to enable staff offer excellent services to meet the sophisticated needs of customers and position the Bank well in the competitive financial services industry. Branding of branch premises for congenial working atmosphere to improve good cultural relation, project staff efficiency and offer excellent customer services was undertaken to achieve a higher level of operational efficiency.

To further consolidate your Bank's position in the financial services industry, the Board has approved a new corporate plan, spanning 2008-2010. Under the plan, your Bank will work with two main broad objectives; to deliver quality service and create value for shareholders.

Specifically, the Bank will:

- Strengthen its capacity to lead in the financing of major and financially rewarding businesses in key sectors of the economy such as cocoa, mining, petroleum and natural gas;
- Increase business generation through aggressive but cost-effective deposit mobilization, quality loans and advances, money transfer and financing of import and export trade activities.
- Build the widest networked bank, deploying modern technology and systems to provide an integrated back and front office operation that enhances service delivery to the Bank's clients.

CHAIRMAN'S STATEMENT continued

- Provide convenient, accessible and comfortable banking environment for quality delivery.
- Attract, train and retain staff with right attitudes who are responsive to customer needs and are loyal to the Bank.
- Develop appropriate mix of products and services that will be responsive to changing customer demands and requirement.
- Continuously enhance profits through increased revenues, and effective control and cost management systems.

Operating Results

The stability of the economy has engendered keen competition and reduction in interest margins in the banking industry. However, the pragmatic strategies adopted by Management yielded positive results. Profit before tax for the group stood at GH¢39,544 million compared with the GH¢39,214 million realised in 2006. Profit after tax amounted to GH¢25,462 million as against the previous year's level of GH¢26,015 million.

Share Price Movements and Dividend

The Bank's share traded very well on the stock market. As at January 30, 2007, the share was trading on the stock exchange at GH¢0.6200, but this increased to GH¢0.9502 on September 30 and by the end of the year it had moved up to GH¢0.9950 representing 60.48% increase over the January figure. With the profit made and in line with the Bank's dividend

policy, the Board has proposed a dividend of GH¢0.055 per share amounting to GH¢14,575 million compared with the GH¢9,075 million the previous year. This proposed dividend payout represents 57.24% of profit after tax compared with the 35.5% in 2006.

Management Appointments

Ladies and Gentlemen, with the passing away of Mr. Roko Frimpong, an executive search for his replacement was conducted and Mr. Samuel Sarpong, an experienced Banker emerged as the new Deputy Managing Director (Operations), effective 1st March, 2008.

Social Responsibility

The Bank in its social responsibility contributed in diverse ways towards the welfare of the society. The contributions went mainly to areas such as health, education, communication and agriculture. Among the beneficiaries were Ghana @ 50 Secretariat, Ghana Heart Foundation, Korle-Bu Teaching Hospital- Maternity Department, Komfo Anokye Teaching Hospital, Achimota Hospital, some tertiary institutions and Senior High Schools. Others were Ghana National Trust Fund, Farmers Day Celebration, Traditional Authorities.

Awards

GCB was crowned the best emerging market Bank for year 2007. The Global Finance Magazine, a publishing firm in collaboration with International Monetary Fund (IMF) and World Bank selected GCB as the best domestic bank in Ghana during their annual meeting in Washington D.C in October, 2007. Similarly, The Banker Magazine of the Prestigious

Financial Times Group of the United Kingdom awarded GCB the Bank of the Year 2007 for Ghana.

Outlook

In line with the 2008-2010 Corporate Plan, your Bank will pursue broad objectives to ensure the delivery of quality service and creation of value for shareholders. In this direction, the Bank will deepen its wide area network base, deploy modern systems and technology to provide integrated back and front office operations that will enhance quality service delivery. It will develop appropriate mix of products and services to suit the changing demands and requirements of customers. The Bank will also strengthen its capacity to lead in the financing of major and financially rewarding businesses in key sectors of the economy.

Conclusion

Valued Shareholders, fellow Directors, Management and Staff of GCB, let me thank you all for your support and commitment to bring GCB this far.

Your individual contributions over the years have been impressive, and are well appreciated. I trust that we shall all continue to work harder and move the Bank to greater heights.

Thank you.



Mr. K. G. Osei-Bonsu
Board Chairman



MANAGING DIRECTOR'S REVIEW OF OPERATIONS 2007

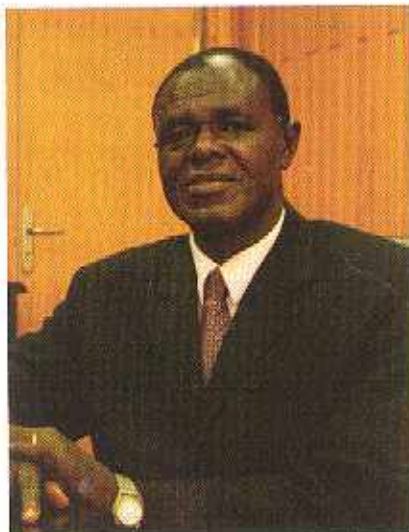
Introduction

The year under review was characterized by some challenges. The prudent management of the economy controlled inflation despite the surge in energy prices on the international market. Interest rates fell with accompanying dwindling margins. The enabling macroeconomic environment engendered the influx of banks resulting in increased competition.

The ensuing competition brought in its trail increased use of modern banking facilities for the attainment of customer satisfaction. Our Bank has not been left out in this and is gearing itself in readiness to launch its internationally recognized plastic cards.

Successful Rights Issue

To mitigate the recent challenges in the industry and bolster performance in the Bank, the Board and Management sought the approval of shareholders and undertook a rights issue. The proceeds, meant to support the entire investment and restructuring programme of the Bank in the next three years, were specifically to (a) enhance the Bank's working capital (b) achieve effective systems and processes (c) train and retain quality staff (d) promote quality products and services and (e) ensure appropriate branch branding.



Mr. Martin Mensah DMD (Finance)



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

GCB planned to raise Gh¢45.0 million under the offer. However, as a result of hard work and the confidence reposed in the Bank, the offer was over-subscribed by 71.6 per cent. The actual proceeds amounted to Gh¢60.0 million.

Performance

The Bank took advantage of increased business opportunities and created more assets. Gross Loans and Advances went up significantly during the period, rising from Gh¢376.2 million in 2006 to Gh¢760.6 million in 2007 representing an increase of 102.2 per cent.

Interest income increased from Gh¢102.4 million in 2006 to Gh¢112.2 million in 2007, registering an increase of 9.5 per cent. Income from Loans and Advances increased by 20.4 per cent to Gh¢75.3 million. Investment Income, however, decreased by 15.0 per cent from Gh¢37.8 million to Gh¢32.2 million. The low income from advances and investment was mainly due to dwindling margins resulting from falling interest rates. For the period under

review, 2.0 per cent of Gross Loans and Advances were classified as non-performing against 3.0 per cent in 2006. This achievement further underscores the quality loan management practices adopted by Management.

Other Operating Income rose by 49.0 per cent from Gh¢2.6 million in 2006 to Gh¢4.0 million in 2007.

Profit before Tax for the group increased from Gh¢39.2 million in 2006 to Gh¢39.5 million in 2007. Shareholders' fund increased by a significant Gh¢76.1 million from Gh¢91.9 million in 2006 to Gh¢168.0 million in 2007. In percentage terms, this represents a significant 82.8 per cent rise. This was due mainly to the successful Rights Issue undertaken by the Bank in June 2007.

Operating Expenses rose from Gh¢81.9 million in 2006 to Gh¢99.8 million in 2007. Provision for Bad and Doubtful Debts increased from Gh¢1.7 million in 2006 to Gh¢8.3 million in 2007. The rise in provision is commensurate with the increase in Gross Loans and Advances arising out



MANAGING DIRECTOR'S REVIEW OF OPERATIONS 2007 continued

of general provision.

Total Assets increased by GH¢366.64 million in 2007 from GH¢779.2 million in 2006 to GH¢1,145.8 million, up by 47.1 per cent. Loans and Advances increased from GH¢376.2 million in 2006 to GH¢760.8 million in 2007, constituting a rise of GH¢384.4 million, or 102.2 per cent.

Funds due from Other Banks and Financial Institutions, however, dropped to GH¢21.7 million in 2007 from GH¢84.4 million in 2006 indicating a decrease of GH¢62.7 million.

The Bank continues to support the Non-Traditional Exports sector as well as the Small and Medium Scale Enterprises sector. Credit to these sectors was up by GH¢1.8 million from GH¢15.0 million in 2006 to GH¢16.8 million in 2007, a significant 12.2 per cent rise.

Total Deposits increased by GH¢204.8 million, or 32.3 per cent, from GH¢634.6 million in 2006 to GH¢839.4 million by the end of 2007. This comprises Current Accounts of 44.8 per cent, Savings Accounts of 32.2 per cent and Time deposits of 23.0 per cent.

New Branches

GCB is well abreast with its Mission Statement and its quest to deliver quality service. In view of this three new branches were added to the existing stock to make the total one hundred and thirty-six (136) during the year. These branches, namely Ho Market, Kasoa and Dome were also hooked onto the Bank's Wide Area Network.

Information and Communications Technology (ICT)

The Bank completed preparatory and installation activities that will establish a successful e-Banking suite of products and services innovation. This e-Banking suite will facilitate the development of products to replace existing ones such as Commernet. It will also help replace our Fundsnet system used to service the International Money Transfer business.

In the near future a product to be known as SmartPay which will facilitate utility bills payment and school fees collection for secondary and tertiary institutions of learning will be developed.

By the end of 2006 fifty (50) Automated Teller Machines (ATM), were operational and distributed evenly throughout our branch network. In 2007, an additional thirty (30) were acquired and sixteen (16) installed, bringing the total installed and operational to sixty-six (66). The objective is to install enough ATMs that will provide greater convenience to our customers as well as decongest our banking halls.

