Outstanding Performance

As the ***Best Bank-Ghana 2012***, **GCB** is proud to share this award with all stake-holders for their contribution.

...Congratulations

GHANA COMMERCIAL BANK LTD.

Telephone: (+233-302) 663964 **Website:** www.gcb.com.gh

1953 - 2013

THE DIAMOND JUBILEE

The 2012 Annual Report

Ghana Commercial Bank Limited

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Notice of 19th Annual General Meeting

Notice is hereby given that the 19th Annual General Meeting of Ghana Commercial Bank Limited will be held at the Accra International Conference Centre on Friday, 31st May, 2013 at 10.00 a.m. to transact the following business:-

AGENDA

1) To consider and adopt the financial statements of the Company for the year ended 31st December, 2012 together with the Reports of the Directors and Auditors thereon.
2) To declare a Dividend for the year ended 31st December, 2012.
3) To re-elect Directors retiring by rotation:
4) To ratify the appointment of a Director.
5) To approve an increase in the remuneration of Directors.
6) To authorize the Directors to determine the fees of the Auditors.

SPECIAL RESOLUTION

To pass the following as Special Resolutions:

7) That the name of the Company be changed from Ghana Commercial Bank Ltd. to **GCB BANK LTD**
8) That the Directors be authorized to transfer an amount of GH¢29,138,257 (GH¢28,000,000 net of taxes) from Retained Earnings to Stated Capital thereby increasing the Company's Stated Capital from GH¢72,000,000 to GH¢100,000,000.

DATED THIS 24TH DAY OF APRIL 2013
BY ORDER OF THE BOARD

HELEN ADDO (MRS.)
COMPANY SECRETARY

NOTES:

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 purposes of the meeting 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.

Corporate Information

BOARD OF DIRECTORS

Dr. Fritz Augustine Gockel (Chairman)

Mr. Simon Dornoo (Managing)

Mr. Samuel Sarpong

Mr. John Awuah
(appointed 27th March 2013)

Mrs. Adelaide Mary Benneh

Mr. Elliot Gordor

Mr. Fifi Fiavi Kwetey

Mr. Joshua Kwaku Kyeremeh Peprah

Mr. Lovelace Prempeh

Ms. Lauretta Vivian Lamptey
(Resigned 11/6/12)

Mrs. Charlotte Amah Osei
(Resigned 26/4/12)

Mr. Edward Botchway
(Resigned 25/5/12)

SECRETARY

Mrs. Helen Addo
Ghana Commercial Bank Limited
Head Office, High Street
P. O. Box 134
Accra

AUDITORS

KPMG
Chartered Accountants
13 Yiyiwa Drive, Abelenkpe
P. O. Box GP 242
Accra

REGISTERED OFFICE

Ghana Commercial Bank Building
Thorpe Road, High Street
P. O. Box 134
Accra

REGISTRARS

Share Registry
Ghana Commercial Bank Limited
Head Office, High Street
Accra

Board Members

Dr. Fritz Augustine Gockel

Mr. Simon Dornoo

Mr. Samuel Sarpong

Mr. John Awuah

Mrs. Adelaide Mary Benneh

Mr. Elliot Gordor

Mr. Fifi Fiavi Kwetey

Mr. Joshua Kwaku Kyeremeh Peprah

Mr. Lovelace Prempeh

Mrs. Helen Addo
Company Secretary

Profile of the Directors

1. Dr. Fritz Augustine Gockel is Head of the Department of Economics, University of Ghana, Legon, Ghana and holds a PhD. from the University of Manchester, United Kingdom. He is the Vice President of the Academic Board of the MPhil Programme for Anglophone Africa under the Auspices of the African Economic Research Consortium (AERC), Nairobi, and also a member of the PhD Academic Committee of the AERC. Dr. Gockel lectures numerous courses at the postgraduate and undergraduate levels including Monetary Theory and Practice, Economic Policy Analysis, Design and Evaluation. He also supervises doctoral and master's level dissertations, and is an external examiner at the University of Cape Coast. He has participated in instructional programmes of the Ghana Stock Exchange and has presented papers at several national and international conferences and also has several publications to his credit in both local and international journals.

Dr. Gockel has been a consultant to many local and international institutions including the Ministry of Trade and Industry, National Development Planning Commission, Ministry of Finance and Economic Planning, West African Monetary Institute, World Bank, USAID, ILO, UNDP, UNECA, and Friedrich Ebert Foundation.

2. Simon Dornoo joined GCB on 4th March 2010 from Barclays Bank where he worked in various Senior Management positions form January, 1999 to March, 2010. He worked locally with Barclays Bank of Ghana as Finance Director and Country Treasurer as well as with Barclays PLC, U.K. being the first African to be appointed as Finance Director for Barclays Africa and the Indian Ocean with oversight responsibility for ten countries. Simon began his professional career with KPMG in 1985 where he trained and later worked as an Audit Senior until 1990. As one of the pioneers of CAL Bank in 1990, he was the first Financial Controller and he subsequently held other senior level positions in the Bank until December, 1998. Simon has served on various Boards mainly in the financial services sector. He is a qualified Chartered Accountant (CA Ghana) and has an MBA degree from Manchester Business School, United Kingdom. Mr. Dornoo currently serves on the Boards of Ghana International Bank plc, GCNet and Development Finance & Holdings Ltd.

3. Samuel Sarpong Chief Transformation Officer, joined the Bank in 2008 and holds a degree from University of Guelph, Ontario, Canada (M.Sc. Agric) and Wilfrid Laurier University, Ontario, Canada (MBA). He has also completed many professional courses.

Mr. Sarpong served as Policy Adviser in the Ontario Ministry of Agriculture & Food and Ministry of Economic Development & Trade, Canada from 1990 to 1995. In 1996, he joined the 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, Mr. Sarpong joined General Electric Corporation's (GE), Consumer Lending Business (GE Money Canada) and as Senior Manager in GE, he served as Risk Leader for 3 business units – Credit Cards, Risk Infrastructure & Fraud and Mortgages.

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

4. John Awuah Chief Finance Officer joined the Board in March 2013. Prior to joining the Bank, Mr. Awuah was the Group Chief Finance Officer of Ecobank Capital where he exercised leadership over the Finance Functions of Ghana, Nigeria, Cote d'Ivoire, Cameroon, Kenya and Zimbabwe.

He has had senior management experience with Barclays Bank of Ghana, United Bank for Africa Ghana Ltd. (UBA Ghana Ltd.) and Standard Chartered Bank Ghana Ltd with industry exposure from Tractor & Equipment (now Mantrac Ghana) and Western Castings Ltd in various capacities.

Mr. Awuah is a known subject matter expert on financial controls and governance in Ghana and has had many years of progressively responsible work experience in areas including Financial Control, Regulatory Reporting, Credit Control, Taxation, Market Risk Monitoring, Financial Accounting, Business Partnering, Business Analytics, Operational Risk and Corporate Strategy. He is a Fellow of the Association of Chartered Certified Accountants (UK) and a member of the Institute of Chartered Accounts (Ghana). He holds Bachelor of Commerce degree from the University of Cape Coast (Ghana) with first class honors and MBA (with merit) from the Oxford Institute of International Finance – Oxford Brookes University (UK).

He serves on the Boards of Development Finance & Holdings Ltd, Prairie Volta Ltd and Oxford & Beaumont Solicitors.

Profile of the Directors

5. Adelaide Mary Benneh has a BA (Hons) degree in French and Spanish from the University of Ghana and an MSc. degree in Management Sciences from the University of Manchester, UK.

She worked with Bank of Ghana for several years and held a number of appointments including Director and Head of Human Resource Department and Advisor to the Governor of Bank of Ghana.

In 2001, Mrs. Benneh was appointed a Management Consultant at the Ghana International Bank, London, UK and the Principal of the National Banking College. She left the National Banking College in 2008. She is a Fellow of Ghana Institute of Human Resource Management Practitioners.

She is currently the Chairperson of the Board of Directors of IFS Finance & Leasing Company and also the Nkosuohene of her hometown, Wirenkyiren Amanfrom in the Eastern Region.

6. Elliot Gordor is a seasoned business executive with over twenty-five years' experience and a product of the University of Ghana and University of Mississippi with specialization in Business Administration. He is also the Chief Executive Officer of Gelloq Company (Ghana) Limited, a major player in Ghana's haulage and logistic industry with subsidiaries in Togo and the United States of America (USA).

Mr. Gordor serves on the Boards of Conway & Sons LLC, USA, Millard Solutions LLC, USA, MBG Ghana Limited and Tema Development Corporation.

7. Fifi Fiavi Kwetey holds a Bachelor of Arts Degree in Economics and Psychology from the University of Ghana, Legon and a Diplome Superieur du Francais Des Affaires from the Chamber of Commerce & Industry of Paris.

He has at various times worked as Financial Analyst and Stockbroker at the Strategic African Securities Ltd. and Investment Advisor and Funds Manager at the CDH Financial Holdings Ltd. He also lectured capital market courses on the Ghana Stock Exchange for a number of years. Between 2009 and January 2013, he was the Deputy Minister for Finance in charge of Economic Strategy.

He currently is the elected Member of Parliament for Ketu South and a Minister of State at the Presidency, in charge of financial and allied institutions.

8. Joshua Kwaku Kyeremeh Peprah has over 30 years' experience in the Telecoms/ICT industry. He Holds a Bachelor of Science Degree in Electrical and Electronics Engineering (BSc. E & EE) from The Royal Military College of Science, Shrivenham, UK and an MBA in Operations Research and Marketing from Texas Christian University (TCU), Fort Worth, Texas, USA. He worked for Texas Instruments (TI) in Dallas, Texas and held several key positions. Mr. Peprah was a member of the team that introduced the world famous Digital Signal Processor (DSP) chip. He was the Director for Operations and Marketing of the first Data Communications Company (DATATEL) and also established the Computing Networks and Systems Integration (CNSI) Limited, Ghana. He has extensive experience in ICT matters through participation in International Telecommunications Union – Telecom sector and a member of the experts' group working on the 'ITU Mark' project.

Mr. Peprah was the Director for Regulatory Administration Division of the National Communications Authority (now retired), the Chairman of the National Technical Committee for Analogue to Digital Television Broadcasting Migration and the Vice Chairman for Africa on the Telecom Standardization Advisory Group (TSAG) of ITU dealing with issues on "Bridging the Digital Divide". Mr. Peprah is now a private consultant in the ICT Sector.

9. Lovelace Prempeh is a Chartered Accountant by profession. He is a Fellow of the Institute of Chartered Accountants, England and Wales. He is also a member of the Institute of Chartered Accountants, Ghana. He holds an honours degree in Economics from Lancaster University, England.
Mr. Prempeh has a rich working experience in finance and business management acquired over the years from the United Kingdom and Ghana. He has worked with reputable companies like PriceWaterhouseCoopers, KPMG, SCOA and Tema Oil Refinery (TOR).
He is currently a Corporate and Financial Consultant and serves on the Boards of SDC Finance and Leasing Company Ltd. and Densu Industries Limited.

Financial highlights

Profit before Tax

520% Up

Group profit before tax of GH¢ 192.9m up 520% over 2011

Net income

47% Up

Net income at GH¢ 407.5m is 47% growth over 2011

Operating expenses

Down **12%**

Operating expenses declined by 12% over the 2011 levels

Impairment

1% Lower

Impairment kept marginally under 2011 levels in spite of growth in customer assets

Total Assets

Up **21%**

Earning Assets

Up **27%**

Loans & Advances

Up **78%**

Customer Desposits

Up **13%**

Return on Assets

4.8%

2011: 0.7%

Return on Equity

48.3%

2011: 10.1%

Cost/ Income ratio

52.9%

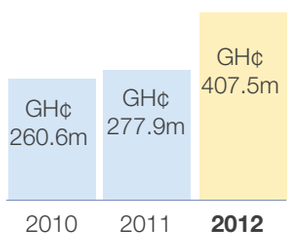
2011: 87%

Earning assets/ total assets

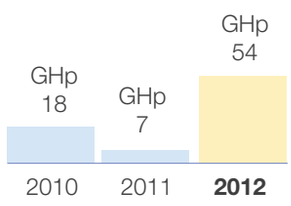
81.8%

2011: 77.8%

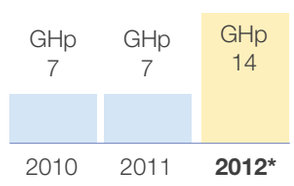
Net Income



Earnings Per Share



Dividend Per Share



* The 2012 dividend per share is the proposed dividend.

Executive and Senior Management

Simon Dornoo
Managing Director

Samuel Sarpong
Chief Transformation Officer

Kojo Addae-Mensah
Chief Operating Officer

John Awuah
Chief Finance Officer

El Farouk Umar
Chief Information Officer

Samuel Acquah
Chief Risk Officer

Doris Wunu (Mrs.)
Head, Consumer Banking

George Fuachie
Head, Corporate Banking

A. Agamu Asokea (Mrs.)
Head, Legal Services

Francis Danyi
Head, Human Resources

Chairman's Statement

> The group's Total Income was GH¢418 million in 2012, up 45% from the GH¢289 million reported in 2011, reflecting a careful exploitation of the growth opportunities available in the financial environment during the year.

Dr. FRITZ A. GOCKEL
Chairman

Ladies and Gentlemen,

On behalf of the Board of Directors and on my own behalf, I warmly welcome you all to this 19th Annual General Meeting of Ghana Commercial Bank Limited (GCB). The Board is pleased to present to you the Annual Report and Financial Statements of your Bank for the year ended 31st December 2012.

It is particularly pleasing to report that GCB performed exceptionally well in 2012, delivering strong results mainly underscored by robust underlying business generating capabilities. The Bank has emerged the most profitable bank in 2012 after providing for legacy issues that caused profits to dip in the previous year and has re-established stronger footing to sustain profitability in the years ahead.

REVIEW OF THE GLOBAL ECONOMY

In 2012, the Bank operated in a macroeconomic environment characterized by slower global economic conditions. Global growth dropped to 3.2% in 2012 from 3.9% the previous year. Growth in advanced economies was 1.1% in 2012 as these economies continued healing the scars of the financial crisis of 2008-2009. Europe actually contracted by 0.2% in 2012, pulled down by the Euro Zone which recorded a contraction of 0.4% while the United States of America recorded a 2.3% growth. Fiscal consolidation dampened demand; this, coupled with a financial system which is still undergoing a healing programme pulled down growth in the advanced countries.

Emerging and Developing economies recorded a growth of 5.1% in 2012 contributing 2.6% out of the 3.2% global growth with the Advanced Economies contributing the remaining 0.6%.

Chairman's Statement cont'd

Economic activities in Emerging and Developing economies, however, were slower in 2012; down from 6.3% in 2011, due to weaker demand from Western Countries and policy tightening in response to capacity constraints and country specific factors. China, a significant contributor in this market recorded a growth of 7.8% in 2012 down from 9.2% in 2011. Growth in Sub-Saharan Africa was 5.0% in 2012 almost flat on the 5.1% recorded in 2011.

Growth in world trade volumes were lower in 2012, 3.2% compared to 5.8% the previous year reflecting weaker demand. These dampened inflationary pressures, moderating global inflation to 3.9% by the end of 2012.

REVIEW OF THE DOMESTIC ECONOMY

In 2012, we operated in a domestic condition that witnessed a GDP growth of 7.1%. A budget deficit of GH¢8.7 billion was recorded in 2012 (as revenue amounted to GH¢16.1 billion against an expenditure of GH¢24.8 billion in 2012) resulting in an overall fiscal deficit equivalent to 12.0% of GDP, against a target deficit of 6.7% of GDP. The deficit was financed mainly from domestic sources. The stock of public debt stood at GH33.5 billion, 46.7% of GDP in 2012 increasing by 40% over that of 2011.

Deterioration in the trade balance and an overall balance of payments that worsened, reversing the GH¢546.2 million surplus in 2011 to GH¢1.2 billion deficit had volatility implications for the Ghanaian currency. The Cedi eventually depreciated by 17.5% in 2012.

The stabilization efforts by the Central Bank saw a cumulative increase in the policy rate by 250 basis points reaching 15% by June of 2012. Money market rates responded in same direction – 91-day Treasury bill rose from 10.7 in December 2011 to 22.4% in June 2012 and ended the year at 23.1%. Rates of other instruments moved largely in similar trajectory.

Growth in monetary aggregates moderated in 2012 as broad money (M2+) grew by 24.3% compared to 33.2% the previous year. Credit to the private sector by deposit taking banks grew by 34.1% in 2012 compared to 26.3% in 2011. A 22.5% growth in bank deposits supported growth in total assets of the banking industry which reached GH¢27.2 billion in 2012 compared to GH¢22.1 billion in 2011.