Furthermore, an Automated Audio Visual System (AAVS) has been developed to be used by all branches. The AAVS is an electronic system that enables the display of advertisements (in terms of GCB's products and services) in banking halls. It also allows branches and relevant business units to show information such as exchange rates, service charges, among others, and the capacity to update them on daily basis.

Another ICT system designed and developed is the Counter Manager that helps in the stocking and management of Cheque Books, Savings Withdrawal Booklets, ATM Cards and Savings ID Cards that are received and issued to customers at various branches of the Bank.

The Pensions Payment System (PPS) is yet another system developed to help eliminate the drudgery involved in pension payments by the Bank's branches. The PPS is used in loading pensions at the designated pension centers of the Bank.

We are pleased to inform you about these because they were developed by a cream of exceptionally talented members of staff that we have in our ICT Division.

Internal Controls

Internal Control was strengthened during the year where the Inspection Division was hooked to the Wide Area Network to enable inspectors have unrestricted access to branch operations. This means that off-site inspection can be done by inspectors anytime the need arises leading to reduced irregularities in the Bank. Hitherto, the Bank was paying travelling expenses and allowances to inspectors who go round branches. This particular expense will be reduced significantly in future as a result.

Product Development

The Bank has fully established the GCB Royal Banking which was piloted in 2006. It is intended to provide quality private banking service to our customers.

The Bank signed an agreement with Money-Gram, a reputable international money transfer company as an addition to the Bank's existing international money transfer agents and is aimed at using the Bank's branch network to bring the service closer to the people.

Furthermore, GCB signed an agreement with MasterCard International and acquired a principal status certification in order to roll out MasterCard branded products throughout the Country.

In a competitive banking environment, we are not relenting in our effort at innovation to enable us offer quality service to customers. In this regard the Bank is piloting Internet Banking which is to be launched soon.

Another product is the Electronic Bills presentment and payment to be christened as SmartPay. This product which is hinged to the GCB Commernet Plus will be launched soon.

The Bank has also up-graded and repackaged one of the existing products, the Kudi Nkosuo to make its



MANAGING DIRECTOR'S REVIEW OF OPERATIONS 2007 continued

patronage exciting and attractive to customers. This product is expected to be re-launched in the first quarter of 2008.

Small and Medium Scale Enterprises (SME)

Our relationship with players in the SME sector of the economy has been ongoing since we sought to deepen it a couple of years ago. During the year, the Bank's exposure to the sector increased by 12.2 per cent.

As part of relationship deepening process, the Bank held regular Business Clinics with customers in the SME sector. These Clinics engendered beautiful collaboration among the various Divisions of the Bank since resource persons were drawn internally. During these workshops, not only did the bank introduce the various products and packages available, but also offered business advisory services to customers. This went a long way to improve the performance of their businesses.

In addition, satellite offices have been opened in Kumasi and Takoradi to ensure that SME customers access the Bank's products and services with dispatch.

Human Resource Management

As part of the extensive training programme human resource development was accelerated during the period. As many as ninety-three (93) members of staff were sent abroad for training in various disciplines to enhance their technical skills and management development.

In addition, the Bank is organizing classes leading to the acquisition of Association of Chartered Institute of Bankers (ACIB) certificates for staff members on Saturdays. Resource persons are drawn internally.

A 2-year Graduate Entrants Training (GET) Programme has also been introduced in response to the stiff competition currently prevailing in the banking industry. It is aimed at grooming a special breed of bankers who are confident, committed and technically sound, and above all result-oriented. This crop of managers is expected to change the face of banking in Ghana Commercial Bank Limited in the very near future.

Furthermore, the Bank has embarked on a structured continuing education in ICT for all staff members to enable them update and upgrade

their knowledge in ICT and related professional knowledge and skills to enable them perform their tasks excellently.

Finally, in order to increase productivity in the Bank, the target-based Performance Management System introduced a couple of years back for Senior Managers is being expanded to cover all staff at the supervisory level.

Outlook

A new three-year Corporate Plan has been drawn for the Bank beginning 2008. Under the Corporate Plan, which is growth oriented, the Bank will concentrate its efforts and resources on executing the plans highlighted in the Rights Issue Circular to Shareholders. Essentially, the Bank will:

- Deliver quality service
- Create value for Shareholders

Conclusion

We are relentless in our efforts to develop products to meet the needs of the customer in line with the Bank's focus of service delivery for customer satisfaction. We are optimistic that the benefits from these efforts will translate into increased shareholder value. It is our hope that shareholders will help propagate the positive developments in GCB to the general public.

On behalf of Management and Staff, I take this opportunity to express my sincere thanks to you shareholders for supporting us and demonstrating same by your investment decisions. I am also grateful to the Board of Directors for their visionary direction that has brought the Bank to its present status.

Furthermore, I wish to extend my utmost gratitude to the staff for their commitment to work and customers and other stakeholders for their unstinted loyalty to the Bank.

Thank you.



L. N. Adu-Mante



BOARD OF DIRECTORS



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



Mr K. G. Osei-Bonsu (Board Chairman)



Mr. Martin Mensah
(Deputy Managing Director- Finance)



Mr. Franklin K. Asamoah
(Board Member)



Mr. Peter A. Ocran (Board Member)



Dr. Samuel Nii-Noi Ashong
(Board Member)



Dr Ebenezer Moses Debrah
(Board Member)



Mr. Joe Ofori (Board Member)



Mrs Cecilia Nyann (Board Member)



Mrs. Helen Addo (Board Secretary)



PROFILE OF DIRECTORS

Mr. Kwabena Gyima Osei-Bonsu

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 - Mr. Lawrence N. 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 is also a fellow of the Chartered Institute of Bankers (Ghana). 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, GcNet and Development Finance & Holdings Ltd. He was at various times a director of Fidelity Discount House Ltd., and a member of the Greater Accra and Ghana Hockey Associations.

Mr. Martin Mensah

Deputy Managing Director (Finance) - Mr. Martin Mensah joined the Board in May 2005. He holds a B.Sc. Degree, Major in Mathematics, and a Master of Business Administration (MBA) Degree with specialization in Finance.

He joined the Bank in 1973 and was appointed Deputy Managing Director responsible for Finance in May, 2005. Prior to his appointment he was the General Manager of the Treasury and Branch Operations Divisions of the Bank from 1999 to 2001 and 2001 - 2005, respectively.

He serves on the Boards of Development Finance & Holdings Ltd. and Shell (Gh.) Ltd.

Mr. Franklin Kwabena Asamoah

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

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 the 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

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



PROFILE OF DIRECTORS continued

In April 2005, he rejoined the team of Research Fellows at the Center for Policy Analysis (CEPA) where he had previously served in the same capacity 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 Board of the Venture Capital Trust Fund (VCTF) and a member of the Board of The Capital Group Ltd.

Dr. Ebenezer Moses Debrah

Non-Executive Director, 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 the Universities in the United States of America: Wilberforce University, Wilberforce Ohio; Benedict College, Colombia, Carole, South Carolina and Cedar Crest College, Allentown Pennsylvania.

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 1989. He has also served as Commonwealth and UNDP Consultant in Diplomatic Service Training and Management for a number of countries; Zambia, Papua New Guinea and other Pacific Commonwealth Island Countries, Namibia, Botswana, Lesotho, Swaziland, Mozambique 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 was the first Lay Chairman of the Koforidua Diocese of the Methodist Church, Ghana and a former Member of the ECOWAS Council of Elders.

He is currently the Chairman of the Civil Service Council and Chairman of the Eastern Region Lands Commission.

He is an Honorary Fellow of Legon Hall, University of Ghana, Legon.

Mr. Joe Ofori

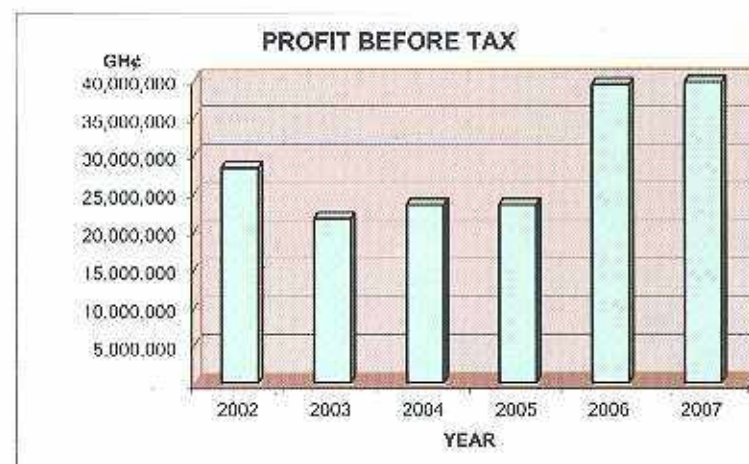
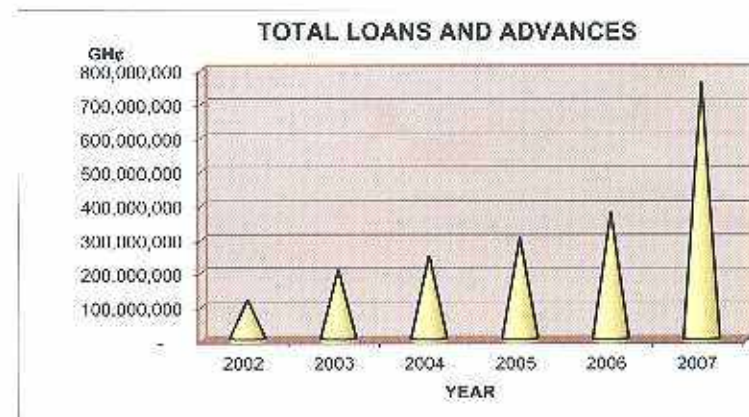
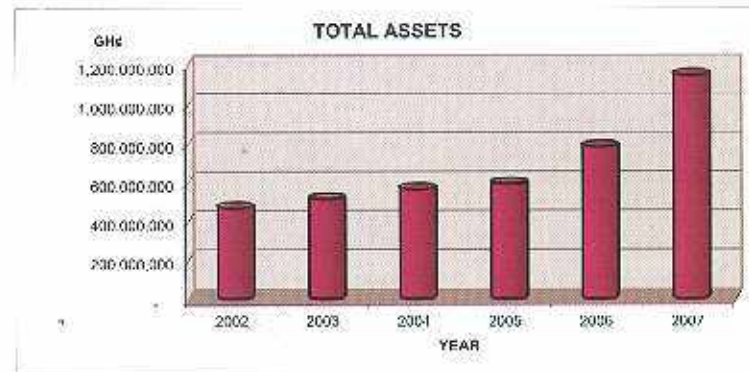
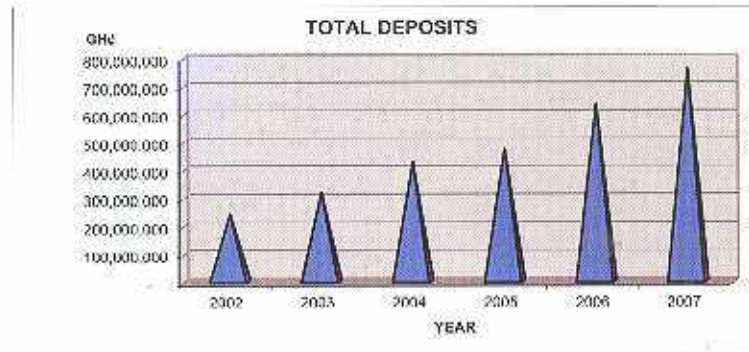
Non-Executive Director - Mr. Ofori joined the Board in September, 2001. He has a Bachelor of Laws Degree LLB (Hons) and a Master of Laws Degree (LLM) with specialisation in corporate and commercial law. He was a Deputy Registrar (Legal Duties) at the West African Examinations Council between 1992 and 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