FINANCIAL PERFORMANCE

I am delighted to report that in spite of the dictates of the economic context highlighted above, the group's Total Income was GH¢418 million in 2012, up 44.8% from the GH¢288.5 million reported in 2011, reflecting a careful exploitation of the growth opportunities available in the financial environment during the year. Impairment Charge on loans and advances in 2012 of GH¢10.6 million was mostly flat when compared with the GH¢10.7 million recorded in 2011 representing a marginal decline of 0.6%. There was a decline in Operating Expenses in 2012 of GH¢29.9 million over the levels recorded in 2011 representing an 11.9% decline when compared with 2011. These

Chairman's Statement cont'd

results were achieved on the back of targeted investment in revenue generating activities, effective deployment of resources and tighter management of discretionary expenditure. The significant growth in revenues, marginal reduction in credit impairment charge and the 11.9% operating costs reduction together resulted in a Profit After Tax of GH¢143 million in 2012 compared to GH¢18 million in 2011 representing a 695% growth year-on-year. This produced an Earnings per share of GH¢0.54 which is 671% better than the GH¢0.07 recorded in 2011.

SHAREHOLDER REMUNERATION

Our shareholder remuneration focuses on total shareholder return – a consistent dividend payment and a market appreciation of the stock value of your Bank. The Board of Directors of your Bank recognizes that successful Banks pay dividends to their owners; it is in this spirit that the Board proposes a significantly improved distribution from profits for an exceptional year of performance. As a result, we propose a total cash dividend of GH¢37.1 million (2011: GH¢18.6 million) representing a dividend per share of GH¢0.14 (2011: GH¢0.07), a 100% increase in cash dividend payment.

In commemoration of the Bank's 60th anniversary, the Board recommends the payment of an interim dividend in 2013 of GH¢10.6 million to be paid at the same time of the payment of the cash dividend for 2012. This represents an interim dividend of GH¢0.04 per share. Total dividend payment is therefore GH¢47.7 million (i.e. GH¢0.18 per share)

TRANSFER FROM INCOME SURPLUS TO STATED CAPITAL

We also recommend for approval of our shareholders an increase in our stated capital from GH¢72 million to GH¢100 million by the transfer from income surplus of a gross amount of GH¢29,138,257 to stated capital in line with Section 74 (1) of the companies code 1963, Act 179. This will boost the size and profile of your Bank's regulatory capital and strengthen its capacity to explore further growth opportunities.

OUR STRATEGY

Our short term goal, as also reported in my 2011 statement, is to reposition GCB among the top performing banks in Ghana. We have clearly demonstrated that we worked at the strategy hence the appreciable year-on-year growth in performance. Our strategy towards this goal has been to pursue growth opportunities in consumer banking and money market operations where GCB has the most competitive advantages. We have also been working tirelessly to improve our governance structures and process flows.

Dear Shareholders, the Board, Management and Staff are focused on delivering further improvements in order to sustain performance into the future.

GCB at 60 (DIAMOND JUBILEE YEAR)

GCB, then Bank of the Gold Coast, marked its 60th anniversary on 20th May this year.

Chairman's Statement cont'd

We celebrate this anniversary by first saluting and paying tribute to those who laid the foundation for this successful venture and whose intents and aspirations have served as unseen words that have guarded our paths so far.
Secondly, we celebrate the 60th anniversary congratulating every person who has worked for this Bank since 1953.

Finally, we celebrate our customers for their loyalty all these 60 years.
It is pleasing to observe the strong bond of custom that account holders of GCB have exhibited even in the face of heightened competition in the areas of product deployment, distribution and service standards. The Board extends its congratulations and appreciation to the customers of GCB. We celebrate the 60th anniversary for our customers.
We do so with deep reflection on the significance of the age of the Bank. At 60, GCB is "retiring" the service cultures that have not made it possible to serve our customers better. A service culture transformation is already underway in your Bank; a medium term programme that seeks to renew and refresh service culture – the manner we serve and delight the customer.
And so this celebration is an assurance to our customers that the Bank is shirking old ways and seeking to enrich the lives of our partners going forward.

CORPORATE SOCIAL RESPONSIBILITY TO THE COMMUNITY

Wherever GCB operates, your Bank has been driven by a philosophy to be a partner of those communities. Towards this, we have contributed in diverse ways to the communities where we serve. Contributions have gone into sponsoring festivals which has helped keep our culture alive and preserved. Contributions have also sponsored educational and health needs of those in the communities and many more and also at national level.
In 2012 in particular, the Bank paid out GH¢2.6 million (2011: GH¢0.7 million) towards its corporate social responsibilities programmes.

CHANGES TO THE BOARD

There were some changes in the composition of the Board during 2012 as Ms. Lauretta Vivian Lamptey, Mrs. Charlotte Armah Osei and Mr. Edward Nartey Botchway resigned from the Board of the Bank. I would like to thank them for their significant contributions to the Bank. They deserve our well wishes for their engagements elsewhere.

OUTLOOK

Looking ahead, global growth is projected to increase during 2013. However, recovery remains fragile and vulnerable to downside risks. For Ghana, growth outlook is broadly positive mainly on larger oil outputs. However, downside risks include energy sector challenges and uncertainty relating to

Chairman's Statement cont'd

implementation of the fiscal consolidation measures in periods of pressures on utility and fuel subsidies. Other risks are the outstanding public sector debts payments, wages and salary negotiations and settlements, worsening balance of payments and its negative effects on the strength of the Ghana Cedi.

The Bank will remain focused on its long term objectives by strategically positioning and professionally weighing its exposures to derive respectable and sustainable returns to our shareholders. We will not relent in our quest to improve our operating platform, map out effective and efficient service delivery channels to propel your Bank to its market leadership ambition.

CONCLUSION

I am delighted to look back on a strong and successful year. This was achieved by the staff who are poised to rollout the strategies for a brighter future to all stakeholders. The Board appreciates the passion of Management as they carry through the transformation agenda. Finally, I thank my colleague Directors for their commitment and diverse opinions that helped produce the results I have talked about. I look forward to being supported for the ensuing year and also look forward to reporting on exciting results in the years ahead.

Dr. FRITZ A. GOCKEL
CHAIRMAN

Managing Director's Statement

"We started by setting ourselves a three year goal to become one of the best performing banks in Ghana; this is no longer a vision but a reality."

Mr. SIMON DORNOO
Managing Director

Dear Shareholder,

I am very pleased to have another opportunity to present the Bank's performance and development over the last year to you. We started by setting ourselves a three year goal to become one of the best performing banks in Ghana; this is no longer a vision but a reality. Before I delve into this I would like to review the context in which we did business last year.

ECONOMIC OVERVIEW

The effects of the sovereign debt crisis in the Eurozone and the fiscal challenges in the United States of America continue to be the key issues affecting financial markets. The World Economic Outlook reported a global growth of 3.2% for 2012 down from 3.9% in 2011. The cooling of economies have been a cause and effect of these two key issues and their impact continue to be felt through trade and financial channels in emerging economies including Ghana. This country's main exports - Gold, Crude Oil and Cocoa and inflows from remittances are affected by weak demand and growing unemployment in these advanced economies.

Output growth of 7% and inflation rate of 8.8% were in line with projections however the economy continues to be faced with rising fiscal and current account deficits. The market expects fiscal consolidation to kick in through a combination of reduction in subsidies and an expansion of the revenue base in order to trigger a downward movement in interest rates.

MARKET DEVELOPMENT

The banking landscape is undergoing rapid change and we face increasing competition from bank and non-bank companies offering financial services. Some technology and telecom companies have

Managing Director's Statement cont'd

expanded their services into the commercial banking space especially targeted at the mass market. With the national switch now operational, Banks are now interconnected which is a major boost to the payments system. These developments present threats and but equally opportunities for growth and profitability.

2012 was eventful with significant developments occurring in the money and foreign exchange markets especially in the first half of the year. Interest rates increased by an average of 10% across the yield curve to settle in the range of 22% to 23% while the local currency depreciated by 17.5% against the US Dollar during the year. These developments reflect the increased fiscal deficit financing and the worsening current account deficit position and its adverse impact on exchange rate.

Banks increased their base lending rates by an average of 400 bps to the range of 21% to 26%. These developments did not constrain credit growth according to recent Bank of Ghana reports on the Banking Industry.

Liquidity conditions in the Banking industry were tighter as the Bank of Ghana implemented policies to stem the depreciation of the local currency. This reflected in higher overnight rates that closed the year at 19% from 9% at the beginning of the year.

> "We are striving to build a reputation for the Bank as one that can be trusted to deliver superior returns to its shareholders, trusted by our customers to deliver excellent service, trusted by our employees because they see opportunities for personal development and growth and trusted by the wider community for our contributions to maintaining a safe environment."

OPERATING RESULTS

Last year, I indicated in my report to shareholders that the platform for sustainable future growth and profitability was being laid with the actions we took to stabilize the Bank. Having substantially achieved that objective of stabilizing the Bank, I am pleased to share with you the results of the remarkable turnaround which delivered our short term goal of repositioning the Bank among the top performing banks in Ghana. Indeed we outperformed this objective by becoming the best performing bank in 2012.

We have delivered on our 2012 priorities and made good progress towards building a formidable bank and protecting our franchise. Our strategy to diversify into the consumer banking market is already paying-off. We have not only observed increased share of the domestic payments market but also strong growth in consumer loans and card issuing and acquiring business leveraging our strong distribution network. We doubled the ATM network to complement our existing distribution infrastructure and started rolling out Point-Of-Sale (POS) terminals to provide more access points to our customers.

Managing Director's Statement cont'd

The Group recorded a Profit Before Tax (PBT) of GH¢ 192.9 million (2011: GH¢31.1m) representing 520% increase over same period last year. This performance was driven by a combination of strong income growth, cost containment and lower impairment charge.

- Total income was GH¢ 418 million (2011: GH¢ 289 million) or 45% up on previous year. The Bank recorded double-digit growth across all key income lines with the main driver being Net Interest Income (NII).
- NII was GH¢ 325.2m, up by 57% from the GH¢206.9m recorded at the end of 2011. This was the result of strong loan volume growth, improved yields on all earning asset classes as well as the benefits of effective balance sheet positioning. The Bank was able to proactively manage funding costs resulting in only a 2% increase in interest expense.

- Net Fees and Commissions increased by 7% to GH¢ 69.2m (2011: GH¢ 64.5m) driven by growth in transaction volumes and loan portfolio growth. The growth in transaction volumes reflects increasing patronage of the Bank's products and services across the bank's wide distribution network. Our investment in e-channels has enabled us to establish a ubiquitous presence in our retail and corporate segments.
- Net Trading income of GH¢ 16.6m (2011: GH¢ 13.5m) was up 23% on previous year, reflecting increased customer and wholesale market foreign exchange activity.
- Impairment Charge on Loans and Advances was GH¢ 10.6m (2011: GH¢10.7m); this represents a loan loss rate of 1.1% compared to 1.7% a year ago. We are seeing an improving trend in loan loss rate reflecting the benefits of investments in credit risk systems and enhanced oversight.
- Operating expense was GH¢ 221.3m (2011: GH¢251.1m) down 12% on same period last year. We continue to maintain a focus on cost management ensuring a balance between investment cost and business as usual expenses. Total Operating costs include a staff Voluntary Exit costs of GH¢ 5.3 million (2011: GH¢6.1m).
- The combination of stronger revenue growth and cost containment resulted in a marked improvement in the Bank's Cost Income Ratio (CIR) of 53% compared to 87% a year ago.
- This result translates into an Earnings Per Share (EPS) of GH¢0.54 compared to GH¢0.07 in 2011.

FINANCIAL POSITION REVIEW

The Bank's financial position strengthened further in 2012 nourished by strong returns on equity and assets of 48% and 4.8% respectively (2011; 10% and 1% respectively).

Total assets increased by 21% to GH¢2,981m principally reflecting robust growth in customer assets (customer loans and advances) and investments.

Loans and Advances to customers increased by 78% to GH¢ 848m (2011: GH¢476m) with growth

Managing Director's Statement cont'd

coming mainly from Consumer Banking segment. Last year, I reported that the Bank had completely overhauled its personal loan offering; this product has now become the Bank's flagship product in the consumer market. Personal loan turnaround time has reduced to less than 24 hours reflecting in the exceptional volume growth recorded in 2012. With simpler, easier products and more efficient branches, the prospects are good for significant growth in the consumer banking market.

The Bank's Non-Performing Loan (NPL) ratio decreased to 17% from 26% at the end of the previous year. Adequate impairment allowance has been set aside against these NPLs with a coverage ratio of 90% at the end 2012.

CAPITAL MANAGEMENT

The Bank's Capital Adequacy Ratio was 14.9% (2011: 11%) reflecting strong growth in retained earnings offset by a 35% increase in Risk Weighted Assets (RWAs) to GH¢ 1,463m.

The Bank generated GH¢ 110m Core Tier1 capital from earnings after absorbing the impact of dividends paid during the year.
RWAs increased mainly due to lending growth and the impact of adverse foreign exchange movements on foreign currency denominated risk weighted assets.

It is noteworthy that due to strong earnings performance the Bank was able to absorb significant write-downs during the period of balance sheet restructuring without recourse to fresh capital injection underscoring its resilience.

FUNDING AND LIQUIDITY

The Bank's liquidity position continues to be strong with the Ratio of Liquid Assets to Customer Deposits averaging 50% throughout the year. The loan to deposit ratio was 36% (2011: 23%). The Bank does not rely on wholesale market funding to support its consumer and Corporate Banking businesses.

Customer Deposits increased by GH¢273m (or 13%) principally from current and savings accounts which forms 92% of the Bank's deposit base.

OUR 2013 PRIORITIES

We are striving to build a reputation for the Bank as one that can be trusted to deliver superior returns to its shareholders, trusted by our customers to deliver excellent service, trusted by our employees because they see opportunities for personal development and growth and trusted by the wider community for our contributions to maintaining a safe environment. We will continue to:-

- Drive top-line revenue growth and initiate steps to further diversify revenue through relentless focus on customer service and new product offerings
- Improve efficiency and manage costs to achieve improved cost income ratios
- Push the performance management and people development agenda in order to drive productivity and improve performance
- Enhance risk management practices
- Prioritize initiatives that deliver "quick wins" while at the same time providing a basis for long-term value creation.

Managing Director's Statement cont'd

We will be launching a new brand and a new retail environment design in 2013, which coincides with the Bank's 60th anniversary. These strategic initiatives are not only aimed at repositioning the Bank as a modern, progressive and customer-centred Bank but also prepare it for future expansion by creating a consistent and recognizable brand.
We began a three year service culture change program with the objective of creating awareness and developing customer service ethos among our staff in order to deliver a step change in service to our cherished customers.

We will continue with our Human Resource strategic initiatives designed to deliver a performance-based culture in the Bank. We see a strong link between the right culture and shareholder value creation.
We will also continue with the standardization and centralization of processes to improve operational efficiency and to reduce operating costs.
We will continue with initiatives to identify new opportunities for profitable growth and revenue diversification.

There is continued uncertainty regarding pending legal suits related to long outstanding pension cases. We will continue to work through this legacy issue with the view to eliminating its negative impact on legal and other related costs.

I am convinced that we are on the right path to transforming your Bank into a formidable bank. In the relentless pursuit of this goal I am also fully aware that much more is expected of us; in particular, the need to radically improve our customer care. We still have a lot of work to do and I know time is not on our side. The new leadership team has been working together for almost a year now and I see enthusiasm and passion to deliver on our mandate as change agents. Our focused execution of our strategic priorities will ensure that we continue to deliver superior performance and enhance shareholder value.

COMMUNITY INITIATIVES

The Bank significantly increased its financial commitments to over GH¢2m to improve infrastructural facilities in some selected public schools and universities, hospitals as well as to physically challenged individuals and other socially beneficial projects.

RECOGNITION AND AWARDS

Your Bank won an award from Global Finance Magazine as the Best Performing Bank in Ghana for the year 2012. This is the third year running that GCB has won such prestigious awards and it is testament that we are on the right path.

ACKNOWLEDGEMENTS

I would like to take this opportunity to thank our customers for their continued loyalty, our staff for their commitment to the change agenda and to the Board for their continued support and guidance throughout this transformation journey. Finally, I would also thank you, our shareholders for your unwavering support and trust in us.

Mr. Simon Dornoo
Managing Director

The building on 28th February Road with a great deal of history around it: where the Bank's operations begun on May 20, 1953.

A trip down memory lane

In the begining.....

The Bank of the Gold Coast, an indigenous Ghanaian Bank, widely recognized today as Ghana Commercial Bank Limited was established in 1953, by the Government to meet the demands of Ghanaian traders, business people, farmers and other indigenous enterprises as well as to provide banking services to the emerging nation for socio-economic development and transformation of the Ghanaian economy.

The birth of the Bank 60 years ago took off with a staff strength of 27 but today abounds in high quality human resource with staff strength at 2,300.