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 Vice President of The Institute of Chartered Accountants (Ghana) and a council member of The Association of Accountancy Bodies in West Africa (ABWA).



PERFORMANCE AT A GLANCE



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, 2007 report as follows: -

	GH¢
Profit before Tax for the year ended 31st December, 2007	39,543,580
From which is deducted Taxation	14,082,039
Giving a Profit for the year after Taxation of	25,461,541
Less: Transfer to Statutory Reserve	3,182,693
Giving Profit for the year after Taxation and Transfer for Statutory Reserve	22,278,848

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%, SSNII 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 28th and 30th June, 2007 Mr. Roko Frimpong and Mr. Kojo Mensah ceased to be directors of the Bank respectively.

Re-Election of Directors

In accordance with the regulations of the Bank, Dr. Ebenezer Moses Debrah, Mr. Peter Ocran and Dr. Samuel Nii-Noi Ashong are to retire by rotation at the Annual General Meeting and being eligible will be offering themselves for re-election.

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



REPORT OF THE DIRECTORS

Technology

The Bank has 136 Branches and 11 Agencies all on the Wide Area Network and using Flexcube software application. It has also installed 66 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 On-line, 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 2007.

Dated this 15th 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 21 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, 2007, 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 Ghana National Accounting 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 and 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, 2007, and of its financial performance and its cash flows for the year then ended in accordance with Ghana National Accounting 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 LI 1510 as amended.

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 subsidiaries, 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 provision of the Banking Act 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).

FARRAR AVENUE
ACCRA

15th February, 2008


PANNELL KERR FORSTER
CHARTERED ACCOUNTANTS



PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2007

	Notes	THE GROUP		THE BANK	
		2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
INTEREST INCOME	4	112,169,289	102,405,400	112,169,289	102,405,400
INTEREST EXPENSE	5	(22,347,443)	(14,986,300)	(22,347,443)	(14,986,300)
NET INTEREST INCOME		89,821,846	87,419,100	89,821,846	87,419,100
FEE AND COMMISSION INCOME		36,585,899	31,370,600	36,585,899	31,370,600
OTHER OPERATING INCOME	6	3,959,994	2,657,100	2,868,593	1,863,100
OPERATING INCOME		130,367,739	121,446,800	129,276,338	120,652,800
OPERATING EXPENSES	8	(99,837,653)	(81,862,300)	(99,427,392)	(81,602,600)
PROVISION FOR BAD AND DOUBTFUL DEBTS	10	(8,300,067)	(1,659,000)	(8,300,067)	(1,659,000)
NET OPERATING PROFIT		22,230,019	37,925,500	21,548,879	37,391,200
OTHER INCOME	7	17,313,561	1,289,200	17,313,561	1,289,200
PROFIT BEFORE TAXATION		39,543,580	39,214,700	38,862,440	38,680,400
NATIONAL RECONSTRUCTION LEVY	11c	0	(1,260,700)	0	(1,260,700)
TAXATION	11a	(14,082,039)	(11,939,300)	(14,012,918)	(11,879,100)
		<u>25,461,541</u>	<u>26,014,700</u>	<u>24,849,522</u>	<u>25,540,600</u>

INCOME SURPLUS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2007

BALANCE AT 1 JANUARY	58,695,200	52,532,300	57,221,400	51,473,400
NET PROFIT FROM PROFIT AND LOSS ACCOUNT	25,461,541	26,014,700	24,849,522	25,540,600
TRANSFER TO STATUTORY RESERVE FUND	(3,182,693)	(3,251,800)	(3,106,190)	(3,192,600)
TRANSFER TO STATED CAPITAL	0	(10,000,000)	0	(10,000,000)
DIVIDEND	(9,075,000)	(6,600,000)	(9,075,000)	(6,600,000)
BALANCE AT 31 DECEMBER	<u>71,899,048</u>	<u>58,695,200</u>	<u>69,889,732</u>	<u>57,221,400</u>



BALANCE SHEET AS AT 31ST DECEMBER 2007

ASSETS	Notes	THE GROUP		THE BANK	
		2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
Cash and Balances with Bank of Ghana	12	116,215,000	73,837,438	115,338,071	72,520,336
Government Securities	13	204,819,067	216,218,028	202,996,512	215,595,426
Due from Other Banks and Financial Institutions	14	21,681,861	84,374,500	21,681,861	84,374,500
Investment In Other Securities	18	5,849,814	6,271,300	4,973,757	5,020,800
Loans and Advances to Customers	15	742,696,325	364,538,500	742,696,325	364,538,500
Investment in Subsidiary	19	0	0	20	20
Other Assets	20	24,627,086	10,779,200	24,481,971	10,760,531
Property, Plant & Equipment	21	29,948,550	23,182,700	29,948,050	23,182,200
TOTAL ASSETS		1,145,837,703	779,201,664	1,142,116,567	775,992,315
LIABILITIES					
Customers Deposits	22	639,382,573	634,572,700	639,382,573	634,572,700
Due to Other Banks and Financial Institutions	24	58,044,439	640,495	58,044,439	640,495
Borrowings	25	14,000,000	0	14,000,000	0
Interest Payable and Other Liabilities	26	57,279,960	49,294,769	56,896,239	49,164,455
Taxation	11a	9,147,051	2,793,300	8,983,718	2,579,800
TOTAL LIABILITIES		977,854,023	687,301,264	977,306,969	686,957,450
SHAREHOLDERS' FUND					
Stated Capital	27	72,000,000	12,000,000	72,000,000	12,000,000
Share Deals	33	0	100,000	0	100,000
Capital Surplus	32	1,375,939	1,579,200	507,776	407,565
Income Surplus		71,899,048	58,695,200	69,889,732	57,221,400
Statutory Reserve Fund	31	22,708,693	19,528,000	22,412,090	19,305,900
SHAREHOLDERS' FUND		167,983,680	91,900,400	164,809,598	69,034,865
TOTAL LIABILITIES AND SHAREHOLDERS' FUND		1,145,837,703	779,201,664	1,142,116,567	775,992,315

Approved by the Board on 15th February, 2008


DIRECTOR


DIRECTOR



**STATEMENT OF CHANGES IN EQUITY
AS AT 31ST DECEMBER 2007**

GROUP 2007	Stated Capital GH¢	Share Deals GH¢	Capital Surplus GH¢	Income Surplus GH¢	Statutory Reserve GH¢	Total GH¢
Balance at 1 January 2007	12,000,000	100,000	1,579,200	58,695,200	19,526,000	91,900,400
Release on disposal	0	0	(302,717)	0	0	(302,717)
Net profit for the year	0	0	0	25,461,541	0	25,461,541
Decrease in value of shares	0	0	(755)	0	0	(755)
Transfer to statutory reserve	0	0	0	(3,182,693)	3,182,693	0
Transfer to Capital Surplus	0	(100,000)	100,000	0	0	0
Sales of treasury shares	0	0	211	0	0	211
Capitalisation issuance	60,000,000	0	0	0	0	60,000,000
Dividend paid	0	0	0	(9,075,000)	0	(9,075,000)
	72,000,000	0	1,375,939	71,899,048	22,708,693	167,983,680
2006						
Balance at 1 January 2006	2,000,000	100,000	1,670,600	52,532,300	16,274,200	72,577,100
Release on disposal	0	0	(130,200)	0	0	(130,200)
Net profit for the year	0	0	0	26,014,700	0	26,014,700
Increase in value of shares	0	0	38,800	0	0	38,800
Transfer to statutory reserve	0	0	0	(3,251,800)	3,251,800	0
Capitalisation issuance	10,000,000	0	0	(10,000,000)	0	0
Dividend paid	0	0	0	(6,600,000)	0	(6,600,000)
	12,000,000	100,000	1,579,200	58,695,200	19,526,000	91,900,400
BANK 2007						
Balance at 1 January 2007	12,000,000	100,000	407,565	57,221,400	19,305,900	89,034,865
Net profit for the year	0	0	0	24,849,522	0	24,849,522
Transfer to statutory reserve	0	0	0	(3,106,190)	3,106,190	0
Transfer to Capital Surplus	0	(100,000)	100,000	0	0	0
Sales of treasury shares	0	0	211	0	0	211
Capitalisation issuance	60,000,000	0	0	0	0	60,000,000
Dividend paid	0	0	0	(9,075,000)	0	(9,075,000)
	72,000,000	0	507,776	69,889,732	22,412,090	164,809,598
2006						
Balance at 1 January 2006	2,000,000	100,000	407,565	51,473,400	16,113,300	70,094,265
Net profit for the year	0	0	0	25,540,600	0	25,540,600
Transfer to statutory reserve	0	0	0	(3,192,600)	3,192,600	0
Capitalisation issuance	10,000,000	0	0	(10,000,000)	0	0
Dividend paid	0	0	0	(6,600,000)	0	(6,600,000)
	12,000,000	100,000	407,565	57,221,400	19,305,900	89,034,865



CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2007

	THE GROUP		THE BANK	
	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
Cash flows from operating activities				
Net profit before tax	39,543,580	39,214,700	38,862,440	38,680,400
Dividend received	(1,926,899)	(1,246,000)	(835,498)	(452,000)
Depreciation charge	5,931,005	4,569,700	5,931,005	4,569,700
Provision for bad and doubtful debts	8,300,067	1,659,000	8,300,067	1,659,000
Profit on Sale of Fixed Assets	(29,039)	(56,700)	(29,039)	(56,700)
Operating profit before working capital changes	51,818,714	44,140,700	52,228,975	44,400,400
Decrease/(Increase) in Investments	11,398,961	(34,884,500)	12,598,916	(34,443,600)
(Increase) in Loans and Advances to Customers	(384,381,492)	(109,459,291)	(384,381,492)	(109,459,291)
(Increase)/Decrease in other assets accounts	(13,847,886)	5,329,400	(13,721,440)	5,343,100
Increase in Customers Deposits	204,809,873	161,578,700	204,809,873	161,578,700
Increase Payable and Other Liabilities	5,605,699	7,152,900	5,655,764	6,965,100
Increase/(Decrease) in Borrowings	14,000,000	(2,000,000)	14,000,000	(2,000,000)
Increase/(Decrease) in Balance Due to Other Banks	57,403,944	(204,673)	57,403,944	(204,673)
Cash generated from operations	(53,192,187)	71,673,236	(51,405,460)	72,179,736
Tax paid	(7,728,288)	(6,043,300)	(7,609,000)	(6,000,000)
National Reconstruction Levy	0	(180,000)	0	(180,000)
Net cash inflow from operating activities	(60,920,475)	65,449,936	(59,014,460)	65,999,736
Cash flows from investing activities				
Purchase of Property, Plant & Equipment	(12,697,235)	(11,611,100)	(12,697,235)	(11,611,100)
Decrease/(Increase) in Other Investment Securities	421,486	(1,839,700)	47,043	(1,839,700)
Proceeds on sale of Property, Plant & Equipment	29,039	71,200	29,039	71,200
Dividend received from investments	1,926,899	1,246,000	835,498	452,000
Dividends paid	(9,075,000)	(6,600,000)	(9,075,000)	(6,600,000)
Net cash outflow from investing activities	(19,394,811)	(18,733,600)	(20,860,655)	(18,527,600)
Cash flows from financing activities				
Proceeds from rights issue of ordinary shares	60,000,000	0	60,000,000	0
Sale of treasury shares	211	0	211	0
Net cash inflow from financing activities	60,000,211	0	60,000,211	0
Net increase in cash and cash equivalents	(20,315,075)	46,716,336	(19,874,904)	46,472,136
Cash and cash equivalents at beginning of the year	158,211,936	111,495,600	156,894,836	110,422,700
Cash and cash equivalents at end of the year	137,896,861	158,211,936	137,019,932	156,894,836
ANALYSIS OF CASH AND CASH EQUIVALENTS				
Cash and Balances with Bank of Ghana	116,215,000	73,837,436	115,338,071	72,520,336
Due from other Banks and Financial Institutions	21,681,861	84,374,500	21,681,861	84,374,500
	<u>137,896,861</u>	<u>158,211,936</u>	<u>137,019,932</u>	<u>156,894,836</u>



NOTES TO THE FINANCIAL STATEMENTS

1. 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 accounting**

The Bank and its subsidiary ('The Group') prepare their financial statements under the historical cost convention as modified by the revaluation of fixed assets.

(b) **Consolidation**

The consolidated financial statements of the Group comprise the financial statements of Ghana Commercial Bank Ltd and its subsidiary.

The Group accounts for its subsidiary by consolidating fully its assets, liabilities and results for the period.

(c) **Foreign Currency**

Assets and liabilities denominated in foreign currencies are translated into cedis at exchange rates ruling at the end of the year. Gains and losses resulting from foreign currency translation or exchange are included in the profit and loss for the year. Except those relating to non-performing foreign currency-denominated advances. In this case, the gains and losses are transferred to exchange suspense account.

(d) **Re-purchase of own Shares**

In July 1997 the Bank put in place a share re-purchase programme under which it intends to spend a maximum of one hundred thousand Ghana cedis to purchase its own shares.

All transactions relating to the purchase and resale of own shares are dealt with through the Share Deals account.

The shares purchased are held in treasury until resold.

(e) **Interest Income**

The recognition of interest income ceases when the payment of interest or principal is in doubt, and does so automatically if principal or interest payments are 90 or more days late. Any interest previously accrued but not received on a loan placed on non-accrual basis is reversed. Interest is included in income thereafter only when it is received. Loans are returned to the accrual basis only when doubt about collectibility is removed and when the outstanding arrears of interest and principal are received.

(f) **Fee Income**

Loan fees are credited to income.

(g) **Investments**

Investments are held for purposes of both trading and investments. Investments are included in the balance sheet at the lower of cost and net realisable value. Gains and losses on the sale of investment securities are shown separately in other operating income or expenses where applicable.

Bills discounted and securities with a fixed redemption date which are purchased with the intention of being held to maturity are stated at amortised cost. The premium or discount is amortised over the period to redemption and disclosed separately in interest income.

(h) **Advances**

Advances are stated in the balance sheet at the amount of principal and interest outstanding less any provision for bad and doubtful debts and interest held in suspense.

Advances are analysed between the total amount outstanding and provision in a note to the financial Statements.



NOTES TO THE FINANCIAL STATEMENTS

(i) Provisions for bad and doubtful debts

Provisions for bad and doubtful debts are made, having regard to both specific and general risks.

The specific element of the provisions relates to those loans that have been individually reviewed and specifically identified as bad or doubtful. The general element of the provisions relates to those existing losses that, although not yet specifically identified, are known from experience to be present at any year-end in the Bank's portfolio of loans and advances. In determining the level of the provisions required, management considers numerous factors including, but not limited to domestic economic conditions, the composition of the loan portfolio and prior bad debts experience.

Provisions made during the year (less amounts released and recoveries of loans previously written off) are charged as separate amounts in the profit and loss account. Loans are written off when the extent of the loss has been confirmed.

(j) Property, Plant and Equipment

These are stated at cost or valuation less accumulated depreciation. Depreciation is computed using the straight-line method so as to write off the cost or valuation over the estimated useful lives at the following rates:

Office & Residential Buildings	5%
Printing Machines	20%
Safes & Strong Room Doors	20%
Computers	25%
Furniture and equipment	33.3%
Other Motor Vehicles	33.3%
Bullion Vans	25%

(k) Taxation

- (i) The Bank provides for income taxes at current rates on its taxable profits.
- (ii) Provision is made for deferred taxation only to the extent that it is probable that a liability or asset will crystallise in the foreseeable future.

(l) Provident Fund

There is a defined contribution Provident Fund Scheme for all employees who have completed a full year's service with the Bank. Employees contribute 10% of their basic salary to the fund whilst the Bank contributes 12.5%.

(m) Dividend

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



NOTES TO THE FINANCIAL STATEMENTS

2. 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% (2006:3%).

3. SOCIAL RESPONSIBILITY OBLIGATIONS

Amount spent on fulfilling social responsibility obligations was GH¢683,886 (2006: GH¢441,100)

	THE GROUP		THE BANK	
	2007 Gh¢	2006 Gh¢	2007 Gh¢	2006 Gh¢
4. INTEREST INCOME				
Cash and Short Term Funds	4,732,833	2,072,400	4,732,833	2,072,400
Investment Securities	32,173,733	37,842,800	32,173,733	37,842,800
Loans and Advances	75,262,723	62,490,200	75,262,723	62,490,200
	<u>112,169,289</u>	<u>102,405,400</u>	<u>112,169,289</u>	<u>102,405,400</u>
5. INTEREST EXPENSE				
Current Accounts	14,021,172	7,791,100	14,021,172	7,791,100
Time and Other Deposits	7,507,038	5,970,900	7,507,038	5,970,900
Overnight and Call Accounts	819,233	1,224,300	819,233	1,224,300
	<u>22,347,443</u>	<u>14,986,300</u>	<u>22,347,443</u>	<u>14,986,300</u>
6. OTHER OPERATING INCOME				
Gain on Exchange	1,799,348	1,259,200	1,799,348	1,259,200
Dividends from Investments	1,926,899	1,246,000	835,498	452,000
Rent Receivable	233,747	151,900	233,747	151,900
	<u>3,959,994</u>	<u>2,657,100</u>	<u>2,868,593</u>	<u>1,863,100</u>
7. OTHER INCOME				
Profit on Disposal of Fixed Assets	29,039	56,700	29,039	56,700
Recoveries from Bad Debts Written off	16,155,259	1,119,600	16,155,259	1,119,600
Other Miscellaneous Income	1,129,263	112,900	1,129,263	112,900
	<u>17,313,561</u>	<u>1,289,200</u>	<u>17,313,561</u>	<u>1,289,200</u>
8. OPERATING EXPENSES				
Staff Cost (note 9)	58,026,185	47,551,700	57,884,160	47,425,300
Advertising and Marketing	897,136	766,700	897,136	766,700
Administrative Expenses	16,288,305	14,678,500	16,288,305	14,678,500
Training	1,138,313	542,200	1,135,813	532,000
Depreciation	5,931,005	4,569,700	5,931,005	4,569,700
Directors' Emoluments	492,395	489,800	492,395	489,800
Auditors' Remuneration	116,475	66,500	107,500	60,000
Floatation Expenses	2,013,269	0	2,013,269	0
Others	14,934,570	13,217,200	14,677,809	13,100,600
	<u>99,837,653</u>	<u>81,862,300</u>	<u>99,427,392</u>	<u>81,602,600</u>



NOTES TO THE FINANCIAL STATEMENTS

9. STAFF COST	THE GROUP		THE BANK	
	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
Salaries	35,717,772	29,125,100	35,586,347	29,027,700
Social Security Fund contributions	3,457,549	2,926,900	3,457,549	2,926,900
Provident Fund contributions	3,372,481	2,953,700	3,372,481	2,953,700
Medical	766,093	608,600	755,493	597,000
Pension/Gratuity	3,030,808	2,483,769	3,030,806	2,483,769
Other Employees costs	11,681,484	9,453,631	11,681,484	9,436,231
	<u>58,026,185</u>	<u>47,551,700</u>	<u>57,884,180</u>	<u>47,425,300</u>

The average number of persons employed by the Bank during the year was 2,200 (2006 - 2,180)

10. BAD AND DOUBTFUL DEBTS EXPENSES

Specific Credit Risk Provision	2,999,734	599,400	2,999,734	599,400
General Provision for Impairment	5,300,333	1,059,600	5,300,333	1,059,600
	<u>8,300,067</u>	<u>1,659,000</u>	<u>8,300,067</u>	<u>1,659,000</u>

11. TAXATION

a. Income Tax

i) The Bank

	Balance 1-1-07 GH¢	Payments During the Year GH¢	Charge for the year GH¢	Balance 31-12-07 GH¢
1994-2006	(2,339,100)	(3,381,000)	0	(6,320,100)
2007	(2,236,000)	(4,228,000)	12,185,568	5,721,568
Under Provision	422,400	0	0	422,400
	<u>(4,752,700)</u>	<u>(7,609,000)</u>	<u>12,185,568</u>	<u>(176,132)</u>
Deferred Tax 2007	7,332,500	0	1,827,350	9,159,850
	<u>2,579,800</u>	<u>(7,609,000)</u>	<u>14,012,918</u>	<u>8,983,718</u>

ii) The Group

1994-2006	(2,894,000)	(3,381,000)	0	(6,275,000)
2007	(2,152,100)	(4,347,288)	12,254,889	5,755,301
Under Provision	422,400	0	0	422,400
	<u>(4,623,700)</u>	<u>(7,728,288)</u>	<u>12,254,889</u>	<u>(97,299)</u>
Deferred Tax 2007	7,417,000	0	1,827,350	9,244,350
	<u>2,793,300</u>	<u>(7,728,288)</u>	<u>14,082,039</u>	<u>9,147,051</u>

b. Dividend Tax

i) The Bank

2007	(726,000)	726,000	0	0
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ii) The Group

2007	(726,000)	726,000	0	0
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c. National Reconstruction Levy

i) The Bank

1994-2007	657,900	0	0	657,900
	<u>657,900</u>	<u>0</u>	<u>0</u>	<u>657,900</u>

ii) The Group

1994-2007	771,100	0	0	771,100
	<u>771,100</u>	<u>0</u>	<u>0</u>	<u>771,100</u>



NOTES TO THE FINANCIAL STATEMENTS

	THE GROUP		THE BANK	
	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
12. CASH AND BALANCES WITH CENTRAL BANK				
Cash in Hand	22,791,782	14,603,183	21,914,853	13,286,083
Balances with Bank of Ghana	93,423,218	59,234,253	93,423,218	59,234,253
	<u>116,215,000</u>	<u>73,837,436</u>	<u>115,338,071</u>	<u>72,520,336</u>
13. GOVERNMENT SECURITIES				
Stocks and Bonds	65,330,000	58,816,028	65,330,000	58,200,028
Treasury Bills/Notes	29,489,067	235,000	27,666,512	28,400
TOR Bonds	110,000,000	157,367,000	110,000,000	157,367,000
	<u>204,819,067</u>	<u>216,218,028</u>	<u>202,996,512</u>	<u>215,595,428</u>
14. DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS				
Nostro Account Balances	1,239,765	4,028,200	1,239,765	4,028,200
Placements with other Banks	20,442,096	80,346,300	20,442,096	80,346,300
	<u>21,681,861</u>	<u>84,374,500</u>	<u>21,681,861</u>	<u>84,374,500</u>
15. LOANS AND ADVANCES TO CUSTOMERS				
Analysis By Type:				
Overdrafts	525,281,015	301,238,400	525,281,015	301,238,400
Loans	235,286,077	74,947,200	235,286,077	74,947,200
Gross Loans and Advances (See notes 16 & 17)	760,567,092	376,185,600	760,567,092	376,185,600
Provisions for bad & doubtful debts	(17,870,767)	(11,647,100)	(17,870,767)	(11,647,100)
	<u>742,696,325</u>	<u>364,538,500</u>	<u>742,696,325</u>	<u>364,538,500</u>
a. Loans and Advances (Including Credit Bills Negotiated) To Customers and staff	1,223,482,041	610,375,800	1,223,482,041	618,375,800
b. Loan Loss Provision Ratio	0.01:1	0.03:1	0.01:1	0.03:1
c. Gross Non-Performing Loans Ratio	0.02:1	0.03:1	0.02:1	0.03:1
d. 50 Largest exposures (Gross Funded Loan and Advances) to Total Exposures	0.61:1	0.47:1	0.61:1	0.47:1



NOTES TO THE FINANCIAL STATEMENTS

	THE GROUP		THE BANK	
	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
16. Analysis by business Segments:				
Agriculture, Forestry & Fishing	1,355,469	1,976,100	1,355,469	1,976,100
Mining & Quarrying	2,117,170	2,660,800	2,117,170	2,660,800
Manufacturing	17,002,282	23,587,200	17,002,282	23,587,200
Construction	7,726,361	9,884,400	7,726,361	9,884,400
Commerce and Finance	650,266,417	287,272,600	650,266,417	287,272,600
Transport, Storage & Communication Services	5,774,040	10,533,600	5,774,040	10,533,600
Miscellaneous	74,055,88	40,074,400	74,055,880	40,074,400
	2,269,473	196,500	2,269,473	196,500
	<u>760,567,092</u>	<u>376,185,600</u>	<u>760,567,092</u>	<u>376,185,600</u>
17. Analysis by type of customer:				
Individuals	46,502,016	29,431,500	46,502,016	29,431,500
Other Private Enterprises	185,351,076	90,042,200	185,351,076	90,042,200
Government Departments and Agencies/Public Enterprises	528,714,000	256,711,900	528,714,000	256,711,900
	<u>760,567,092</u>	<u>376,185,600</u>	<u>760,567,092</u>	<u>376,185,600</u>
Movement in the provisions for impairment are as follows:				
Balance at 1st January	11,647,100	45,671,100	11,647,100	45,671,100
Amount written off	0	(35,111,800)	0	(35,111,800)
Bad and Doubtful Debts Expense	6,223,667	1,087,800	6,223,667	1,087,800
Balance at 31st December	<u>17,870,767</u>	<u>11,647,100</u>	<u>17,870,767</u>	<u>11,647,100</u>
18. INVESTMENT IN OTHER SECURITIES				
Listed Equity Securities	73,320	447,800	0	0
Unlisted Equity Securities	5,776,494	5,823,500	4,973,757	5,020,800
	<u>5,849,814</u>	<u>6,271,300</u>	<u>4,973,757</u>	<u>5,020,800</u>
19. INVESTMENT IN SUBSIDIARY				
Investment in subsidiary:	0	0	20	20
	Nature of Business	Country of Incorporation	Percentage Interest	
Development Finance & Holdings Limited	Investments	Ghana	100%	
20. OTHER ASSETS				
Accounts Receivable and Prepayments	20,462,601	5,717,300	20,317,486	5,698,600
Accrued Income	4,164,485	5,061,900	4,164,485	5,061,931
	<u>24,627,086</u>	<u>10,779,200</u>	<u>24,481,971</u>	<u>10,760,531</u>