Our first Chairman, the late Sir Leslie M'carthy delivering his inaugural address. He is flanked by Sir Charles Arden Clark and the late Dr Kwame Nkrumah

Then and Now...

Currently there are professionals of various disciplines who work as a team to achieve the objectives of the Bank.

From a relatively trifling customer base, GCB now has a customer profile ranging from salaried workers through small and medium scale entrepreneurs to large trading concerns, quasi-governmental institutions and corporate customers.

Progressing from the traditional products of the Savings and Current Accounts 60 years ago, the Bank now offers a wide range of specially-designed products and services for the benefit of its customers. E-banking products and services such as internet banking, Smart Pay (Fee/Bills Payments), SMS banking, MasterCard, Visa cards and ReadyCash cards are positioning the bank firmly in the international and local debit cards business.

The Bank also offers international trade finance products and services to its customers working with corresponding Banks abroad.

From just one branch in the 50's, GCB is now the widest networked Bank in Ghana with 158 branches, 15 agencies, 205 ATMs and over 500 Point of Sale terminals.

Report of the directors

to the members of Ghana Commercial Bank Limited

The Directors present their report together with the financial statements of the Bank and its subsidiary ("the Group") for the year ended 31 December 2012.

DIRECTORS' RESPONSIBILITY STATEMENT

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and in a manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors have made an assessment of the ability of the Bank and its subsidiary to continue as going concerns and have no reason to believe any of the entities will not be a going concern in the year ahead.

PRINCIPAL ACTIVITIES

The Group's principal activities comprise consumer and corporate banking and treasury activities. It also engages in equity investments through its subsidiary. There was no change in the nature of the Group's business during the year.

SHAREHOLDING STRUCTURE

The Bank's shareholding structure at the end of the year was as follows:

Shareholder	Percentage Holding
Social Security and National Insurance Trust (SSNIT)	29.81%
The Government of Ghana	21.36%
Institutions and individuals	48.83%

SUBSIDIARY AND ASSOCIATES

Development Finance & Holdings Limited, a company incorporated in Ghana to engage in investment activities, is a wholly owned subsidiary of the Bank.

The Bank holds 40% interest in Activity Venture Finance Company, a company incorporated in Ghana, which provides credit and equity financing to eligible small and medium scale enterprises (SME).

The Bank holds 20% interest in Ghana International Bank Plc, a company incorporated in the United Kingdom to provide universal banking services.

FINANCIAL STATEMENTS AND DIVIDEND

The Bank's results for the year are set out in the attached financial statements, highlights of which are as follows:

	2012 GH¢'000	2011 GH¢'000
Profit for the year (attributable to equity holders)	138,645	16,683
to which is added the balance brought forward on retained earnings of	18,806	7,328
	157,451	24,011
out of which is transferred to the statutory reserve fund, in accordance with the Banking Act, an amount of	(34,661)	(4,171)
transfers to/ from credit risk reserve of	(2,638)	17,516
and prior year's dividend paid of	(18,550)	(18,550)
	(55,849)	(5,205)
leaving a balance to be carried forward on retained earnings of	101,602	18,806

In accordance with section 29(c) of the Banking Act, 2004 (Act 673) as amended, an amount of

Report of the directors
to the members of Ghana Commercial Bank Limited

GH¢34,661,000 (2011: GH¢4,171,000) was transferred to the statutory reserve fund from retained earnings bringing the cumulative balance on the statutory reserve fund at the year end to GH¢89,871,000 (2011: GH¢55,210,000).

The Directors recommend the payment of a dividend of GHp14 (2011: GHp7) per share amounting to GH¢37,100,000 (2011: GH¢18,550,000).

The Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with applicable laws and the relevant financial reporting framework, give a true and fair view of the financial position and performance of the bank;
- The state of the Group's affairs is satisfactory.

APPROVAL OF THE FINANCIAL STATEMENTS
The financial statements of the Bank were approved by the Board of Directors on 27th March, 2013 and signed on their behalf by:

.....
Dr. Fritz Gockel
Chairman

.....
Mr. Simon Dornoo
Managing Director

Corporate Governance

The Bank is committed to strong corporate governance practices that allocate rights and responsibilities among the Bank's shareholders, the Board and Executive Management to provide for the effective oversight and management of the Bank in a manner that enhances shareholder value.

The Bank's corporate governance principles are contained in a number of corporate documents including the Bank's regulations, the Board of Directors charter, staff service rules and other policies issued from time to time.

The Board of Directors

The Board oversees the conduct of the Bank's business and is primarily responsible for providing effective governance over the Bank's key affairs, including the appointment of Executive Management, approval of business strategies, evaluation of performance and assessment of major risks facing the Bank.

In discharging its obligations, the Board exercises judgment in the best interests of the Bank and relies on the Bank's Executive Management to implement approved business strategies, resolve day-to-day operational issues, keep the Board informed, and maintain and promote high ethical standards. The Board delegates authority in management matters to the Bank's Executive Management subject to clear instructions in relation to such delegation of authority and the circumstances in which Executive Management shall be required to obtain Board approval prior to taking a decision on behalf of the Bank.

The Board is a unitary Board which is made up of a majority of non-executive Directors.

As at 31 December 2012, the Board had eight (8) members, made up of Dr. Fritz Gockel, the Non-executive Chairman, five (5) other Non-executive Directors and two (2) executive Directors. The Board has delegated various aspects of its work to the Audit and Compliance, Large Credit Exposures, Human Resource and Remuneration, Nominations and Risk & Capital Management committees.

Board committee members are appointed by the Board. Each Board committee has its own written terms of reference, duties and authorities as determined by the Board.

Audit and Compliance Committee

The Audit and Compliance Committee is chaired by Mr. Lovelace Prempeh, a non-executive Director. The Committee is made up of at least three (3) Non-Executive Directors.

The Committee carries out the duties below for the Company, giving full consideration to relevant laws, regulations and best practices in discharging its responsibilities as follows:

- Monitors and reviews the integrity of the financial statements including annual and quarterly reports;
- Approves the Internal Audit plan, monitors and reviews the effectiveness of the Bank's internal controls and Internal Audit function;
- Recommends the appointment of external auditors and oversees the external audit process;
- Reviews the expertise, resources and experience of the Bank's finance function;
- Oversees the compliance function to ensure adherence to applicable laws and operating standards, including Anti-Money Laundering regulations.
- Reviews the adequacy and security of the Bank's arrangements for its employees and

Corporate Governance

contractors to raise concerns, in confidence about possible wrongdoing in financial reporting or other matters.

Large Credit Exposure Committee
This committee (previously called the Executive Committee) is chaired by Dr. Fritz Gockel, a Non-Executive Board Chairman. This committee also has two (2) other non-executive directors as members. The roles of the committee include:

- Approving new lending in excess of delegated limits and in particular new lending in excess of single obligor limits.
- Reviewing sector, single name and product/ asset class concentration exposure reports
- Determine if additional management action is required to manage or mitigate the large credit exposure risk
- Review and where necessary, update at least annually, the Large Credit Exposure Policy, for recommendation to the Board for approval.

Human Resource & Remuneration Committee
The Human Resource and Remuneration Committee is chaired by Mrs. Adelaide Benneh, a Non-Executive Director. The purpose of the Human Resources Committee is to ensure statutory compliance of employment laws, and oversee the compliance of Board-approved employment policies and practices.

Key duties include:

- Establishes employment policies to support the Board approved HR strategy.
- Oversees the establishment of a remuneration policy that will promote the achievement of strategic objectives and encourage individual performance.
- Advise on the remuneration of non-executive Directors.
- Oversees the development and maintenance of the Code of Professional Conduct, and monitors its compliance.

Risk and Capital Management Committee
This is a newly created sub-committee of the Board. It is made up of at least three (3) Non-Executive Directors. The Chairman of the Audit & Compliance Committee is a member of the Risk and Capital Management Committee. The Committee provides independent oversight of key areas of the Bank including but not limited to advising the Board on Risk Management and Capital Management related issues. The scope of risks covered by this Committee includes Credit Risk, Market Risk, Liquidity & Funding Risks, and Operational Risk.

Key duties include:

- Establishing, reviewing and recommending the Bank's risk appetite to the Board as well as assessing the appropriateness of the strategy in the context of the risk appetite.
- reviewing and maintaining an adequate Risk Framework including Risk Policies in the organization;
- Monitors the Bank's risk exposures through the review of risk reports;
- Provides oversight of risk management activities;
- Monitors the adequacy of the Asset and Liability Management ("ALCO"), and Capital Management processes;
- Establishes and maintains an Internal Capital Adequacy Assessment Process (ICAAP) and an Internal Liquidity Adequacy Assessment (ILAA) process for effective Capital and Liquidity management.

Corporate Governance

Nominations Committee
This is a newly established sub-committee of the Board. It is made up of at least three (3) non-executive Directors. Its responsibilities include:

- Reviewing the structure, size and composition (including the skills, knowledge and experience and diversity) of the Board compared to its current position and make recommendations to the Board with regard to any changes.
- Give full consideration to succession planning for Directors and other senior executives in the course of its work.
- Exercise responsibility for identifying and nominating, for the approval of the Board, candidates to fill Board vacancies as and when they arise.
- Prepare job specifications for non-executive Directors
- Propose recommendations to the Board concerning appointments to sub-committees

Systems of Internal Control
The Bank generally has systems of internal control through which risks are identified, managed and monitored. These controls are designed to provide reasonable assurance that risks faced by the Bank are adequately controlled.

The corporate internal audit and compliance function of the Bank plays a key role in providing an objective view and continuing assessment of the effectiveness of the internal control systems. The systems of internal control are implemented and monitored by appropriately trained personnel with clearly defined duties and reporting lines.

Independent Auditor's Report

to the members of Ghana Commercial Bank Limited

Report on the Financial Statements

We have audited the financial statements of Ghana Commercial Bank Limited, which comprise the statements of financial position at 31 December 2012, statements of comprehensive income, changes in equity, and cash flows for the year then ended and notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 43 to 103.

Directors' Responsibility for the Financial Statements

The Bank's 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 Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 the 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 consolidated and separate financial position of Ghana Commercial Bank Limited at 31 December 2012 and its consolidated and separate financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in a manner required by the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

Report on Other Legal and Regulatory Requirements

Compliance with the requirements of Section 133 of the Companies Act, 1963 (Act 179) and Section 78 of the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

Independent Auditor's Report
to the members of Ghana Commercial Bank Limited

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.

In our opinion, proper books of account have been kept and the statements of financial position and comprehensive income are in agreement with the books of account.

The Bank's transactions were within its powers and the Bank generally complied with the relevant provisions of the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738).

KPMG

SIGNED BY: NII AMANOR DODOO (ICAG/P/1055)
FOR AND ON BEHALF OF:
KPMG: (ICAG/F/0036)
CHARTERED ACCOUNTANTS
13 YIYIWA DRIVE, ABELENKPE
P O BOX GP 242
ACCRA

27th March, 2013

Statements of comprehensive income
for the year ended 31 December 2012

		The Group		The Bank	
	Note	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Interest income	6	376,092	256,619	376,092	256,619
Interest expense	7	(50,917)	(49,735)	(50,981)	(49,807)
Net interest income		325,175	206,884	325,111	206,812
Fees and commission income	8	76,535	67,258	76,535	67,258
Fees and commission expense	9	(7,347)	(2,730)	(7,347)	(2,730)
Net fees and commission income		69,188	64,528	69,188	64,528
Net trading income	10	16,580	13,485	16,580	13,485
Other income	11	7,181	3,652	9,360	4,447
Net trading and other income		23,761	17,137	25,940	17,932
Total income		418,124	288,549	420,239	289,272
Impairment charge on loans and advances	12	(10,585)	(10,650)	(10,585)	(10,650)
Net income		407,539	277,899	409,654	278,622
Operating expenses	13	(221,286)	(251,141)	(221,255)	(248,941)
Results of operating activities		186,253	26,758	188,399	29,681
Share of profit of associates	37	6,600	4,321	-	-
Profit before tax		192,853	31,079	188,399	29,681
Taxation	14	(49,881)	(13,107)	(49,754)	(12,998)
Profit for the year		142,972	17,972	138,645	16,683
Other comprehensive income					
Net (loss)/gain in fair value of investments in equity instruments	33	475	(1,143)	235	(1,144)
Actuarial (loss)/gain on defined benefit obligations	30	(9,675)	(1,519)	(9,675)	(1,519)
Deferred tax on actuarial (loss)/gain on defined benefit obligations	30	2,419	380	2,419	380
Total comprehensive income for the year		136,191	15,690	131,624	14,400
Basic and diluted earnings per share (in GH¢)	16	0.54	0.07	0.52	0.06

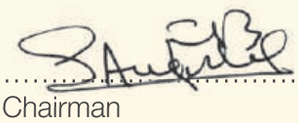
The notes on pages 43 to 103 form an integral part of these financial statements.

Statements of financial position

as at 31 December 2012

		The Group		The Bank	
	Note	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Assets					
Cash and cash equivalents	17	360,023	433,430	360,023	433,430
Government securities	18	1,510,382	1,195,991	1,510,373	1,195,981
Advances to Banks	19	37,978	217,179	37,978	217,179
Loans and advances to customers	20	847,872	476,211	847,872	476,211
Investment securities: available-for-sale	21	5,196	4,562	3,282	2,969
Investment in subsidiary	22	-	-	-	-
Investment in associates	37	37,242	20,240	30,126	16,126
Investment in other equity securities	23	247	198	113	64
Income tax asset	14	-	6,309	-	6,357
Deferred tax asset	14	11,624	11,379	11,704	11,379
Property and equipment	24	73,404	53,955	73,404	53,955
Intangible assets	25	4,062	1,841	4,062	1,841
Other assets	26	93,111	39,074	93,131	39,072
Total assets		2,981,141	2,460,369	2,972,068	2,454,564
Liabilities					
Deposits from customers	27	2,330,300	2,058,432	2,334,608	2,061,390
Other liabilities	28	117,490	108,375	117,491	108,379
Borrowings	29	174,125	79,000	174,125	79,000
Income tax liabilities	14	17,195	-	17,147	-
Employee benefit obligations	30	46,150	36,322	46,150	36,322
Total liabilities		2,685,260	2,282,129	2,689,521	2,285,091
Equity					
Stated capital	31	72,000	72,000	72,000	72,000
Retained earnings	32	113,855	26,732	101,602	18,806
Fair value reserve	33	984	509	(97)	(332)
Statutory reserve	34	89,871	55,210	89,871	55,210
Credit risk reserve	35	27,269	24,631	27,269	24,631
Other reserves	36	(8,098)	(842)	(8,098)	(842)
Total equity		295,881	178,240	282,547	169,473
Total liabilities and equity		2,981,141	2,460,369	2,972,068	2,454,564

These financial statements were approved by the Board of Directors on 27th March, 2013 and signed on its behalf by:



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Chairman Director

The notes on pages 43 to 103 form an integral part of these financial statements.

Statements of changes in equity
for the year ended 31 December 2012

The Group	Stated capital GH¢'000	Retained earnings GH¢'000	Fair value reserve GH¢'000	Statutory reserve GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
Balance at 1 January 2011	72,000	13,965	1,652	51,039	42,147	297	181,100
Total comprehensive income for the year							
Profit for the year	-	17,972	-	-	-	-	17,972
Other comprehensive income, net of tax	-	-	(1,143)	-	-	(1,139)	(2,282)
Total comprehensive income for the year	-	17,972	(1,143)	-	-	(1,139)	15,690
Transactions with equity holders							
Dividends paid	-	(18,550)	-	-	-	-	(18,550)
Total contributions to equity holders	-	(18,550)	-	-	-	-	(18,550)
Regulatory and other reserves							
Transfer to statutory reserve	-	(4,171)	-	4,171	-	-	-
Transfer from credit risk reserve	-	17,516	-	-	(17,516)	-	-
Net transfer from reserves	-	13,345	-	4,171	(17,516)	-	-
Balance at 31 December 2011	72,000	26,732	509	55,210	24,631	(842)	178,240

Statements of changes in equity
for the year ended 31 December 2012

The Group	Stated capital GH¢'000	Retained earnings GH¢'000	Fair value reserve GH¢'000	Statutory reserve GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
Balance at 1 January 2012	72,000	26,732	509	55,210	24,631	(842)	178,240
Total comprehensive income for the year							
Profit for the year	-	142,972	-	-	-	-	142,972
Other comprehensive income, net of tax	-	-	475	-	-	(7,256)	(6,781)
Total comprehensive income for the year	-	142,972	475	-	-	(7,256)	136,191
Transactions with equity holders							
Dividends paid	-	(18,550)	-	-	-	-	(18,550)
Total contributions to equity holders	-	(18,550)	-	-	-	-	(18,550)
Regulatory and other reserves							
Transfer to statutory reserve	-	(34,661)	-	34,661	-	-	-
Transfer to credit risk reserve	-	(2,638)	-	-	2,638	-	-
Net transfer from reserves	-	(37,299)	-	34,661	2,638	-	-
Balance at 31 December 2012	72,000	113,855	984	89,871	27,269	(8,098)	295,881

The notes on pages 43 to 103 form an integral part of these financial statements.