NOTES TO THE FINANCIAL STATEMENTS

21. PROPERTY, PLANT & EQUIPMENT

THE BANK	LAND AND BUILDINGS	COMPUTERS	FURNITURE AND EQUIPMENT	MOTOR VEHICLES	ASSETS IN COURSE OF CONST.	TOTAL
	GHC	GHC	GHC	GHC	GHC	GHC
COST OR VALUATION						
Balance at 1-1-2007	15,349,200	15,196,200	11,206,400	2,133,100	2,200	43,887,100
Additions	7,249,008	1,493,197	3,465,634	489,396	0	12,697,235
Disposals	0	(2,147)	0	(10,663)	0	(12,810)
Balance at 31-12-2007	22,598,208	16,687,250	14,672,034	2,611,833	2,200	56,571,525
DEPRECIATION						
Balance at 1-1-2007	2,805,800	9,282,500	6,985,100	1,631,500	0	20,704,900
Charge for the year	1,447,370	2,250,116	1,863,717	369,794	0	5,931,005
Disposals	0	(1,767)	0	(10,663)	0	(12,430)
Balance at 31-12-2007	4,253,178	11,530,849	8,848,817	1,990,631	0	26,623,475
NET BOOK VALUE						
31-12-2007	18,345,030	5,156,401	5,823,217	621,202	2,200	29,948,050
31-12-2006	12,543,400	5,913,700	4,221,300	501,600	2,200	23,182,200
THE GROUP						
THE GROUP	LAND AND BUILDINGS	COMPUTERS	FURNITURE AND EQUIPMENT	MOTOR VEHICLES	ASSETS IN COURSE OF CONST.	TOTAL
	GHC	GHC	GHC	GHC	GHC	GHC
COST OR VALUATION						
Balance at 1-1-2007	15,349,200	15,198,600	11,206,400	2,146,500	2,200	43,902,900
Additions	7,249,008	1,493,197	3,465,634	489,396	0	12,697,235
Disposals	0	(2,147)	0	(10,663)	0	(12,810)
Balance at 31-12-2007	22,598,208	16,689,650	14,672,034	2,625,233	2,200	56,587,325
DEPRECIATION						
Balance at 1-1-2007	2,805,800	9,268,300	6,985,100	1,641,000	0	20,720,200
Charge for the year	1,447,378	2,250,116	1,863,717	369,794	0	5,931,005
Disposals	0	(1,767)	0	(10,663)	0	(12,430)
Balance at 31-12-2007	4,253,178	11,536,649	8,848,817	2,000,131	0	26,638,775
NET BOOK VALUE						
31-12-2007	18,345,030	5,153,001	5,823,217	625,102	2,200	29,948,550
31-12-2006	12,543,400	5,910,300	4,221,300	505,500	2,200	23,182,700

The fixed assets were revalued at open market value after a physical inspection of the assets in Ghana between the dates 15 December 1993 and 10 January 1994 by a consortium of Valuers, Surveyors and Appraisers led by Owusu Adjapong and Company.



NOTES TO THE FINANCIAL STATEMENTS

	THE GROUP		THE BANK	
	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
22 DUE TO CUSTOMERS				
Current Account	376,317,153	280,843,800	376,317,153	280,843,800
Time Deposits	182,301,613	123,302,900	182,301,613	123,302,900
Savings Accounts	270,418,943	223,519,000	270,418,943	223,519,000
Certificates of Deposit	10,344,864	6,827,000	10,344,864	6,827,000
	<u>839,382,573</u>	<u>634,572,700</u>	<u>839,382,573</u>	<u>634,572,700</u>
23 ANALYSIS BY TYPE OF DEPOSITORS:				
Financial Institutions	23,749,011	24,469,000	23,749,011	24,469,000
Individuals and other Private Enterprises	556,109,610	416,101,300	556,109,610	416,101,300
Public Enterprises	259,523,952	194,002,400	259,523,952	194,002,400
	<u>839,382,573</u>	<u>634,572,700</u>	<u>839,382,573</u>	<u>634,572,700</u>
a. Ratio of 20 Largest Depositors to Total Deposits	0.32:1	0.22:1	0.32:1	0.22:1
24. DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS				
Deposits from Other Banks	<u>58,044,439</u>	<u>640,495</u>	<u>58,044,439</u>	<u>640,495</u>
25. BORROWING				
Inter-Bank Market	<u>14,000,000</u>	<u>0</u>	<u>14,000,000</u>	<u>0</u>
26. INTEREST PAYABLE AND OTHER LIABILITIES				
Creditors	25,098,814	20,049,255	25,098,814	20,049,255
Accruals	1,360,814	470,500	1,360,814	470,500
Others	30,820,332	28,775,014	30,436,611	28,644,700
	<u>57,279,960</u>	<u>49,294,769</u>	<u>56,896,239</u>	<u>49,164,455</u>



NOTES TO THE FINANCIAL STATEMENTS

27. STATED CAPITAL	THE GROUP		THE BANK	
	2007 Number	2007 Amount GH¢	2006 Number	2006 Amount GH¢
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	15,000,000	30,100
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>185,000,000</u>	<u>12,000,000</u>

Shares in treasury as at 31 December 2007: 0 (2006: 352).

28. NUMBER OF SHAREHOLDERS		NO. OF SHARE- HOLDERS	NO. OF SHARES	PERCENTAGE HOLDINGS
CATEGORIES OF SHAREHOLDERS				
Under 1000 Shares	-	94,764	21,829,739	8%
1001 - 5000 Shares	-	8,297	18,435,305	7%
5001 - 10000 Shares	-	713	5,352,888	2%
Over 10000 Shares	-	419	219,382,068	83%
		<u>104,193</u>	<u>265,000,000</u>	<u>100%</u>

29. DIRECTORS' SHAREHOLDINGS	SHAREHOLDINGS
DIRECTORS	
KWABENA GYIMA OSEI-BONSU	6,000
LAWRENCE N. ADU-MANTE	34,938
MARTIN MENSAH	20,000
PETER AUGUSTUS OCRAN	13,500
FRANKLIN KWABENA ASAMOAH	4,000
DR. EBENEZER MOSES DEBRAH	1,500
DR. SAMUEL NII NOI ASHONG	1,000
CECILIA NYANN (MRS)	1,227
JOE OFORI	727
	<u>82,892</u>



NOTES TO THE FINANCIAL STATEMENTS

30. Twenty largest shareholders

NO.	NAME	ADDRESS	SHARE-HOLDING	PERCENTAGE HOLDING
1.	SSNIT	P.O. Box MD, 149, Ministries	79,000,000	29.81%
2.	GHIGV Act. By Min. Of Fin. & Eco. Plann.	P.O. Box MB 40 Ministries	56,608,613	21.36%
3.	BBG NRBC DEXIA Investors SVCS Trust	Barclays Bank Ghana Nom. Ltd.	10,029,700	3.78%
4.	Daniel Ofori	P.O. Box KIA 16409 Accra	10,008,596	3.78%
5.	BBG NBNY AS CORT SUB AC BCG	Barclays Bank Ghana Nom. Ltd.	9,100,000	3.43%
6.	QVT FD LP	908 GT Mary Street George Town Cayman Islands	5,860,000	2.21%
7.	BBGN Re Epack Invst Fund Ltd	Barclays Bank Ghana Nom. Ltd.	3,257,699	1.23%
8.	GCB Staff Provident Fund	P.O. Box 134 Accra	2,996,695	1.13%
9.	Falcon Family LP	400 West Main Street New Jersey U.S.A.	2,569,238	0.97%
10.	Global Undervalued Security Master Fund LP	201 Main Street Forth Worth Texas U.S.A	2,480,000	0.94%
11.	BBGN Barclays Mauritius	Barclays Bank Ghana Ltd.	2,000,000	0.75%
12.	Ghana Reinsurance Co. Ltd.	P. O. Box 7509 Accra	1,799,651	0.68%
13.	State Insurance Co. (Gh) Ltd.	P. O. 2363 Accra	1,796,399	0.68%
14.	Ghana Cocoa Board	P. O. Box 933 Accra	1,600,000	0.60%
15.	BBGN Epack Invest Fund Ltd	Barclay Security Services P.O. Box 2949 Accra	1,324,199	0.50%
16.	Anglogold Ashanti Ltd Provident Fund	P. O. Box 2665 Accra	1,300,000	0.49%
17.	Alexander Easton	Cliff House Sevenoaks Kent England TN13 1EL U.K.	1,261,815	0.48%
18.	BBGN CGML IPB Client for Tudor BVI	Barclays Bank Ghana P.O. Box 2949 Accra	1,240,000	0.47%
19.	International Consillium Emerging Market	International Consillium LLC 350 F Las OLAS Fort Lauderdale	1,080,309	0.41%
20.	Tema Oil Refinery Limited	P.O. Box 599 Tema	1,000,000	0.38%
TOTALS			196,312,914	74.08%

NOTES TO THE FINANCIAL STATEMENTS

31	STATUTORY RESERVE FUND	THE GROUP		THE BANK	
		2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
	Balance at 1-1-2007	19,526,000	16,274,200	19,305,900	16,113,300
	Additions	3,182,693	3,251,800	3,106,180	3,192,600
	Balance at 31-12-2007	<u>22,708,693</u>	<u>19,526,000</u>	<u>22,412,090</u>	<u>19,305,900</u>
32.	CAPITAL SURPLUS				
	Balance at 1-1-2007	1,579,200	1,670,600	407,565	407,565
	Release on disposal	(302,717)	(130,200)	0	0
	Increase/(diminution) in value of shares	(755)	38,800	0	0
	Transfer from Share Deal Account	100,211	0	100,211	0
	Balance at 31-12-2007	<u>1,375,939</u>	<u>1,579,200</u>	<u>507,776</u>	<u>407,565</u>

The Capital Surplus arose as a result of the revaluation of the Property, Plant & Equipment at open market value after a physical inspection of the assets in Ghana between the dates 15 December 1993 and 10 January 1994. It also includes the revaluation of both listed and unlisted securities based on year end market values and premium on sale of own shares. In the current year no Revaluation has been carried out for the unlisted securities.

33.	SHARE DEALS	2007	2006	2007	2006
		GH¢	GH¢	GH¢	GH¢
	Transfer from Income Surplus	16,700	16,700	16,700	16,700
		(39,400)	(39,400)	(39,400)	(39,400)
	Purchase of Own Shares	157,100	157,100	157,100	157,100
	Sale of Own shares	(134,400)	(34,400)	(134,400)	(34,400)
	Transfer to Capital Surplus	<u>0</u>	<u>100,000</u>	<u>0</u>	<u>100,000</u>

The movement on the Share Deals Account is the net result of sums expended and received by the Bank on the purchase and sale of Shares in Compliance with section 63(2) of the Ghana Companies Code 1963, (Act 179).

34. CONTINGENCIES AND COMMITMENTS

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

	2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
Letters of credit	462,914,949	242,190,200	462,914,949	242,190,200
Guarantees and Indemnities	97,526,608	107,422,700	97,526,608	107,422,700
	<u>560,441,557</u>	<u>349,612,900</u>	<u>560,441,557</u>	<u>349,612,900</u>



NOTES TO THE FINANCIAL STATEMENTS

35	DIVIDEND	THE GROUP		THE BANK	
		2007 GH¢	2006 GH¢	2007 GH¢	2006 GH¢
	Balance at 1st January	0	0	0	0
	Final dividend in respect of preceding year	9,075,000	6,600,000	9,075,000	6,600,000
	Payments during the Year	(9,075,000)	(6,600,000)	(9,075,000)	(6,600,000)
	Balance at 31st December	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The Directors have recommended a dividend of GH¢0.055 per share for 2007 (2006 : GH¢0.055 per share) amounting to GH¢14,575,000 (2006 : GH¢9,075,000).

36. 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	10,360,513	847,885	2,774,229	2,438
Investment in other securities	2,034,718	0	0	0
Due from other banks	3,658,036	5,548,120	3,015,766	1,884,779
Loans and advances to customers	100,068,293	0	7,331,462	0
Investment in subsidiary	0	0	0	0
Property and Equipment	0	0	0	0
Other Assets	0	0	0	0
Total Assets	116,121,558	6,396,005	13,121,457	1,887,217
LIABILITIES				
Due to customers	43,321,813	7,883,390	14,409,060	4,596
Due to other banks	0	0	0	0
Other liabilities	0	0	0	0
Tax	0	0	0	0
Total Liabilities	43,321,813	7,883,390	14,409,060	4,596
Net On Balance Sheet Position	72,799,745	(1,487,305)	(1,287,603)	1,882,621
Off-Balance Sheet Credit Commitments	282,861,574	10,159,751	939,639	1,515,981

37. MATURITIES OF ASSETS AND LIABILITIES (BANK)

	TOTAL GH¢	0-3 Months GH¢	3-6 Months GH¢	6-12 Months GH¢	Over 12 Months GH¢
ASSETS					
Balances with Central Bank	115,338,071	115,338,071	0	0	0
Government Securities	202,996,512	11,420,108	16,217,972	0	175,358,432
Due from other banks	21,881,861	21,681,861	0	0	0
Loans and advances to customers	742,696,325	215,049,153	75,039,475	256,333,071	196,274,626
Investment in Other Securities	4,973,757	0	0	0	4,973,757
Investment in subsidiary	20	0	0	0	20
Property and Equipment	29,948,050	0	0	0	29,948,050
Other Assets	24,481,971	17,109,487	4,830,813	2,541,671	0
Total Assets	1,142,116,567	380,598,680	96,088,260	258,874,742	406,554,885
LIABILITIES					
Due to customers	839,382,573	297,748,740	139,365,019	177,423,710	224,845,104
Due to other banks	58,044,439	58,044,439	0	0	0
Other liabilities	56,896,239	35,652,23	12,933,792	8,310,209	0
Borrowings	14,000,000	14,000,000	0	0	0
Tax	8,983,718	8,983,718	0	0	0
Total Liabilities	977,306,989	414,429,135	152,298,811	185,733,919	224,845,104
Net liquidity gap	164,809,598	(33,830,455)	(56,210,551)	73,140,823	181,709,781



HEAD OFFICE & LIST OF BRANCHES

Head Office: P. O. BOX 134, ACCRA 672860-5, 664911-9, 663524, 663529, 663480

Greater Accra Region

Accra High Street, P.O. Box 2971	672857, 673493, 662508, 662434, 664911-9, 662337
Accra New Town, P.O. Box NT 96, Accra New Town	254390, 236935, 225928, 222641
Ada Foah, P.O.Box 55, Ada Foah	0968-22222
Ashaiman, Private Post Bag	(022)-306606
Boundary Road, P.O.Box 891, Accra	682992, 682993, 680667, 775462, 770341,
Burma Camp, P.O. Bag, Burma Camp, Accra	0277-406205
Kwame Nkrumah Circle Branch	246008-17, 246035, 257616, 0277-540416
Derby Avenue, P.O. Box 4832, Accra	664191 4, 665847
Dome, Private Mail Bag, Achimota Market	412817, 412822, 413094
Global Transfer Unit	246039, 246033
International Trade Finance	246008-17, 246031, 246042
Kaneshie Market, P.O. Box 171, Kaneshie, Accra	229005, 227568
Kaneshie Industrial Area, Private Mail Bag, Accra-North	220551, 220591
Korle Bu, P.O. Box 3852, Accra	666521, 666524
Kotoka Int. Airport (Sub-Branch), c/o P.O.Box 2971, Accra	776171, Ext. 1318
Legon, P.O. Box 17, Legon	513131, 500644, 500854
Liberty House, P.O. Box 4443, Accra	66631-7, 663556, 666339
Madina, P.O. Box 413, Madina	501240, 501241
Ministries, P.O. Box M.8, Accra	673950, 662170, 674150
Osu, P.O.Box 9212, Osu, Accra	774456, 774124, 774125, 020-011912
Republic House, P.O. Box 5550, Accra-North	683112, 681862, 681810, 66112, 681812
Ring Road West, P.O.Box 171, Kaneshie, Accra	224703, 225270, 225605
Tema Customs (Sub-Branch), c/o P.O. Box 152, Tema	022-204768
Tema Industrial Area, P.O. Box 8202, Tema	(022) 306082, 302818, 300575
Tema Fishing Harbour, P.O. Box 281, Tema	(022)-202413, 202344
Tema Market, P.O. Box 173, Tema	(022)-204763, 202861
Tema Main Branch Office, P.O. Box 152, Tema	022-204346, 022-202760/8/9, 022-212039, 204/68, Fax: 022-204346
Trade Fair Site, P.O. Bag, Trade Fair Site, Accra	778274, 778275, 774270
Diamond House (Sub-Branch) c/o P.O. Box 2971, Accra	664931, 662094, Ext. 147
Makola Market, P.O. Box 4832, Accra	660370, 680667
Tetteh Quarshie Circle, Private Mail Bag, Legon	506204, 506221, 506198/9, 506223



HEAD OFFICE & LIST OF BRANCHES

Central Region

Abura-Dunkwa, P.O. Box 29, Abura-Dunkwa	(042) 33787
Agona Swedru, P.O. Box 186, Agona Swedru	(041) 20414, 20291/21071
Assin Fosu, P.O. Box 76, Assin Fosu	042-36708, (020) 36708, 0372-28859
Breman-Asikuma, P.O. Box 60, Breman-Asikuma	(041) 20193
Cape Coast Main Branch, P.O. 55, Cape Coast	(042) 32812, 32813, 32354, 32549
Dunkwa-On-Offin, P.O. Box 228, Dunkwa-On-Offin	(0372) 28236
Mankessim, P.O.Box 78, Mankessim	(042) - 36626
Saltpond, P.O. Box 96, Saltpond	(042) - 33718
Twifo Praso, Private Post Bag, Twifo praso	(0372) 28992
University of Cape Coast, P.O. Box 016, Cape Coast	(042) 32287/36377
Winneba, P.O.Box 128, Winneba	(0432) 22133, 22364

Ashanti Region

Agogo, Private Post Bag, Agogo	(051) 20207
Agona Ashanti, Private Post Bag, Agona Ashanti	(051) 20288
Ahinsan, Private Post Bag, Kumasi	(051) 28255, 31964, 33452, 37192, 24129
Asato Market, P.O. Box 3696, Kumasi	(051) 45252, 23514, 45251/36721
Akumadan, P.O. Box 33, Akumadan	0244-313714
Bekwai, P.O. Box 127, Bekwai	(0572) 20204, 20143/20144
Efidiase, P.O. Box 42, Efidiase	(051) 20245
Ejisu, P.O.Box 49, Ejisu	(051) 20183
Ejura, Private Post Bag, Ejura	(0565) 22006
Harper Road, Private Mail Bag, Adum Kumasi	(051) 81880-9
Juaso, P.O. Box 51, Juaso	(0803) 610149
Jubilee House, P.O. Box SE 1212, Suame, Kumasi	(0521) 25070, 26366, 30819
Kajelia, P.O. 1630, Kajelia, Kumasi	(051) 22692, 31446
Konongo, P.O. Box 137, Konongo	(0531) 24336, 24276
Kumasi Main, P.O.Box 852, Kumasi	(051) 25291-3, 37303-4, 24569
KNUST, Private Post Bag, University Post Office, Kumasi	(051) 60153, 62135, 62136
Mampong-Ashanti, P.O. Box 94, Mampong-Ashanti	(0561) 22329, 22327
New Edubiase, P.O. Box 42, New Edubiase	(0572) 20969
Offinso, P.O. Box 60, New Offinso	(051) 20328
Nkawie, Private Post Bag, Nkawie	(051) 20132
Obuasi, P.O. Box 290, Obuasi	(0582) 40255, 42669
Tepa, P.O. Box 103, Tepa	(051) 20900
Yeji, P.O. Box 29, Yeji	(0568) 22008



HEAD OFFICE & LIST OF BRANCHES

Brong Ahafo Region

Bechem, P.O.Box 68, Bechem	(0632) 22302
Berekum, P.O. Box 115, Berekum	(0642) 22042/22193
Dormaa-Ahenkro, Private Post Bag, Dormaa Ahenkro	(0648) 22033, 22047
Duayaw-Nkwanta, P.O. Box 66, Duayaw-Nkwanta	(061)-28605
Gnaso, P.O. Box 83, Gnaso	(061)-24097
Hwidiem, P.O. Box 11, Hwidiem	(061)-26528
Drobo, Private Mail Bag, Drobo	0244334836
Kintampo, P.O.Box 31, Kintampo	(061) 27306
Mim, Private Post Bag, Mim	(061)-24102
Nkoranza, P.O. Box 44, Nkoranza	(061) 27305
Sankore, Private Post Bag, Sankore	0244-313638
Sunyani, P.O. Box 34, Sunyani	(061) 27324, 27087, 27255, 27162, 27157
Techiman, P.O. Box 196, Techiman	(0653) 22048/22369
Wenchi, P.O. Box 49, Wenchi	(0651) 22233