Statements of changes in equity
for the year ended 31 December 2012

The Bank	Stated capital GH¢'000	Retained earnings GH¢'000	Fair value reserve GH¢'000	Statutory reserve GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
Balance at 1 January 2011	72,000	7,328	812	51,039	42,147	297	173,623
Total comprehensive income for the year							
Profit for the year	-	16,683	-	-	-	-	16,683
Other comprehensive income, net of tax	-	-	(1,144)	-	-	(1,139)	(2,283)
Total comprehensive income for the year	-	16,683	(1,144)	-	-	(1,139)	14,400
Transactions with equity holders							
Dividends paid	-	(18,550)	-	-	-	-	(18,550)
Total contributions to equity holders	-	(18,550)	-	-	-	-	(18,550)
Regulatory and other reserves							
Transfer to statutory reserve	-	(4,171)	-	4,171	-	-	-
Transfer from credit risk reserve	-	17,516	-	-	(17,516)	-	-
Net transfer from reserves	-	13,345	-	4,171	(17,516)	-	-
Balance at 31 December 2011	72,000	18,806	(332)	55,210	24,631	(842)	169,473

Statements of changes in equity
for the year ended 31 December 2012

The Bank	Stated capital GH¢'000	Retained earnings GH¢'000	Fair value reserve GH¢'000	Statutory reserve GH¢'000	Credit risk reserve GH¢'000	Other reserves GH¢'000	Total GH¢'000
Balance at 1 January 2012	72,000	18,806	(332)	55,210	24,631	(842)	169,473
Total comprehensive income for the year							
Profit for the year	-	138,645	-	-	-	-	138,645
Other comprehensive income, net of tax	-	-	235	-	-	(7,256)	(7,021)
Total comprehensive income for the year	-	138,645	235	-	-	(7,256)	131,624
Transactions with equity holders							
Dividends paid	-	(18,550)	-	-	-	-	(18,550)
Total contributions to equity holders	-	(18,550)	-	-	-	-	(18,550)
Regulatory and other reserves							
Transfer to statutory reserve	-	(34,661)	-	34,661	-	-	-
Transfer to credit risk reserve	-	(2,638)	-	-	2,638	-	-
Net transfer from reserves	-	(37,299)	-	34,661	2,638	-	-
Balance at 31 December 2012	72,000	101,602	(97)	89,871	27,269	(8,098)	282,547

The notes on pages 43to 103form an integral part of these financial statements

Statements of cash flows
for the year ended 31 December 2012

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Cash flows from operating activities				
Profit before tax	192,853	31,079	188,399	29,681
Adjustments for:				
Depreciation and amortization	11,460	12,300	11,460	12,300
Impairment charge on loans and advances	10,585	10,650	10,585	10,650
Net impairment loss on financial assets	-	3,105	-	1,615
Allowance for employee benefit obligations	6,456	7,150	6,456	7,150
Share of profit of associates	(6,600)	(4,321)	-	-
Net Interest income	(325,175)	(206,884)	(325,111)	(206,812)
Dividend income	(1,817)	(1,589)	(3,830)	(2,223)
Assets written off	-	129	-	129
Adjustments to property and equipment	(90)	-	(90)	-
Profit on sale of property and equipment	(197)	(51)	(197)	(51)
	(112,525)	(148,432)	(112,328)	(147,561)
Change in loans and advances to customers	(382,247)	508,495	(382,247)	508,495
Change in advances to banks	179,201	(39,088)	179,201	(39,088)
Change in other assets	(11,068)	14,858	(11,138)	14,791
Change in deposits from customers	271,868	474,377	273,218	477,335
Change in borrowings	95,125	5,875	95,125	5,875
Change in other liabilities	2,320	(86,180)	2,336	(85,412)
Employee benefits paid	(6,303)	(5,683)	(6,303)	(5,683)
	36,371	724,222	37,864	728,752
Interest received	333,173	237,111	333,173	237,111
Interest paid	(44,171)	(44,722)	(44,206)	(44,788)
Income tax paid	(24,361)	(49,168)	(24,234)	(49,059)
Net cash flow from operating activities	301,012	867,443	302,597	872,016
Cash flows from investing activities				
Government securities	(314,392)	(742,602)	(314,392)	(743,520)
Dividend received	5,415	1,589	3,830	2,223
Investment in equity securities	(14,049)	(11,132)	(14,049)	(12,250)

Statements of cash flows
for the year ended 31 December 2012

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Acquisition of property and equipment	(29,560)	(11,041)	(29,560)	(11,041)
Proceeds from sale of property and equipment	204	55	204	55
Acquisition of intangible assets	(3,487)	(1,715)	(3,487)	(1,715)
Net cash used in investing activities	(355,869)	(764,846)	(357,454)	(766,248)
Cash flow from financing activities				
Dividend paid	(18,550)	(18,550)	(18,550)	(18,550)
Net cash used in financing activities	(18,550)	(18,550)	(18,550)	(18,550)
Net (decrease)/increase in cash and cash equivalents	(73,407)	84,047	(73,407)	87,218
Cash and cash equivalents at 1 January	433,430	349,383	433,430	346,212
Cash and cash equivalents at 31 December	360,023	433,430	360,023	433,430

The notes on pages 43 to 103 form an integral part of these financial statements.

Notes to the financial statements
for the year ended 31 December 2012

1. REPORTING ENTITY

Ghana Commercial Bank Limited is a limited liability company incorporated and domiciled in Ghana. The address of its registered office is Ghana Commercial Bank Building, Thorpe Road, High Street, Accra. The financial statements of the Bank as at and for the year ended 31 December 2012 comprise the Bank and its subsidiary, together referred to as the 'Group' and individually as 'Group entities'. The Bank operates with a universal banking license. The Group is primarily involved in consumer and corporate banking and treasury activities. It also engages in equity investments through its subsidiary.

The Bank is listed on the Ghana Stock Exchange.

2. BASIS OF PREPARATION

2.1. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Additional information required under the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) have been included, where appropriate.

2.2. Basis of measurement

The financial statements have been prepared under the historical cost convention, except for the following material items in the statement of financial position:

- financial instruments at fair value through profit and loss are measured at fair value
- available-for-sale financial assets are measured at fair value
- the liability for defined benefit obligations is recognized as the present value of defined benefit obligations less the net total plan assets, plus unrecognized actuarial gains, less unrecognized past service cost and unrecognized actuarial losses.

2.3. Functional and presentation currency

The financial statements are presented in Ghana cedis, which is the Group's functional currency. All financial information presented in Ghana cedis has been rounded to the nearest thousand, except when otherwise indicated.

2.4. Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are included in Note 5.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all the periods presented in these financial statements and have been applied consistently by Group entities.

3.1. Basis of consolidation

The financial statements of the subsidiary used to prepare the consolidated financial statements

Notes to the financial statements
for the year ended 31 December 2012

were prepared as of the Bank's reporting date. The consolidation principles are unchanged as against the previous year.

(a) Subsidiaries
Subsidiaries are entities controlled by the Bank and include all entities over which the Bank has power to govern the financial and operating policies to obtain benefits from their activities. The existence and effect of potential voting rights that are currently excisable or convertible are considered when assessing whether the Bank controls another entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(b) Associates
Associates are all entities over which the Bank has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of voting rights. Investments in associates are accounted for using the equity method of accounting and are initially recognized at cost.

(c) Loss of control
On loss of control, the Group derecognizes the assets and liabilities of the subsidiary, any non-controlling interests and other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognized in profit or loss. If the Group retains any interest in a previous subsidiary, then such interest is measured at fair value at the date the control is lost. Subsequently the retained interest is accounted for as an equity-accounted investee or in accordance with the Group's accounting policy for financial instruments.

(d) Transactions eliminated on consolidation
Intra-group balances and transactions, and any unrealized income and expense (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3.2. Foreign currency translation
Transactions in foreign currencies are translated into the functional currency of the Group entities using exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are re-translated to the functional currency at closing rates ruling at the reporting date.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rate at the date of the transaction.

Foreign currency differences arising on retranslation are generally recognized in profit or loss.

All foreign exchange gains and losses recognized in profit or loss are presented net within the corresponding item. Foreign exchange gains and losses on other comprehensive income items are presented in other comprehensive income within the corresponding item.

3.3. Interest income and expense
Interest income and expense are recognized in profit or loss using the effective interest method.

The effective interest method is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter

Notes to the financial statements
for the year ended 31 December 2012

period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not future credit losses. The calculation includes all transaction costs, fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or liability.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount future cash flows for the purpose of measuring the impairment loss.

3.4. Fee and commission
Fees and commission income and expense that are integral to the effective interest rate on a financial asset or liability are included in the measurement of the effective interest rate. Other fees and commission income and expense are recognized on an accrual basis when the related services are performed.

Loan commitment fees for loans that are not likely to be drawn down are deferred, together with related direct costs and recognized on a straight line basis over the commitment period. Fees and commission expenses, which relate mainly to transaction and service fees, are expensed as the related services are received.

3.5. Net trading income
Net trading income comprises gains less losses relating to trading assets and liabilities and includes all realized and unrealized fair value changes, interest, and foreign exchange differences.

3.6. Dividend income
Dividend income is recognized when the right to receive income is established. Dividends are presented in other revenues.

3.7. Leases
Leases under which the Bank assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition, the leased asset is measured at an amount equal to the lower of its fair value and present value of minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset. All other leases are classified as operating leases.

Lease payments
Payments made under operating leases are charged to profit or loss on a straight line basis over the period of the lease. When an operating lease is terminated before the lease has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Minimum lease payments under finance leases are apportioned between finance expense and a reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

3.8. Tax expense
Tax expense comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Notes to the financial statements
for the year ended 31 December 2012

(a) Current tax
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

(b) Deferred tax
Deferred tax is recognized, using the liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- temporary differences on the initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable they will not reverse in the foreseeable future; and
- taxable temporary difference arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantially enacted by the reporting date. Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilized. 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.

3.9. Financial assets and liabilities
All financial assets and liabilities are recognized in the statement of financial position and measured in accordance with their assigned category.

3.9.1. Financial assets
The Group classifies its financial assets in the following categories: held to maturity, financial assets at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Management determines the classification of its financial assets at initial recognition.

(a) Held to maturity
Held to maturity assets are non-derivative assets with fixed or determinable payments and fixed maturity that the Group has the positive interest and ability to hold to maturity and which are not designated at fair value through profit or loss or available-for-sale.

Held to maturity assets are carried at amortized cost using the effective interest method less any impairment losses. Any sale or reclassification of a significant amount of held to maturity asset not close to their maturity would result in the reclassification of all held to maturity assets as available-for-sale with the difference between amortized cost and fair value being accounted for in other comprehensive income.

(b) Financial assets at fair value through profit and loss
This category comprises two sub-categories: financial assets classified as held for trading and financial assets designated at fair value through profit or loss upon initial recognition.

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

Notes to the financial statements
for the year ended 31 December 2012

held for trading unless they are designated and effectively used as hedging instruments. Financial assets held for trading consist of debt instruments, including money-market paper, traded loans, equity instruments and financial assets with embedded derivatives.

Financial instruments designated at fair value through profit or loss are recognized initially at fair value. Transaction costs are recognized directly in profit or loss. Gains and losses arising from changes in fair value are recognized in profit or loss.

(c) Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

(i) those that the Group intends to sell immediately or in the short term, which are classified as held for trading and those that upon initial recognition are designated at fair value through profit or loss;

(ii) those that upon initial recognition are designated as available-for-sale; or

(iii) those for which the holder may not recover substantially all of the initial investment, other than because of credit deterioration.

Loans and receivables are initially recognized at fair value which is the cash consideration to originate or purchase the loan including any transaction costs and measured subsequently at amortized cost using the effective interest method.

In the case of an impairment, the impairment loss is reported as a deduction from the carrying value of the loan and recognized in profit and loss as 'loan impairment charges'.

(d) Available-for-sale financial assets
Available-for-sale financial assets are financial assets that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are initially recognized at fair value, which is the cash consideration including any transaction costs, and measured subsequently at fair value with gains and losses being recognized in other comprehensive income, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized. If an available-for-sale financial asset is determined to be impaired, the cumulative gain or loss previously recognized in other comprehensive income is recognized in profit and loss. Dividends on available-for-sale equity instruments are recognized in profit and loss in 'Dividend income' when the Group's right to receive payment is established.

3.9.2. Financial liabilities
Financial liabilities, other than financial guarantees and loan commitments, are measured at amortized cost or fair value through profit or loss.

(a) Financial liabilities at fair value through profit or loss
This category comprises two sub-categories: financial liabilities classified as held for trading and those designated at fair value through profit or loss upon initial recognition.

A 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 term or if part

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for the year ended 31 December 2012

of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual patterns of short-term profit-taking. Derivatives are also categorized as held for trading unless they are designated and effectively held as hedging instruments. Financial liabilities held for trading also include obligations to deliver financial assets borrowed by a short seller. Those financial instruments are recognized as 'financial liabilities held for trading'.

Gains and losses arising from changes in the fair value of financial liabilities classified as held for trading are included in profit and loss.

(b) Other liabilities measured at amortized cost

Financial liabilities that are not classified at fair value through profit or loss fall into this category and are measured at amortized cost. Financial liabilities measured at amortized cost include deposits from related entities, customers or debt securities in issue, convertible bonds and subordinated debts for which the fair value option is not applied.

3.9.3. Fair value measurement

For financial instruments traded in active markets, the determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations. This includes listed equity securities quoted on Stock Exchanges.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry bank, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive. Indicators that a market is inactive are when there is a wide bid-offer spread or significant increase in the bid-offer spread or there are few recent transactions.

For all other financial instruments, fair value is determined using valuation techniques. In these techniques, fair values are estimated from observable data in respect of similar financial instruments, using models to estimate the present value of expected future cash flows or other valuation techniques, using inputs (for example, yield curve, foreign exchange rates, and counterparty spreads) existing at the reporting dates.

3.9.4. Recognition

The Group recognizes financial assets and liabilities on the trade date on which they are originated, when the Group becomes party to the contractual provisions of the instrument.

3.9.5. De-recognition

Financial assets are derecognized when the contractual rights to receive cash flows from the financial asset expire or the Group transfers substantially all the risks and rewards of ownership. Any interest in the transferred financial asset that is created or retrieved is recognized as a separate asset or liability. Financial liabilities are derecognized when contractual obligations are discharged, cancelled or expire.

3.9.6. Reclassification of financial assets

The Group may choose to reclassify a non-derivative financial asset held for trading out of the held-for-trading category, if the financial asset is no longer held for the purpose of selling in the near-term. Financial assets other than loans and receivables are permitted to be reclassified out of the held for trading category only in rare circumstances arising from a single event that is unusual and highly unlikely to recur in the near-term. In addition, the Group may

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choose to reclassify financial assets that meet the definition of loans and receivables out of the held-for-trading or available-for-sale categories, if the Group has the intention and ability to hold these financial assets for the foreseeable future or until maturity at the date of reclassification.

Reclassifications are made at fair value as of the reclassification date. Fair value becomes the new cost or amortized cost as applicable, and no reversals of fair value gains or losses recorded before the reclassification date are subsequently made.
Effective interest rates for financial assets reclassified to loans and receivables and held-to-maturity categories are determined at the reclassification date. Further increases in estimates of cash flows adjust effective interest rates prospectively.

3.10. Impairment of financial assets

(a) Assets carried at amortized cost
The Group assesses whether there is objective evidence that a financial asset or group of financial assets is impaired at each reporting date. A financial asset or a group of financial assets is considered impaired 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 (or events) has an impact on estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The criteria used to determine whether there is objective evidence of an impairment loss include:

(a) significant financial difficulty faced by the issuer or obligor;
(b) a breach in the form of default or delinquency in interest or principal payments;

(c) granting the borrower, as a result of financial difficulty, a concession that the lender would not otherwise consider;

(d) a likely probability that the borrower will enter bankruptcy or other financial reorganization; and

(e) the disappearance of an active market for that financial asset because of financial difficulties.

The Group assesses whether objective evidence of impairment exists individually for financial assets that are individually significant and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

The amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of loss is recognized in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.
The calculation of the present value of estimated

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for the year ended 31 December 2012

future cash flows of a collateralized financial asset reflects cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (that is, on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, past-due status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in groups of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period including property prices, payment status and other factors indicative of changes in the probability of losses and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all necessary procedures have been completed and the amount of loss has been determined. Impairment charges relating to loans and advances are recognized in loan impairment charges whilst impairment charges relating to investment securities (held to maturity and loans and receivables categories) are recognized in 'Net gains/(losses) on investment securities'.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can objectively be related to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in profit or loss.

(b) Assets classified as available-for-sale

The Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired at each reporting date. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is objective evidence of impairment resulting in the recognition of an impairment loss. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases

Notes to the financial statements
for the year ended 31 December 2012

and the increase can objectively be related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through other comprehensive income.

(c) Renegotiated loans
Loans that are either subject to collective or individually significant impairment assessment and whose terms have been renegotiated are considered to be past due unless renegotiated terms are adhered to and current repayments suggest otherwise.

3.11. Offsetting financial instruments
Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to set off the amounts and it intends either to settle them 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 under applicable accounting standards, or for gains and losses arising from a Group of similar transactions such as in the Groups' trading activity.

3.12. Cash and cash equivalents
Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bank of Ghana and highly liquid financial assets with original maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Cash and cash equivalents are carried at amortized cost.

3.13. Investment securities
Investment securities are initially measured at fair value plus, in case of investment securities not at fair value through profit or loss, incremental direct transaction costs and subsequently accounted for depending on their classification as either held to maturity or available-for-sale.

3.14. Property and equipment
Items of property and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the assets.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of an item of property or equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized within other income in profit or loss.

Subsequent expenditures are capitalized only when it is probable that future economic benefits of the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Items of property and equipment are depreciated from the date they are available for use. Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is recognized in profit or loss. Leased assets under finance lease are depreciated over their useful lives. Freehold land is not depreciated. The estimated useful lives for the current and comparative periods of significant

Notes to the financial statements
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items of property and equipment are as follows:

Leasehold land	Over the lease term
Computer hardware and equipment	33.33%
Motor vehicles	25%
Furniture and fittings	25%
Buildings	2%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.15. Intangible assets

Computer software
Intangible assets comprise computer software licenses. Software acquired by the Group is measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent expenditure on software is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Software is amortized on a straight line basis in profit or loss over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is three years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. At the end of each reporting period, intangible assets are reviewed for indications of impairment or changes in estimated future economic benefits. If such indications exist, the intangible assets are analyzed to assess whether their carrying amount is fully recoverable. An impairment loss is recognized if the carrying amount exceeds the recoverable amount.

3.16. Impairment of non-financial assets
The carrying amounts of the Group'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 such indication exists, then the asset's recoverable amount is estimated. Intangible assets that have an indefinite useful life are tested annually for impairment. An impairment loss is recognized if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less cost to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rates that reflect current market assessments of the time value for money and risks specific to the assets or CGU.

Impairment losses are recognized in profit or loss. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment losses had been recognized.

3.17. Provisions
Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events that can be reliably estimated and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at pre-tax rates that reflect current

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market assessments of the time value of money and, where appropriate, risks specific to the liability.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.

3.18. Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

Financial guarantees are initially recognized at fair value and amortized over the life of the financial guarantee. The financial guarantee is subsequently carried at the higher of the amortized amount and the present value of any expected payments, when payment becomes probable.

3.19. Employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognized as personnel expenses in profit or loss in the period during which related services are rendered.

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 recognized for the amount expected to be paid under short-term cash bonus or profit sharing plans, if the Group 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.

Post employment benefits – Long service award

Long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Provision for long service awards is made based on independent actuarial valuation done using the projected unit credit basis.

Actuarial gains or losses arising are charged to other comprehensive income. Employees leaving the service of the Bank after twenty (20) years through retirement (both voluntary and compulsory) or resignation become eligible for cash payments equivalent to their current entitlement at the time of retirement or resignation based on their length of service.

Provident Fund

The Group has a Provident Fund Scheme for all employees who have completed their probation period with the Bank.

Employees contribute 10% of their basic salary to the Fund whilst the Bank contributes 12.5%. Obligations under the plan are limited to the relevant contributions, which are settled on due dates to the fund manager.

Post Retirement Medical Care

The Group pays post retirement medical care of the Bank's staff. Provision for post retirement medical care is made based on independent actuarial valuation done using the projected unit credit basis. Actuarial gains or losses arising are charged to other comprehensive income.

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Termination Benefits
The Group recognizes 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.

Pension Benefits
The Group pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts. The scheme has been discontinued since 1985 and at the reporting date covered a closed group of 432 persons, who still receive monthly pensions. The monthly pensions are increased annually in line with adjustments to the basic salaries of their serving counterparts.

3.20. Stated capital and reserves

Share capital
The Group classifies capital and equity instruments in accordance with the contractual terms of the instrument. The Group's share capital is not redeemable by holders in the normal course of business and bears an entitlement to distributions that is non-cumulative and at the discretion of the Directors.

Accordingly, they are presented as a component of issued capital within equity. Dividends on ordinary shares are recognized in the period in which they are approved by the shareholders. Dividend proposed which is yet to be approved by shareholders, is disclosed by way of notes.

Statutory reserves
Statutory reserves are based on the requirements of section 29(1) of the Banking Act. Transfers into statutory reserves are made in accordance with the relationship between the Bank's reserve fund and its paid up capital, which determines the proportion of profits for the period that should be transferred.

Credit risk reserves
This is a reserve created to set aside the excess or shortfalls between amounts recognized as impairment loss on loans and advances based on provisions made for bad and doubtful loans and advances calculated in accordance with IFRS and the Central Bank's prudential guidelines.

3.21. Fiduciary activities
The Group acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

3.22. 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.

3.23. Earnings per share
The Bank presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the number of ordinary shares outstanding during the period. The Bank has no convertible notes and share options, which could potentially dilute its EPS and therefore the Bank's Basic and diluted EPS are essentially the same.

3.24. Segment reporting
The Bank has three newly created business segments: consumer banking, corporate banking

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and Treasury. Data capture along segment lines is being redesigned to facilitate compilation of information for each of these segments for reporting purposes, to the Chief Operating Decision Maker for decision making. Operations of the Bank had previously been managed as one business with no distinct operating segments. Accordingly, no information is presented on segment reporting.

3.25. Comparatives

Except when a standard or an interpretation permits or requires otherwise, all amounts are reported or disclosed with comparative information. Comparative figures have been adjusted to conform to changes in presentation in the current year.

3.26. New standards and interpretations not yet adopted

There are new or revised Accounting Standards and Interpretations in issue that are not yet effective. These include the following Standards and Interpretations that may have an impact on future financial statements:

Standard/Interpretation		Effective date
IAS 1 amendment	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after 1 July 2012
IFRS 1 amendment	Government Loans	Annual periods beginning on or after 1 January 2013
IFRS 7 amendment	Offsetting Financial Assets and Liabilities	Annual periods beginning on or after 1 January 2013
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013
IAS 19 amendments	Employee benefits	Annual periods beginning on or after 1 January 2013
IAS 27	Separate Financial Statements (2011)	Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates and Joint Ventures (2011)	Annual periods beginning on or after 1 January 2013
IFRS 2009-2011	Annual improvement to various Standards	Annual periods beginning on or after 1 January 2013
IFRS 10, IFRS 12 and IAS 27	Amendments to Joint Arrangements, Disclosure of Interests in Other Entities and Separate Financial Statements (2011)	Annual periods beginning on or after 1 January 2014

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IAS 32 amendments	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 January 2014
IFRS 9 (2009)	Financial Instruments	Annual periods beginning on or after 1 January 2015
IFRS 9 (2010)	Financial Instruments	Annual periods beginning on or after 1 January 2015

Amendment to IAS 1 Presentation of Financial Statements
The amendment to IAS 1 will be adopted for the first time for the financial reporting period ending 31 December 2013.

The Group will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately.

This is a change in presentation and will have no impact on the recognition or measurement of items in the Group's financial statements.

This amendment will be applied retrospectively and comparative information will be restated.

Amendment to IFRS 1 Government Loans
IAS 20 as amended required existing preparers of financial statements to measure government loans with a below-market rate of interest at fair value on initial recognition. Existing preparers were required to apply the 2008 amendments to IAS 20 prospectively. However, a corresponding exception to retrospective application was not provided to first-time adopters at that time. This meant that first-time adopters may have been required to use hindsight in measuring government loans with below-market rates of interest at fair value at their dates of origination. The amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards eliminates the need to use hindsight when measuring government loans on transition to IFRS.

If a first-time adopter applies the measurement requirement prospectively, then it uses the previous GAAP carrying amount of a government loan with a below-market rate of interest as the carrying amount of the loan in its opening IFRS statement of financial position. Subsequently, the entity measures the loan at amortised cost, using an effective interest rate that is calculated at the date of transition.

The amendment does not affect the presentation of government loans upon transition to IFRS. The presentation of government loans as equity or liability continues to follow the requirements in IAS 32 Financial Instruments: Presentation.
The requirements and guidance in the amendment does not preclude a first-time adopter from applying to government loans the exemption in IFRS 1 on designating previously recognised financial instruments at fair value through profit or loss to Government loans.

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The amendments will be effective for annual periods beginning on or after 1 January 2013; earlier application is permitted.

This amendment will not have any significant impact on the Group's financial statements.

Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities
The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. Based on the new disclosure requirements the Group will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set-off under master netting arrangements or similar agreements.

The amendments are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods.

This amendment will not have any significant impact on the Group's financial statements.

IFRS 10 Consolidated Financial Statements
IFRS 10 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard may be applied retrospectively. IFRS 10 introduces a single control model to assess whether an investee should be consolidated.
This control model requires entities to perform the following in determining whether control exists:

- Identify how decisions about relevant activities are made;
- Assess whether the entity has power over relevant activities by considering only the entity's substantive rights;
- Assess whether the entity is exposed to variability in returns, and
- Assess whether the entity is able to use its power over the investee to affect returns for its own benefit.

Control should be assessed on a continuous basis and should be reassessed as facts and circumstances change.

This amendment will not have a significant impact on the Group's financial statements.

IFRS 11 Joint Arrangements
The standard will be applied retrospectively, subject to certain transitional provisions. IFRS 11 clarifies the classification of joint arrangements depending on whether parties have rights to and obligations for the underlying assets and liabilities.

Under IFRS 11, joint arrangements are divided into two types, each having its own accounting model.

- Joint operations, under which the jointly controlling parties, known as joint operators, have rights to assets and obligations for the liabilities, relating to the arrangement.
- Joint ventures, under which the joint controlling parties, known as joint ventures, have rights to the net assets of the arrangement.

In terms of IFRS 11, all joint ventures will have to be equity accounted.

This amendment will not have a significant impact on the Group's financial statements

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IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 will be adopted for the first time for the financial reporting period ending 31 December 2013. IFRS 12 combines, in a single standard, disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.

The required disclosures aim to provide information to enable users evaluate:

- The nature of, and risks associated with, an entity's interests in other entities, and
- The effects of those interests on the entity's financial position, financial performance and cash flows.

The adoption of this standard will increase the level of disclosure provided for interests in subsidiaries, joint arrangements, associates and structured entities.

IFRS 13 Fair Value Measurement
IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied prospectively and comparatives will not be restated.

IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosure requirements for fair value measurements. The key principles in IFRS 13 are as follows:

- Fair value is an exit price
- Measurement considers characteristics of the asset or liability and not entity-specific characteristics
- Measurement assumes a transaction in the entity's principal (or most advantageous) market between market participants
- Price is not adjusted for transaction costs
- Measurement maximises the use of relevant observable inputs and minimises the use of unobservable inputs
- The three-level fair value hierarchy is extended to all fair value measurements

This amendment will not have an impact on the Group's financial statements.

Amendments to IAS 19 Employee Benefits
The amendment has introduced the following key changes which are not expected to have any impact on the Group's financial statements.

- Actuarial gains and losses are recognised immediately in other comprehensive income. The corridor method and the recognition of actuarial gains and losses in profit or loss is no longer permitted.
- Past service costs as well as gains and losses on curtailments/settlements are recognised in profit or loss.
- Expected returns on plan assets are calculated based on rates used to discount the defined benefit obligation.
- The definitions of short-term and other long-term employee benefits have been amended and the distinction between the two depends on when the entity expects the benefit to be settled.

Additional amendments are of a presentation nature and will not have a significant impact on the Group's financial statements.

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IAS 27 (2011) Separate Financial Statements
IAS 27 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013. IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications.

This amendment will not have a significant impact on the Group's separate financial statements.

IAS 28 (2011) Investments in Associates and Joint Ventures
IAS 28 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013. IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. These include:

- IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and
- On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the group does not re-measure the retained interest.

This amendment will not have a significant impact on the Group's financial statements.

IFRS 2009-2011 Annual improvement to various Standards

(i) IFRS 1 First-time Adoption of International Financial Reporting Standards (Repeated application of IFRS1)

The amendment clarifies the applicability of IFRS 1 to an entity that has IFRS in a previous reporting period, but whose most recent previous annual financial standards do not contain an explicit and unreserved statement of compliance with IFRS. If such an entity presents its financial statements in accordance with IFRS again, then it is now allowed, rather than required, to apply IFRS 1.

A repeated adopter that elects not to apply IFRS 1 in the above situation has to apply IFRS retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as if it had never stopped applying IFRS. Such entity should also disclose the reason for electing to apply IFRS on a continuous basis.

Irrespective of whether the repeated adopter applies IFRS 1, it is required to disclose the reason why it stopped applying IFRS and is resuming the application of IFRS.

The above option is available regardless of whether it existed at the time the entity previously applied IFRS. For example, the above option is available to a repeated adopter that previously applied SIC 8 First-time Application of IASs as the Primary Basis of Accounting.

This amendment will not have a significant impact on the Group's financial statements.

Borrowing cost exemption

IFRS 1 has been amended to clarify how the exemption should be applied for borrowing costs relating to qualifying assets for which the commencement date of capitalization is before date of transition to IFRS.

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After the amendment, if a first-time adopter of IFRS chooses to apply the exemption, then:

- It should not restate borrowing costs; and
- It should account for borrowing costs incurred on or after the date of transition (for an earlier date, as permitted by IAS 23 Borrowing Costs) in accordance with IAS 23. This includes borrowing costs that have been incurred on qualifying assets already under construction at that date.

This amendment will not have a significant impact on the Group's financial statements.

(ii) IAS 1 Presentation of Financial Statements (Comparative information beyond minimum requirements)

IAS 1 is amended to clarify that only one comparative period – which is the preceding period-, is required for a complete set of financial statements. If an entity presents additional comparative information, the additional information need not be in the form of complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS.

Presentation of the opening statement of financial position and related notes

IAS 1 requires the presentation of an opening balance of financial position (sometimes referred to as the 'third statement of financial position') when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification. IAS 1 is amended to clarify that:

- The opening statement of financial position is required only if:
  a change in accounting policy;
  a retrospective restatement; or
  a reclassification

has an effect on the information in that statement of financial position;

- Except for disclosures required under IAS 8, notes relating to the opening statement of financial position are no longer required; and
- The appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented. This is regardless of whether an entity provides additional comparative information beyond the minimum comparative information requirements.

The amendment explains the requirement for the presentation of notes relating to additional comparative information and those relating to the opening statement of financial statements because the underlying objectives are different.

Consequential amendments have been made to IFRS 1 and IAS 34 Interim Financial Reporting

This amendment will not have a significant impact on the Group's financial statements.

(iii) IAS 16 Property, Plant and Equipment (Classification of Servicing Equipment)

This amendment to IAS 16 clarifies accounting for spare parts, stand-by equipment and servicing equipment.

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The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS Inventories.

This amendment will not have a significant impact on the Group's financial statements.

(iv) IAS 32 Financial Instruments: Presentation (Income tax consequences of distributions)

Income taxes on distribution to holders of equity instruments and on transaction costs of equity transactions have been clarified in amendments to IAS 32, these are now to be accounted for in accordance with IAS 12 Income Taxes.

The amendment removes a perceived inconsistency between IAS 32 and IAS 12. Before the amendment, IAS 32 indicated that distributions to holders of equity instrument are recognized directly in equity, net of any related income tax. However, IAS 12 generally requires the tax consequences of dividends to be recognized in profit or loss.

A similar consequential amendment has been made to IFRIC 2 Members' Share in Co-operative entities and Similar Instruments.

This amendment will not have a significant impact on the Group's financial statements.

(v) IAS 34 Interim Financial Reporting (Segment assets and liabilities)

IAS 34 is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.

IAS 34 now requires separate disclosure of total assets and liabilities for a particular reportable segment:

- only when the amount is regularly provided to the chief operating decision maker; and
- where there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment.