Northern Region

Bimbilla, P.O.Box 27, Bimbilla	(071) 23434
Bole, P.O.Box 24, Bole	(0746) 22006
Damongo, P.O.Box 40, Damongo	(0717) 22020
Salaga, P.O. Box 7, Salaga	(0752) 22021/22081
Tamale Main, P.O. Box 228, Tamale	(071) 22765, 22455, 22755, 22999, 22827, 23216
Tamale Market, P.O. Box 43, (ER) Tamale	(071) 22608
Yendi, P.O. Box 32, Yendi	(0744) 22192/22382
Kete-Krachi, Private Post Bag, Kete Krachi	(0953) 22034, 22035

Upper East Region

Bawku, P.O.Box 38, Bawku	(0743) 22225, 22346
Bolgatanga, P.O. Box 12, Bolgatanga	(072) 22445, 23455, 23462
Navrongo, P.O. Box 28, Navrongo	(0742) 22318, 22390

Upper West Region

Lawra, P.O. Box 92, Lawra	(0756) 22409
Tumu, P.O. Box 2, Tumu	(0756) 22420
Wa, P.O. Box 66, Wa	(0756) 22025, 22039

Eastern Region

Aburi, Private Post Bag, Aburi	(0876) 22045
Akosombo, P.O. Box 24, Akosombo	(0251) 20472, 20530, 21142
Akuse, Private Post Bag, Akuse	0243-244351, 0244-313094 (0251) 225
Anyinam, P.O. Box 46, Anyinam	(081) 24113, 24027
Akim Oda, P.O. Box 364, Akim Oda	(0882) 2124, 2697
Asamankese, P.O. Box 167 Asamankese	(081) 24392/91011
Akropong-Akwapim, P.O. Box 54, Akropong-Akwapim	(081) 24264, 24261



HEAD OFFICE & LIST OF BRANCHES

Donkorkrom, Private Post Bag, Donkorkrom	(0848) 22040, 22039
Kade, P.O.Box 62, Kade	027-522154, 522154 (0804) 710213
Kibi, P.O. Box 97, Kibi	(0812) 4112
Koforidua, P.O. Box 286, Koforidua	(0812) 3049, 3059, 3069, 2258, 2257, 3653, 3652, 13042
Mampong-Akwapim, P.O. Box 54, Mampong-Akwapim	(0872) 22049, 24261
Mpraeso, P.O. Box 56, Mpraeso	(0846) 22057, 22040
New Tafo, P.O. Box 42, New Tafo	(081) 24772
Nkawkaw, P.O. Box 272, Nkawkaw	(0842) 22126, 22105
Nsawam, P.O. Box 272, Nsawam	(0832) 22560, 20262, 024-4312757
Somanya, P.O. Box 78, Somanya	-
Suhum, P.O. Box 155, Suhum	(0858) 22121, 22370

Volta Region

Abor, P.O. Box 48, Abor	-
Aflao, P.O. Box 12, Aflao	(0962) 30207
Akatsi, Private Post Bag, Akatsi	(0966) 44712/44901
Anloga, P.O. Box 31, Anloga	(0902) 210131
Ho, P.O. Box 164, Ho	(091) 26436, 27067, 28396, 28395, 27597
Hohoe, P.O. Box 178, Hohoe	(0935) 22986, 22133, 22070
Jasikan, P.O. Box 85, Jasikan	(0935) 20492
Kadjebi, P.O. Box 27, Kadjebi	(0935) 20491
Keta, P.O. Box 133, Keta	(0966) 42663, 44712
Kpando, P.O. Box 70, Kpando	(0935) 50203
Krachi-Nkwanta, Private Post Bag, Nkwanta	-
Peki, P.O. Box 12, Peki	0243 242810, 483290
Sogakope, P.O. Box 8, Sogakope	0966 44712

Western Region

Axim, P.O. Box 55, Axim	(0342) 22256, 22408
Bogoso, P.O. Box 42, Bogoso	0244-313088
Dadieso, Private Post Bag, Dadieso	-
Elubo, P.O. Box EL 134, Elubo	(0342) 522544-6
Enchi, P.O. Box 15, Enchi	(0395) 22020/22093
Half Assini, P.O. Box 54, Half Assini	(031) 20253
Prestea, P.O. Box 102, Prestea	0244 313089
Samreboi, P.O. Box 40, Samreboi	(0394) 22008, 22049
Sefwi-Wiawso, P.O. Box 59, Sefwi-Wiawso	0244 313135
Sekondi, P.O. Box 101, Sekondi	(0314) 6511, 6746
Takoradi Main, P.O. Box 475, Takoradi	(031) 22351-3/23102/23540
Takoradi Harbour, P.O. Box 707, Takoradi	031-22534 22351-4, 22731
Takoradi Market Circle, Private Post Bag, T'di Mkt. Circle, T'di	(0312) 3569/25370
Tarkwa, P.O.Box 90, Tarkwa	(0362) 20374, 20394



OUR CORRESPONDENT BANKS/AGENTS

GHANA INTERNATIONAL BANK PLC

69 Cheapside, London
P.O. Box 77
EC29 2BB
United Kingdom
CHIBGB 2L

HSBC (MIDLAND BANK)

PLC London
A/C No. 39180678
Currency: GBP
BIC: MIDL GB22

NATIONAL WESTMINSTER BANK PLC LONDON

1. A/C No: 1400206661319
Sort Code: 60-00-04
Currency: US DOLLARS
BIC: NWBKGB2L

2. A/C No: 4400204623096
Currency: gbp
BIC: NWBKGB2L

GIRO BANK PLC LONDON: SERVICE AVAILABLE AT THE FOLLOWING SELECTED POST OFFICES:

Stockwell	Bulham	Kingsland High Road	Ilford
Clapham North	West Ham	Clapham South	Lordship Lane
Clapham Junction	Shepherds Bush	Tooting Broadway	Harlesden
Mitcham	Edgware	Wimbledon	Cricklewood
Brixton	Burntoak	Norwood	Collindale
Lewisham	Neasden	Deptford	Acton
Bermondsey	Battersea	Thorntonheath	Wandsworth
Streatham	Golders Green	Norbury	Victoria
Croydon	Trafalgar Square	West Croydon	East Ham
Leytonstone	Wembley		

UNITED STATES OF AMERICA

CITIBANK NA

16th Floor Zone St.
New York, N.Y. 10043
U.S.A.
BIC: Citius 33
A/C No: 36062908

BANKERS TRUST COMPANY

1 Bankers Trust Plaza
New York, N.Y. 1006
U.S.A.
BIC: BKTRUS 33
A/C No: 04-088-943
UID 056855

GERMANY DRESDNER BANK

Jürgen-Ponto-Platz
160329
Frankfurt Am Main
A/C No: 499-08-045161-00
Swift ID: DRESDE33

AMSTERDAM ABN AMRO BANK BV

C/o ABN AMRO HOLDING BV
FOPPINGADREEF 22
A/C NO: 52-83-35-030
SWIFT ID: abnam12A

AGENTS FOR FAST INTERNATIONAL MONEY TRANSFER

UNITED STATES OF AMERICA SPEEDY FOREX BUREAU LLC.

6121 Linconia Rd. 405
Alexandria, v.a. 22312
Tel: 703 256 7035
Fax: 703 729 0102
E-mail: speedyforex@aol.com

GERMANY UNIVERSAL MONEY TRANSFER GMBH

WANDSBEKER CHAUSSEE
130,22089 Hamburg
Germany
Tel: 040 2000 7919
Fax: 040 2000 7939
040 2100 7395

UNITED KINGDOM UNITY LINK MONETARY TRANSFER

10 High Street, Harlesden
London NW 10 4LX
Tel: 020 8838 1166, 020 8453 9780
Fax: 020 8838 2266
E-mail: unitylink@aol.com

FAMILY LINK MONEY TRANSFER INC.

1205 College Avenue
Bronx, NY 10456
U.S.A.
Tel: 718 283 6280
Fax: 718 293 1790
E-mail: family-link@msn.com

HOLLAND UNITY MONETARY SERVICES B.V.

BIJL MERDREEF 1129A-1131A
1103 TT Amsterdam
The Netherlands
Tel: 020 695 7122
Fax: 020 690 4956
E-mail: unity@xs4all.net

SWEDEN WISEWAY TRANSFER SERVICE HANDLEBOLAG

KROGARVAGEN 2828 10TR
245 52 NORSBORD
STOCKHOLMS LAN
Tel: 0046 859996215
Fax: 0046 859996215, 004687202491





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 28, 2008 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, 2007 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. 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. In case of joint holders, each holder should sign 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. For a postal proxy, please sign and post it so as to reach the GCB Registry not later than 10am on Friday March 21, 2008.
2. To declare a dividend for the year ended 31st December, 2007			
3. To re-elect the following Directors retiring by rotation a) Ebenezer Moses Debrah b) Peter Augustus Ocran c) Samuel Nii-Nor Ashong			
4. To ratify the appointment of Samuel Sarpong as a Director			
5. To approve the remuneration of Directors			
6. To authorize Directors to determine the fees of the Auditors			

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/We a member/members(*) of GCB Have/By appoint or 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 28, 2008 and at any adjournment therefore. 2008

(*) Delete whichever is not applicable



**GHANA
COMMERCIAL
BANK LTD.**

We serve you better

Ghana Commercial Bank Ltd.
P.O. Box 134, Accra
Tel: 021 672870-4, 663964
www.gcb.com.gh

Printers: Commercial Associates Ltd., Accra. Tel: 664392/3