Amendments to (IFRS 10), Joint Arrangements (IFRS 12) Disclosure of Interests in Other Entities and (IAS 27) Separate Financial Statements (2011)

Under this amendment, a qualifying investment entity is required to account for investments in controlled entities- as well as investments in associates and joint ventures- at fair value through profit or loss (FVTPL); the only exception would be subsidiaries that are considered extensions of the investment entity's investing activities. The consolidation exception is mandatory – not optional.

The parent of an investment entity (that is not itself an investment entity) is still required to consolidate all subsidiaries.

The amendment also requires new disclosures including quantitative data about the investment entity's exposure to risks arising from its unconsolidated subsidiaries. The disclosures now apply to the investee as a single investment rather than to the consolidated investee's underlying financial assets and financial liabilities.

The amendments apply to annual periods beginning on or after 1 January 2014. However, early adoption is permitted, which means that a qualifying investment entity might be able to adopt the amendments as early as 31 December 2012.

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This amendment will not have a significant impact on the Group's financial statements.

Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

- not contingent on a future event; and
- enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted.

This amendment will not have any significant impact on the Group's financial statements.

IFRS 9 (2009) Financial Instruments
IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39.

Under IFRS 9 there are two options in respect of the classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host.

This amendment will not have a significant impact on the Group's financial statements.

IFRS 9 (2010) Financial Instruments
IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions.

IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace relevant sections of IAS 39.

Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

- fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.
- Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value.

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IFRS 9 (2010) incorporates guidance in IAS 39, dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives. This amendment will not have a significant impact on the Group's financial statements.

4. FINANCIAL RISK MANAGEMENT

Effective risk management is of critical importance and key to the delivery of sustainable returns for shareholders. Risk taking is an inherent part of the Bank's business activities and is defined as the possibility of losing some or all of an original investment. Risk management systems and governance structures are designed to reduce earnings volatility and achieve an appropriate balance between risk and reward and increased profitability.

Current changes to regulations in the banking sector reinforce the Bank's commitment to embed an enhanced risk based culture throughout the organization. Risk policies and procedures are regularly reviewed to reflect these changes as well as best practices in the market. The Bank has upgraded its risk infrastructure to enhance effective management and also to meet future regulatory demands.

Risk Management Framework

The risk management framework consists of a comprehensive set of policies, standards, procedures and processes designed to identify, measure, monitor, mitigate and report significant risk exposure in a consistent and effective manner across the Bank. Through the framework, risk is managed at enterprise-wide level, with the objective of maximizing risk-adjusted returns within the context of the Bank's risk appetite. The most important types of risk are credit risk, liquidity risk, market risk and operational risk

- Credit risk reflects the possible inability of a customer to meet his/her repayment or delivery obligations.
- Market risk, which includes foreign currency risk, interest rate risks and other price risks, is the risk of fluctuation in asset and commodity values caused by changes in market prices and yields.
- Liquidity risk results in the inability to accommodate liability maturities and withdrawals, fund asset growth or otherwise meet contractual obligations at reasonable market rates.
- Operational risk is the potential loss resulting from inadequate or failed internal processes, systems, people, legal issues, external events and non compliance with regulatory issues.

Risk Governance

- The Board of Directors have overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board's commitment to good risk management is supported by their continuing professional development in the field of risk management and their support for the implementation and continued improvement of the risk management framework within the Bank.
- The Board Risk and Capital Management Committee is responsible for monitoring risk positions which the Bank holds in the normal course of business as well as those risks that the Bank may take in alignment with approved limits and controls. The committee also reviews the adequacy of the risk management framework in relation to risks faced by the Bank on an ongoing basis. The committee is assisted in its functions by a Risk management structure, which ensures consistent assessment of risk management controls and procedures.
- The Board Audit Committee is responsible for

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reviewing the Bank's accounting policies, the contents of financial reports, disclosure controls and procedures, management's approach to internal controls, the adequacy and scope of the external and internal audit functions, compliance with regulatory and financial reporting requirements, oversee relationships with the Bank's external auditors and provide assurance to the Board that executive management's control assurance process are complete and effective. It also has responsibility for Compliance & Anti-Money Laundering.

- The Executive Credit Committee is the highest management level authority on all counterparty risk exposures. It oversees control and management of all policies, processes and procedures' relating to the Bank's lending function. The scope of risks covered by this committee includes Credit Risk, Concentration Risk, and Country & Cross Border Risk.
- The Operational Risk and Control Committee is an Executive Management committee with responsibility for monitoring and managing the level of operational risk exposures within the Bank as well as oversee the control and management of all policies, processes and procedures relating to the Bank's Operational Risk function.
- Asset and Liability Committee (ALCO) is a management committee which is a decision making body for developing policies relating to all asset and liability management (ALM) matters.

The Risk Management Division (RMD) is responsible for developing and monitoring the Bank's risk management policies and procedures over specified areas on a day-to-day basis. It reports regularly to the Board on its activities through the Executive Management Committee. The policies and procedures have been established to identify and analyze risks faced by the Bank and put appropriate controls in place to monitor adherence to these policies. These are reviewed regularly to reflect changes in market conditions, products and services offered.

Functional units or divisions are accountable for executing specific aspects of the Bank's activities. Authority is delegated to the Head of each functional unit by the CEO. The Head of each function in turn, delegates responsibility to individual staff for carrying out specific tasks in accordance with delegated authorities and within the procedural disciplines of the Bank.

Functions are organized in accordance with the "Three Lines of Defense" governance model. The three lines of defense are constituted as follows:

- The first line of defense consists of functional units that are responsible for actual activities of the business and which are responsible for managing their own risks.
- The second line of defense consists of functional units that are responsible for monitoring activities of the first line of defense and exercising risk control. The second line functions of the Bank are Governance, Risk, Compliance and Control, Product Control and Performance Monitoring.
- The third line of defense consist of functional units that are responsible for reviewing the activities of line 1 and 2 functions at appropriate frequencies, assessing the robustness of control and mandating corrective action or improvement where necessary. Risk Assurance services are provided to the Bank by the Internal Audit function.

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Risk Appetite
Risk appetite is an expression of the amount of risk the Bank is willing to take in pursuit of its strategic objectives, reflecting capacity to sustain losses and continue to meet obligations arising from a range of different stress conditions. This is used to maximize returns without exposing the Bank to levels of risk above its appetite.

In particular, the risk appetite framework assists in protecting financial performance and improves management's responsiveness. It also improves control and co-ordination of risk-taking across business units and identifies unused risk capacity in pursuit of profitable opportunities. The Bank's risk appetite statement is under review by the Board and will form the basis for establishing the risk parameters within which business units must operate, including policies, concentration limits and business mix.

4.1. Credit Risk Management
Credit risk is the potential for financial loss due to the failure of a counterparty to meet obligations to pay the Bank in accordance with agreed terms. Credit risk is the most important risk for the Bank's business. Management carefully manages its exposure to credit risk. Credit risk is attributed to both on-balance sheet financial instruments such as loans, overdrafts, debt securities and other bills, investments, and acceptances and Credit equivalent amounts related to off-balance sheet financial items.

The Bank's approach to credit risk management preserves the independence and integrity of risk assessment, while being integrated into business management processes. Credit risk is managed through a framework that sets out policies and procedures covering the identification, measurement and management of credit risk. The goal of credit risk management is to evaluate and manage credit risk in order to further enhance a strong credit culture.

Concentration Risk
Credit concentration risk is the risk of loss to the Bank arising from an excessive concentration of exposure to a single counterparty, industry sector, product or geographic area. Large exposure limits have been established under the Bank's credit policy in order to avoid excessive losses from any single counter-party who is unable to fulfill its payment obligations. These risks are monitored on an ongoing basis and subject to an annual or more frequent review when considered necessary.

Credit Mitigation
Potential credit losses from any given account, customer or portfolio are mitigated using a range of tools such as collateral, credit insurance and other guarantees. The reliance that can be placed on these mitigants is carefully assessed in the light of issues such as legal certainty and enforceability, market valuation and counterparty risk of the guarantor. Risk mitigation policies determine the eligibility of collateral types.

Collateral
In order to proactively respond to credit deterioration the Bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advanced, which is common practice. Collateral is held to mitigate credit risk exposures. Collateral types that are eligible for risk mitigation include: cash; residential, commercial and industrial property; fixed assets such as motor vehicles, plant and machinery and bank guarantees.

The risk mitigation policy prescribes the frequency of valuation for different collateral types, based on

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the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Where appropriate, collateral values are adjusted to reflect current market conditions. Longer-term finance and lending to corporate entities are generally secured; individual credit facilities are generally unsecured. In addition, in order to minimize credit loss, the Bank seeks additional collateral from counterparties as soon as impairment indicators are noticed for relevant individual loans and advances.

Credit Related Commitments
Documentary and commercial letters of credit are written undertakings by the Bank on behalf of a customer authorizing a third party to draw drafts on the Bank up to a stipulated amount under specific terms and conditions. The primary purpose of these instruments is to ensure that funds are available to a customer as required.

Guarantees and standby letters of credit carry less risk than direct loans. These arrangements are collateralized by the underlying shipments of goods. The likelihood of loss amounts is far less than the entire commitment as most commitments to extend credit of this nature are contingent upon the customer maintaining specific credit standards.

The Bank monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments

Impairment and Provisioning Policies

Impairment
The Bank assesses at each reporting date whether there is objective evidence that a financial asset is impaired. Impairment losses are incurred only if, there is objective evidence of impairment as a result of one or more events occurring after the initial recognition of the asset (a loss event), and that loss event (or events) has an impact on the estimated future cash flows of the financial asset that can be reliably estimated.

The Bank first evaluates whether objective evidence of impairment exists individually for financial assets that are significant, and individually or collectively for financial assets that are not significant. If no objective evidence of impairment exists, it includes assets in a group of similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Future cash flows of financial assets that are collectively evaluated for impairment are estimated on the basis of contractual cash flows and historical loss experience for assets with credit risk characteristics similar to those in the book. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist.

When a loan is uncollectible, it is written off against the related allowance for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognized in the consolidated

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statement of comprehensive income in impairment charge for loans and advances.

The criteria that the Bank uses to determine objective evidence of an impairment loss include but not limited to:

- Delinquency in contractual payments of principal or interest;
- Cash flow difficulties experienced by the borrower;
- Breach of loan covenants or conditions;
- Initiation of bankruptcy proceedings;
- Deterioration of the borrower's competitive position;
- Deterioration in the value of collateral; and
- Downgrading below investment grade level.

The estimated period between a loss and its identification in general, vary between three months and twelve months; in exceptional cases, longer periods. In any decision relating to the raising of impairment charges, the Bank attempts to balance economic conditions, local knowledge and experience. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment charge has been raised, then that amount is written off.

Early Alerts

Corporate Banking, Consumer Banking and Small and Medium Scale Enterprise (SME) accounts are placed on early alert status when they display signs of weakness. Such accounts and portfolios are subject to a dedicated process of oversight involving Senior Risk Officers and Remedial Officers in the Loans Recovery Unit. The approach to Early Alerts monitoring include but not limited to:

- Deterioration of the customer's financial position
- Delays by customers in settling their dues
- Overdraft balances exceeding approved limits
- Clear indications of the customer not being able to settle commitments on due dates

Customer payment plans are re-evaluated and remedial actions agreed and monitored until delinquency situations are resolved. Remedial actions include, but are not limited to, exposure reduction, security enhancement and movement of the account to the Loans Recovery Unit.

Provisioning

An account is considered to be in default when payment is not received on due date. Accounts that are overdue by more than 90 days are considered delinquent. These accounts are closely monitored and subjected to a collection process. The process used for provisioning is based on Bank of Ghana guidelines which recognize cash as a credit mitigant. Individual provisions are made for outstanding amounts depending on the number of days past due with full provisions made after 365 days. In certain situations such as bankruptcy, fraud and death, the loss recognition process is accelerated. Loans and advances less than 90 days past due are generally not considered impaired unless other information is available to indicate otherwise.

The Bank of Ghana Guideline is as set out below:

Grade Description	Number of days	Provision (%)
Current	Less than 30 days	1
OLEM	30 to less than 90 days	10
Substandard	90 to less than 180 days	25
Doubtful	180 to less than 365 days	50
Loss	365 days and above	100

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Credit Risk

Maximum exposure to credit risk before collateral held

Credit risk exposures relating to on-balance sheet assets are as follows:

	2012 GH¢'000	2011 GH¢'000
Cash and cash equivalents	257,729	373,735
Government securities	1,510,382	1,195,991
Advances to Banks	37,978	217,179
Loans and advances to customers:		
Individual	360,187	246,240
Corporate	633,249	364,950
Investment securities – available for sale	5,196	4,562
	2,804,721	2,402,657
Credit risk exposures relating to off-balance sheet items are as follows:		
Financial guarantees	223,989	81,012
Loan commitments and other credit related liabilities	182,883	144,646
	406,872	225,658
At 31 December	3,211,593	2,628,315

The above represents the maximum exposure to credit risk at 31 December 2012 and 2011, without taking account of any collateral held or other credit enhancements attached. For on-balance-sheet assets, the exposures set out above are based on gross carrying amounts reported.

As shown above, 32% of the total maximum exposure is derived from loans and advances to banks and customers (2011: 31%), investments held in government securities represents 46% (2011: 45%).

Management is confident in its ability to continue controlling and sustaining minimal exposure to credit risk arising from both its loans and advances portfolio and investment securities.

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Loans and advances

(a) Loans and advances are summarized as follows:

	2012		2011	
	Loans & advances to Banks GH¢'000	Loans & advances to customers GH¢'000	Loans & advances to Banks GH¢'000	Loans & advances to customers GH¢'000
Neither past due or impaired	37,978	738,495	217,179	428,660
Past due but not impaired	-	101,701	-	35,285
Individually impaired	-	153,240	-	147,245
Gross	37,978	993,436	217,179	611,190
Less: allowance for impairment	-	(145,564)	-	(134,979)
Net	37,978	847,872	217,179	476,211

(b) Loans and advances neither past due nor impaired

The credit quality of the portfolio of loans and advances to customers that were neither past due nor impaired is assessed by reference to the internal rating system adopted by the Bank. Loans graded as current loans are not considered past due nor impaired.

Loans and advances to customers

	Individual		Corporate		
	Overdrafts GH¢'000	Term loans GH¢'000	Overdrafts GH¢'000	Term loans GH¢'000	Total GH¢'000
At 31 December 2012					
Grades					
Current	246	333,943	211,154	193,152	738,495
At 31 December 2011					
Grades					
Current	162	216,240	66,612	145,646	428,660

(c) Loans and advances past due but not impaired

Loans and advances less than 90 days past due are not considered impaired, unless other information is available to indicate the contrary. Gross amount of loans and advances by class to customers that were past due but not impaired were as follows:

Notes to the financial statements
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	Individual		Corporate		
	Overdrafts GH¢'000	Term loans GH¢'000	Overdrafts GH¢'000	Term loans GH¢'000	Total GH¢'000
At 31 December 2012					
Past due 30-90 days	25	24,984	1,506	75,186	101,701
Fair value of collateral	-	-	249	1,018	1,267
At 31 December 2011					
Past due 30-90 days	277	28,657	3,773	2,578	35,285
Fair value of collateral	-	-	5,381	2,591	7,972

(d) Loans and advances individually impaired

A breakdown of the gross amount of individually impaired loans and advances by class, along with the fair value of related collateral held by the Bank as security, is as follows:

	Individual		Corporate		
	Overdrafts GH¢'000	Term loans GH¢'000	Overdrafts GH¢'000	Term loans GH¢'000	Total GH¢'000
At 31 December 2012					
Individual impaired loans	296	5,658	82,145	65,141	153,240
Impairment allowance	296	5,658	79,308	47,367	132,629
Fair value of collateral	-	-	3,745	24,231	27,976
At 31 December 2011					
Individual impaired loans	99	805	88,051	58,290	147,245
Impairment allowance	99	805	83,701	46,225	130,830
Fair value of collateral	-	-	4,400	18,085	22,485

(e) Loans and advances renegotiated

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans.

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for the year ended 31 December 2012

Loans and advances to customers

	2012 GH¢'000	2011 GH¢'000
Continuing to be impaired after restructuring (included in non-performing loans)	14,147	14,010
Non-impaired after restructuring – would otherwise have been impaired	7,379	-

(f) Acquired interest in property in satisfaction of debt
During the year, the Bank took possession of the following collateral held as security:

	2012		2011	
	Collateral GH¢'000	Related loan GH¢'000	Collateral GH¢'000	Related loan GH¢'000
Carrying amount				
Nature of assets				
Commercial property	-	-	4,674	2,133
Vehicles and equipment	-	-	8,237	7,891
	-	-	12,911	10,024

Repossessed items are expected to be sold within one year of repossession. Repossessed items are not recognized in the Bank's books, proceeds from their sale are used to reduce related outstanding indebtedness.

4.2. Liquidity Risk
Liquidity risk is the risk that the Bank will not be able to meet payment obligations associated with financial liabilities when they fall due and replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend. It is the policy of the Bank to maintain adequate liquidity at all times and to be in a position to meet all obligations, repay depositors, fulfill commitments to lend and meet any other commitments as and when they fall due.

Liquidity risk management
The management of liquidity risk is governed by the Bank's liquidity policy and responsibility for the management of liquidity risk lies with the Bank's Assets and Liability Management Committee (ALCO), which is chaired by an Executive Director. ALCO is responsible for both statutory and prudential liquidity as well as compliance with regulatory requirements.

The primary objective of liquidity risk management is to provide a planning mechanism for unanticipated changes in the demand or needs for liquidity created by customer behavior or abnormal market conditions. ALCO emphasizes the maximization and preservation of customer deposits and other funding sources. ALCO also monitors deposit rates, levels, trends and significant changes. Liquidity is managed on a short to medium-term basis. In the short term, the focus is on ensuring that cash flow demands can be met

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as and when required. The focus, in the medium term, is on ensuring that the balance sheet remains structurally sound and aligned to the bank's strategy.

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. Lending is normally funded by liability in the same currency.

The Bank also maintains significant levels of marketable securities to meet compliance with prudential investment of surplus funds. ALCO oversees structural foreign currency and interest rate exposures that arise within the Bank. These responsibilities are coordinated by ALCO during monthly meetings. The Bank places low reliance on interbank funding and foreign markets.

The table below presents cash flows payable under non-derivative financial liabilities and assets held for managing liquidity risk by remaining contractual maturities at the reporting date adjusted to reflect the behavioral character of deposits. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages liquidity risk taking into account the behavioral characteristics of deposits.

	Up to 1 month GH¢'000	1-3 months GH¢'000	3-12 months GH¢'000	Over 1 Year GH¢'000	Total GH¢'000
At 31 December 2012					
Liabilities					
Deposits due to customers	285,567	287,696	1,205,541	551,496	2,330,300
Other liabilities	67,789	32,673	13,619	3,409	117,490
Borrowings	80,000	-	-	94,125	174,125
	433,356	320,369	1,219,160	649,030	2,621,915
Assets					
Cash and cash equivalents	360,023	-	-	-	360,023
Advances to Banks	31,605	6,373	-	-	37,978
Investment in government securities	129,381	267,581	351,835	761,585	1,510,382
Loans and advances to customers	28,849	202,723	111,901	504,399	847,872
Investment securities – available for sale	-	-	-	5,196	5,196
Investments in associates	-	-	-	37,242	37,242
Investments in other equity securities	-	-	-	247	247
Other assets	19,454	4,660	46,539	22,458	93,111
Assets held for managing liquidity risk	569,312	481,337	510,275	1,331,127	2,892,051

Notes to the financial statements
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Liquidity gap	135,956	160,968	(708,885)	682,097	270,136
At 31 December 2011					
Total liabilities	1,866,272	103,139	116,846	159,550	2,245,807
Total assets	737,028	540,123	780,835	308,659	2,366,645
Liquidity gap	(1,129,244)	436,984	663,989	149,109	120,838

4.3. Market Risk

Management of Market Risk
The Bank takes on exposure to Market risk, which is the risk of potential loss of earnings or economic value due to adverse changes in financial market rates or prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Bank's exposure to market risk arises principally from customer-driven transactions and pension obligations; the Bank does not engage in proprietary trading.

Foreign Exchange Exposure
Foreign exchange or currency risk is the risk of loss that results from changes in foreign exchange rates. The Bank's exposure to foreign currency risk is limited to non-trading book and is strictly controlled by the Treasury and Market risk management. The Bank's foreign exchange exposures are principally derived from customer- driven transactions.

The table below summarizes the Bank's exposure to foreign currency exchange rate risk at 31 December.

	EUR GH¢'000	USD GH¢'000	GBP GH¢'000	Others GH¢'000
At 31 December 2012				
Assets				
Cash and cash equivalents	11,310	26,813	6,486	951
Advances to Banks	1,880	13,323	21,136	-
Loans and advances to customers	9,251	248,364	-	-
Total	22,441	288,500	27,622	951
Liabilities				
Deposits due to customers	13,504	119,399	12,880	9
Other liabilities	2,123	12,566	9,440	1,257
Borrowings	-	94,125	-	-

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Total	15,627	226,090	22,320	1,266
Net on balance sheet position	6,814	62,410	5,302	(315)
Credit commitments	10,467	51,311	19,967	2,883
At 31 December 2011				
Total assets	15,504	164,868	20,298	356
Total liabilities	12,791	171,270	12,769	10
Net on balance sheet position	2,713	(6,402)	7,529	346
Credit commitments	6	116,182	14,963	2,165

The following mid inter-bank exchange rates were applied during the year:

	Average Rate		Reporting Rate	
GH¢ to	**2012**	**2011**	**2012**	**2011**
USD 1	1.8405	1.5321	1.8825	1.5800
EUR 1	2.3812	2.1535	2.4750	2.1250
GBP 1	2.9417	2.4758	3.0500	2.5325
CHF 1	1.9673	1.7400	2.0450	1.7650
CAD 1	1.8425	1.5556	1.9075	1.5600
JPY 1	0.0211	0.0175	0.0025	0.0190

Sensitivity Analysis

A 1% strengthening of the cedi against the following currencies at 31 December 2012 would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2011.

As of 31 December		**2012**				**2011**
in GH¢'000	% Change	Income statement impact: Strengthening	Equity impact: Strengthening	% Change	Income statement impact: Strengthening	Equity impact: Strengthening
US$	±1	624	624	±1	64	64
EUR	±1	68	68	±1	(27)	(27)
GBP	±1	53	53	±1	(75)	(75)
CAD	±1	1	1	±1	13	13
CHF	±1	(3)	(3)	±1	-	-
JPY	±1	(1)	(1)	±1	-	-

A 1% weakening of the cedi against the above currencies at 31 December would have had an equal but opposite effect.

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Interest Rate Risk

Interest Rate Exposure
Interest rate risk is the risk that future cash flows or fair values of a financial instrument will fluctuate because of changes in market interest rates. The Bank takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes, which may cause losses to be incurred, in the event of unexpected movements.

The Asset and Liability Management ("ALM") process, managed through ALCO, is used to manage interest rate risks associated with the non-trading book. Gap analysis is used in measuring interest rate risk. It compares the values of interest rate sensitive assets and liabilities that mature or are re-priced at various time periods in the future. Subjective judgment/assumptions are made about the behavior of assets and liabilities which do not have specific contractual maturity or re-pricing dates.

Interest rate risk evaluates potential volatility to net interest income caused by changes in market interest rates and represents the most significant market risk exposure to the Bank's non-trading book. The management of interest rate risk against interest rate gap limits is supplemented by monitoring sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios.

	Up to 1 month GH¢'000	1-3 months GH¢'000	3-12 months GH¢'000	Over 1 year GH¢'000	Non-interest bearing GH¢'000	Total GH¢'000
At 31 December 2012						
Assets						
Cash and cash equivalents	-	-	-	-	360,023	360,023
Government securities	129,381	267,581	351,835	761,585	-	1,510,382
Loans and advances to Banks	31,605	6,373	-	-	-	37,978
Loans and advances to customers	28,849	202,723	111,901	504,399	-	847,872
Investment securities: available for sale	-	-	-	-	5,196	5,196
Investments in associates	-	-	-	-	37,242	37,242
Investments in other equity securities	-	-	-	-	247	247
Other assets	15	972	41,561	371	50,192	93,111
Total financial assets	189,850	477,649	505,297	1,266,355	452,900	2,892,051

Notes to the financial statements
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Liabilities						
Customer deposits	160,455	200,840	662,505	270,541	1,035,959	2,330,300
Borrowings	80,000	-	-	94,125	-	174,125
Other liabilities	958	5,643	144	-	110,745	117,490
Total financial liabilities	241,413	206,483	662,649	364,666	1,146,704	2,621,915
Total interest re-pricing gap	(51,563)	271,166	(157,352)	901,689	(693,804)	270,136
At 31 December 2011						
Total assets	303,598	534,396	776,946	293,899	457,806	2,366,645
Total liabilities	964,248	97,032	100,097	79,000	1,005,430	2,245,807
Total rate gap	(660,650)	437,364	676,849	214,899	(547,624)	120,838

Standard scenarios that are considered on a monthly basis include a 200 basis point (bp) parallel fall or rise in market interest rates. A change of a 200 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below:

	2012		2011	
	Increase 200bp GH¢'000	**Decrease 200bp GH¢'000**	**Increase 200bp GH¢'000**	**Decrease 200bp GH¢'000**
Interest income impact	7,522	(7,522)	5,378	(5,378)
Interest expense impact	(1,018)	1,018	(1,414)	1,414
Net impact	6,504	(6,504)	3,964	(3,964)

Market Risk Monitoring and Control

The Risk Management Division (RMD) is responsible for monitoring the Bank's exposure to market risk. The analysis of impact of unlikely but plausible events by means of scenario analysis enables management to gain a better understanding of risks that the Bank is potentially exposed to under adverse conditions.

4.4. Operational Risk

Operational risk is the risk of direct or indirect loss resulting from inadequate or failed internal processes, systems or human factors, or from external events. Operational risk is inherent in the Bank's business activities and, as with other risk types, is managed through an overall framework designed to balance strong corporate oversight with well-defined independent risk management. The Bank endeavors to minimize operational losses by ensuring that effective infrastructure, controls, systems and individuals are in place throughout the organization.

Operational Risk Framework

To monitor, mitigate and control operational risk, the Bank maintains a system of policies and has established a framework for assessing and communicating operational risks as well as the overall effectiveness of the internal control environment across business lines. Each major business segment is expected to

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implement an operational risk process consistent with the requirements of this framework. The process for operational risk management includes the following steps:

- identify and assess key operational risks;
- establish key risk indicators;
- produce a comprehensive operational risk report; and
- prioritize and assure adequate resources to actively improve the operational risk environment and mitigate emerging risks.

The operational risk standards facilitate the effective communication and mitigation actions both within and across businesses. The Bank is committed to continuously enhancing its operational risk framework to encourage a culture of effective accountability and responsibility.

4.5. Compliance and Regulatory Risk

Compliance and Regulatory risk includes the risk of non-compliance with regulatory requirements. The Bank's Compliance 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. The Bank generally complied with regulatory requirements.

4.6. Capital Management

The Bank's policy is to maintain a strong capital base so as to maintain investor and market confidence and 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 security afforded by sound capital positions. The Bank complied with the statutory capital requirements throughout the period under review.

Capital adequacy and the use of regulatory capital are monitored daily by management, employing techniques based on guidelines developed by the Basel Committee as implemented by Bank of Ghana for supervisory purposes. The required information is filed with Bank of Ghana on a monthly basis. Bank of Ghana requires each bank to:

- Hold a minimum regulatory capital of GH¢60 million; and
- Maintain a ratio of total regulatory capital to risk-weighted assets plus risk weighted off balance sheet assets above a required minimum of 10%

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The Bank's capital is divided into two tiers:

Tier 1 capital includes ordinary paid up capital and disclosed reserves, excluding the value of assets such as investment in other banks and financial institutions.
Tier 2 capital is made up of reserves such as unrealized gains on equity instruments classified as available for sale

Non-risk weighted assets are classified as cash on hand, claims on government and claims on the Central Bank. 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 table below summarizes the composition of regulatory capital and ratios of the Bank. The Bank generally complied with all externally imposed capital requirements.

Bank	**2012 GH¢'000**	**2011 GH¢'000**
Tier 1 Capital		
Share capital	72,000	72,000
Statutory reserves	89,871	55,210
Retained earnings	101,602	18,806
Intangibles/other assets	(452)	(9,520)
Investments in capital of other Banks and financial/other institutions	(33,521)	(19,158)
Losses not provided for	(2,845)	(719)
Total qualifying tier 1 capital	226,655	116,619
Tier 2 Capital		
Other reserves	(8,195)	(1,174)
Total qualifying tier 2 capital	(8,195)	(1,174)
Total regulatory capital	218,460	115,445

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Bank		
Risk weighted assets		
On balance sheet	902,305	568,345
Off balance sheet	275,699	209,836
50% of net open position	10,758	62,381
100% of previous 3 years average annual gross income	273,856	239,205
Total risk weighted assets	1,462,618	1,079,767
Capital adequacy ratio	14.9%	11.0%

4.7. Country Analysis

	In Ghana 2012 GH¢'000	Outside Ghana 2012 GH¢'000	In Ghana 2011 GH¢'000	Outside Ghana 2011 GH¢'000
Assets				
Cash and cash equivalents	341,426	18,597	425,430	8,000
Government securities	1,510,382	-	1,195,991	-
Advances to Banks	1,610	36,368	187,110	30,069
Loans and advances to customers	847,872	-	476,211	-
Investment securities - AFS	2,594	2,602	844	3,718
Investment in other equity securities	247	-	198	-
Investment in associates	8,968	28,274	1,411	18,829
Assets				
Intangible asset	4,062	-	1,841	-
Property and equipment	73,404	-	53,955	-
Income tax asset	-	-	6,309	-
Deferred tax asset	11,624	-	11,379	-
Other assets	93,111	-	39,074	-
Total assets	2,895,300	85,841	2,399,753	60,616
Liabilities				
Deposits due to customers	2,330,300	-	2,058,432	-
Other liabilities	117,490	-	108,375	-
Borrowings	174,125	-	79,000	-
Income tax liabilities	17,195	-	-	-
Employee benefit obligations	46,150	-	36,322	-
Total liabilities	2,685,260	-	2,282,129	-

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4.8. Fair value of financial assets and liabilities

(a) Financial instruments not measured at fair value

The table below summarizes the carrying amounts and fair values of those financial assets and liabilities not presented in the Group's statement of financial position at their fair values.

	Carrying value		Fair value	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Financial assets				
Government securities	1,510,382	1,195,991	1,498,443	1,195,867
Loans and advances to customers	847,872	476,211	839,069	476,211
Advances to Banks	37,978	217,179	37,978	217,179
Investment in other equity securities	247	198	247	198
Financial liabilities				
Deposits from customers	2,330,300	2,058,432	2,317,624	2,058,432
Borrowings	174,125	79,000	174,125	79,000

(i) Loans and advances to Banks
Loans and advances to banks include inter-bank placements. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of their fair values. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity profiles.

(ii) Loans and advances to customers
Loans and advances to customers are net of charges 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 the fair value.

(iii) Investment securities
The fair value of investment securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value is rated using quoted market prices for securities with similar credit, maturity and yield characteristics. All available for sale assets are measured and carried at fair value.

(iv) Deposits from Banks and customers
The estimated fair value of deposits with no stated maturity dates, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits is based on discounted cash flows using interest rates for new debts with similar maturity profiles.

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(v) Off-balance sheet financial instruments
The estimated fair values of the off-balance sheet financial instruments are based on market prices for similar facilities. Where this information is not available, fair value is estimated using discounted cash flow analysis.

(b) Fair value hierarchy
IFRS 7 specifies a hierarchy of valuation techniques based on whether inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

Level 1 - Quoted prices (adjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - inputs for assets or liabilities that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

	Level 1 GH¢'000	Level 2 GH¢'000	Level 3 GH¢'000
Government securities	-	1,510,382	-
Investment securities – available-for-sale	5,196	-	-
Investments in other equity securities	-	-	247
Loans and receivables from customers	-	-	847,872
Loans and receivables from banks	-	-	37,978
Other assets	-	45,484	47,627
Total financial assets	5,196	1,555,866	933,724

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5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Bank's financial statements and financial results are influenced by accounting policies, assumptions, estimates and management judgment, which necessarily have to be made in the course of preparing the financial statements.

The Bank makes estimates and assumptions that affect reported amounts of assets and liabilities. All estimates and assumptions required in conformity with IFRS are based on best estimates made in accordance with applicable standards. Estimates and judgments are evaluated on a continuous basis, based on past experience and other factors, including expectations with regard to future events.

(a) Impairment losses on loans and advances

The Bank reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in profit or loss, the Bank considers observable data that may indicate measurable decreases in estimated future cash flows from a portfolio of loans before decreases can be identified with individual loans in that portfolio. This evidence may include observable data indicating adverse changes in the payment status of borrowers, or economic conditions that correlate with defaults on assets. Management uses estimates based on historical loss experience for assets with similar credit risk characteristics and objective evidence of impairment similar to those in the portfolio when projecting future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Impairment of available for-sale equity investments

The Bank determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of what is significant or prolonged requires judgment. In making this judgment, the Bank evaluates among other factors, the normal volatility in share prices.

(c) Fair value of financial instruments

The fair value of financial instruments where no active market exists or where quoted prices are not otherwise available are determined using valuation techniques. In these cases, fair values are estimated from observable data in respect of similar financial instruments or using models. Models are calibrated to ensure that outputs reflect actual data and comparative market prices.

(d) Income taxes

Significant estimates are required in determining provisions for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Bank recognizes liabilities for anticipated tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences are adjusted in the period in which such determination is made.

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6. INTEREST INCOME

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Cash and short term funds	8,641	15,001	8,641	15,001
Investment securities	230,570	114,340	230,570	114,340
Loans and advances	136,881	127,278	136,881	127,278
	376,092	256,619	376,092	256,619

7. INTEREST EXPENSE

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Current and savings accounts	19,243	14,587	19,243	14,659
Time and other deposits	26,200	32,887	26,264	32,887
Interest on borrowings	5,474	2,261	5,474	2,261
	50,917	49,735	50,981	49,807

8. FEES AND COMMISSION INCOME

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Commission on letters of credit and guarantees	2,938	3,105	2,938	3,105
Commission on foreign services	5,762	4,852	5,762	4,852
Commission on turnover	33,907	28,609	33,907	28,609
Processing and facility fees	5,904	5,100	5,904	5,100
Other fees and commissions	28,024	25,592	28,024	25,592
	76,535	67,258	76,535	67,258

9. FEES AND COMMISSION EXPENSE

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Fees and commission expense	7,347	2,730	7,347	2,730

Notes to the financial statements
for the year ended 31 December 2012

10. NET TRADING INCOME

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Foreign currency trading	16,580	13,485	16,580	13,485

11. OTHER INCOME

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Dividend income	1,817	1,589	3,830	2,223
Bad debt recoveries	114	516	114	516
Profit on sale of property and equipment	197	51	197	51
Rental income	428	450	428	450
Other income	4,625	1,046	4,791	1,207
	7,181	3,652	9,360	4,447

12. IMPAIRMENT CHARGE ON LOANS AND ADVANCES

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Loan impairment	145,564	134,979	145,564	134,979
At 1 January	134,979	124,329	134,979	124,329
Increase in impairment	10,585	10,650	10,585	10,650
At 31 December	145,564	134,979	145,564	134,979
Analysis of impairment charge				
Specific impairment	1,798	8,809	1,798	8,809
General impairment	8,787	1,841	8,787	1,841
	10,585	10,650	10,585	10,650

Notes to the financial statements
for the year ended 31 December 2012

13. OPERATING EXPENSES

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Staff expenses (Note 13(a))	144,435	135,912	144,435	135,912
Technology and communication	19,368	15,089	19,368	15,089
Advertising	1,984	2,121	1,984	2,121
Training	1,711	1,031	1,711	1,031
Audit fees	430	368	405	345
Directors fees	1,438	1,387	1,438	1,362
Depreciation of property and equipment	10,194	11,637	10,194	11,637
Amortization of software	1,266	663	1,266	663
Donations (Note 39)	2,568	727	2,568	727
Other administrative expenses	37,892	50,866	37,886	48,714
Other impairment losses	-	31,340	-	31,340
	221,286	251,141	221,255	248,941

(a) Staff expenses

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Staff expenses comprise:				
Wages and salaries	64,484	64,114	64,484	64,114
Staff allowances	34,897	28,695	34,897	28,695
Performance award	12,579	12,066	12,579	12,066
Social security fund contributions	8,014	7,451	8,014	7,451
Provident fund contributions	7,624	6,941	7,624	6,941
Retirement benefit obligations	6,456	7,150	6,456	7,150
Restructuring costs	5,320	6,061	5,320	6,061
Other staff costs	5,061	3,434	5,061	3,434
	144,435	135,912	144,435	135,912

The number of persons employed by the Bank at the year-end was 2,169 (2011: 2,273).

Notes to the financial statements
for the year ended 31 December 2012

14. INCOME TAX

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Current income tax	47,865	17,877	47,738	17,768
National fiscal stabilization levy	-	1,484	-	1,484
Deferred tax	2,016	(6,254)	2,016	(6,254)
	49,881	13,107	49,754	12,998

The tax charge on the Bank's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Profit before tax	192,853	31,079	188,399	29,681
Corporate tax rate at 25% (2011: 25%)				
Tax calculated at corporate tax rate	48,213	7,770	47,100	7,420
Income subject to tax at different rates	433	288	306	178
Tax impact of non-deductible expense / income for tax purposes	3,379	12,873	4,492	13,224
Effect of capital allowances	(4,160)	(3,054)	(4,160)	(3,054)
National fiscal stabilization levy	-	1,484	-	1,484
Deferred tax	2,016	(6,254)	2,016	(6,254)
Income tax expense	49,881	13,107	49,754	12,998
Effective tax rates	26%	42%	26%	44%

The movement on the income tax account was as follows:

	Balance at 1 January GH¢'000	Charge for the year GH¢'000	Payment GH¢'000	Balance at 31 December GH¢'000
The Group				
Year of assessment				
Up to 2010	20,019	-	-	20,019
2011	(27,558)	-	-	(27,558)
2012	-	47,865	(24,361)	23,504
	(7,539)	47,865	(24,361)	15,965
National stabilization levy	1,230	-	-	1,230
	(6,309)	47,865	(24,361)	17,195

Notes to the financial statements
for the year ended 31 December 2012

The Bank				
Year of assessment				
Up to 2010	20,019	-	-	20,019
2011	(27,558)	-	-	(27,558)
2012	-	47,738	(24,234)	23,504
	(7,539)	47,738	(24,234)	15,965
National stabilization levy	1,182	-	-	1,182
	(6,357)	47,738	(24,234)	17,147

The tax positions up to 2009 have been agreed with the tax authorities and liabilities arising have been settled in full. The remaining tax positions for the 2010 to 2012 years of assessment are yet to be agreed with the tax authorities.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Deferred tax				
Deferred tax liabilities				
Accelerated tax depreciation	5,689	3,488	5,689	3,488
Fair value gains on available-for-sale investments	158	-	78	-
	5,847	3,488	5,767	3,488

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Deferred tax assets				
Provisions for loan impairment	(3,234)	(1,168)	(3,234)	(1,168)
Other provisions	(11,537)	(13,418)	(11,537)	(13,418)
Actuarial loss	(2,700)	(281)	(2,700)	(281)
	(17,471)	(14,867)	(17,471)	(14,867)
Net deferred tax	(11,624)	(11,379)	(11,704)	(11,379)

The movement on the deferred tax account was as follows:

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Income statement	2,016	(6,254)	2,016	(6,254)

Notes to the financial statements
for the year ended 31 December 2012

The deferred tax credit comprises the following temporary differences:

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Accelerated tax depreciation	2,201	9	2,201	9
Provision for loan impairment	(2,066)	(338)	(2,066)	(338)
Other provisions	1,881	(5,925)	1,881	(5,925)
	2,016	(6,254)	2,016	(6,254)

15. NATIONAL FISCAL STABILISATION LEVY

The National Fiscal Stabilization Levy Act, 2009, became effective during the period 1 July 2009 to December 2011. Under the Act, an additional 5% levy, which is payable quarterly, is charged on profit before tax. There was no charge for this levy in the current year as the law that imposed this levy had a tenure that expired at the end of 2011.

16. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the year.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Profit attributable to equity holders of the Bank	142,972	17,972	138,645	16,683
Weighted average number of ordinary shares	265,000	265,000	265,000	265,000
Basic earnings per share (expressed in Ghana pesewas per share)	54	7	52	6
Diluted earnings per share (expressed in Ghana pesewas per share)	54	7	52	6

The Bank has no convertible notes and share options, which could potentially dilute its earnings per share, basic and diluted earnings per share therefore remained the same.

17. CASH AND CASH EQUIVALENTS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Cash on hand	102,294	59,695	102,294	59,695
Balances with Bank of Ghana	199,899	294,877	199,899	294,877
Items in the course of collection	39,233	70,858	39,233	70,858
Accounts with other Banks	18,597	8,000	18,597	8,000
	360,023	433,430	360,023	433,430

Notes to the financial statements
for the year ended 31 December 2012

Included in balances with Bank of Ghana are mandatory reserve deposits representing 9% of the bank's total deposits, which are not available for use in the bank's day to day operations. Cash on hand, items in the course of collection and balances with Bank of Ghana are non-interest-bearing.

18. GOVERNMENT SECURITIES

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	1,196,910	452,470	1,195,981	452,461
Additions	1,705,393	1,576,458	1,705,355	1,576,419
Redeemed on maturity	(1,391,921)	(832,937)	(1,390,963)	(832,899)
At 31 December	1,510,382	1,195,991	1,510,373	1,195,981
Maturing within 90 days of acquisition	396,962	335,079	396,953	335,069
Maturing after 90 days but within 182 days	299,433	2,232	299,433	2,956
Maturing after 182 days of acquisition	52,402	643,980	52,402	643,256
Maturing after 1 year of acquisition	761,585	214,700	761,585	214,700
	1,510,382	1,195,991	1,510,373	1,195,981

Government securities are treasury bills and bonds issued by the Government of Ghana. These are classified as held to maturity and carried at amortised cost.

19. ADVANCES TO BANKS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Placements with Bank of Ghana	-	180,000	-	180,000
Placements with other Banks	37,978	37,179	37,978	37,179
	37,978	217,179	37,978	217,179

Notes to the financial statements
for the year ended 31 December 2012

20. LOANS AND ADVANCES TO CUSTOMERS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Individuals	332,485	218,391	332,485	218,391
Staff loans	32,723	27,849	32,723	27,849
Private Enterprise	224,327	157,525	224,327	157,525
Govt's Dept, Public Inst & Public Ent	403,901	207,425	403,901	207,425
Gross loans and advances to customers	993,436	611,190	993,436	611,190
Allowance for impairment (Note 12)	(145,564)	(134,979)	(145,564)	(134,979)
Net loans and advances to customers	847,872	476,211	847,872	476,211
Analysis by industry on gross loans				
Construction	48,307	52,121	48,307	52,121
Agriculture, forestry and fishing	5,181	4,019	5,181	4,019
Mining and quarrying	24,947	3,426	24,947	3,426
Manufacturing	22,566	26,940	22,566	26,940
Electricity, gas and water	73,751	-	73,751	-
Commerce and finance	332,054	248,183	332,054	248,183
Transport, storage and communication	33,519	15,400	33,519	15,400
Services	421,214	258,410	421,214	258,410
Miscellaneous	31,897	2,691	31,897	2,691
	993,436	611,190	993,436	611,190
Current	481,265	449,687	481,265	449,687
Non-current	512,171	161,503	512,171	161,503

The total impairment charge for the year represents 1% of gross loans at the year end (2011: 2%).

The fifty largest exposures by customers made up 60% of gross loans at the year end (2011: 53%).

The total amount of allowance for impairment represents 15% of gross loans at the year end (2011: 22%). Gross non-performing loan ratio was 17% at year end (2011: 26%).

The maximum amount due from staff during the year amounted to GH¢49,995,000 (2011: GH¢27,849,000).

Notes to the financial statements
for the year ended 31 December 2012

21. INVESTMENT SECURITIES – AVAILABLE FOR SALE

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	4,562	4,161	2,969	4,113
Additions	-	1,550	-	-
Disposals	-	(6)	-	-
Forfeiture	-	-	-	-
Changes in fair value (Note 33)	634	(1,143)	313	(1,144)
At 31 December	5,196	4,562	3,282	2,969

22. INVESTMENT IN SUBSIDIARY

		The Bank	
	% Ordinary shares	2012 GH¢'000	2011 GH¢'000
Development Finance & Holdings Limited	100	0.02	0.02
		0.02	0.02

23. INVESTMENT IN OTHER EQUITY SECURITIES

		The Group			The Bank	
	Ordinary shares %	2012 GH¢'000	2011 GH¢'000	Ordinary shares %	2012 GH¢'000	2011 GH¢'000
National Investment Bank	2.5	29	29	2.5	29	29
CDH Financial Holdings	7.1	6	6	7.1	6	6
Securities Discount Company	1.1	16	16	1.1	16	16
Fidelity Bank	0.6	62	13	0.6	62	13
Vacuum Salt Project Limited	10	1	1		-	-
Accra Markets Limited	25	25	25		-	-
Ghana Community Network	10	108	108		-	-
		247	198		113	64

Notes to the financial statements
for the year ended 31 December 2012

24. PROPERTY AND EQUIPMENT

The Group and The Bank

	Buildings GH¢'000	Furniture & equipment GH¢'000	Computers GH¢'000	Motor vehicles GH¢'000	Capital work in progress GH¢'000	Total GH¢'000
2012						
Cost						
At 1 January 2012	46,187	37,014	26,023	2,961	2	112,187
Additions	2,908	19,830	4,779	2,043	-	29,560
Disposals	-	(7)	(5)	(467)	-	(479)
Adjustments	152	(63)	22	(21)	-	90
At 31 December 2012	49,247	56,774	30,819	4,516	2	141,358
Depreciation						
At 1 January 2012	7,230	25,182	23,220	2,600	-	58,232
Charge for the year	975	6,608	2,342	269	-	10,194
Released on disposals	-	(2)	(3)	(467)	-	(472)
At 31 December 2012	8,205	31,788	25,559	2,402	-	67,954
Net book value						
At 31 December 2012	41,042	24,986	5,260	2,114	2	73,404
2011						
Cost						
At 1 January 2011	44,112	30,713	23,934	2,735	2	101,496
Additions	2,149	6,432	2,112	348	-	11,041
Disposals	(1)	-	(23)	(122)	-	(146)
Assets written off	(73)	(131)	-	-	-	(204)
At 31 December 2011	46,187	37,014	26,023	2,961	2	112,187
Depreciation						
At 1 January 2011	6,335	19,091	18,881	2,505	-	46,812
Charge for the year	897	6,165	4,362	213	-	11,637
Released on disposals	(1)	-	(23)	(118)	-	(142)
Assets written off	(1)	(74)	-	-	-	(75)
At 31 December 2011	7,230	25,182	23,220	2,600	-	58,232
Net book value						
At 31 December 2011	38,957	11,832	2,803	361	2	53,955

Notes to the financial statements
for the year ended 31 December 2012

Disposal of property and equipment

	2012 GH¢'000	2011 GH¢'000
Cost	479	146
Accumulated depreciation	(472)	(142)
Net book value	7	4
Sales proceeds	204	55
Profit on disposal	197	51

25. INTANGIBLE ASSETS

The Group and The Bank

	2012 GH¢'000	2011 GH¢'000
Cost		
At 1 January	7,752	6,037
Additions	3,487	1,715
At 31 December	11,239	7,752
Accumulated amortization		
At 1 January	5,911	5,248
Charge for the year	1,266	663
At 31 December	7,177	5,911
Net book value	4,062	1,841

Intangible assets represent licenses for computer software.

26. OTHER ASSETS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Account receivables	45,464	10,298	45,484	10,296
Prepayments	4,728	9,268	4,728	9,268
Accrued income	42,919	19,508	42,919	19,508
	93,111	39,074	93,131	39,072
Current	70,653	29,074	70,673	29,072
Non-current	22,458	10,000	22,458	10,000

Notes to the financial statements
for the year ended 31 December 2012

27. DEPOSITS FROM CUSTOMERS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Current accounts	1,096,016	902,025	1,099,406	904,064
Savings accounts	1,067,196	788,664	1,067,196	788,664
Time deposits	167,088	367,743	168,006	368,662
	2,330,300	2,058,432	2,334,608	2,061,390
Current	1,778,804	2,058,432	1,782,122	2,061,390
Non-current	551,496	-	552,486	-

The twenty largest depositors made up 22% of total deposits at the year end (2011: 11%).

28. OTHER LIABILITIES

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Creditors	52,591	66,081	52,611	66,081
Accruals	26,846	32,097	26,827	32,101
Other liabilities	38,053	10,197	38,053	10,197
	117,490	108,375	117,491	108,379
Current	114,081	27,825	114,081	27,829
Non-current	3,409	80,550	3,410	80,550

29. BORROWINGS

	At 1/1/12 GH¢'000	Drawdown GH¢'000	Repayment GH¢'000	Exchange differences GH¢'000	At 31/12/12 GH¢'000
Bank of Ghana	79,000	-	-	15,125	94,125
Barclays Bank Ghana Limited	-	15,000	-	-	15,000
Standard Chartered Bank Limited	-	10,000	-	-	10,000
Unibank Limited	-	5,000	-	-	5,000
Stanbic Bank Limited	-	20,000	-	-	20,000
Guarantee Trust Bank Limited	-	20,000	-	-	20,000
SG-SSB Bank Limited	-	10,000	-	-	10,000
	79,000	80,000	-	15,125	174,125

Notes to the financial statements
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A loan of US$50 million was made available to the Bank by Bank of Ghana (BOG) on 19 February 2009. This loan was advanced by BOG to enable the Bank meet maturing obligations in respect of letters of credit established on behalf of Tema Oil Refinery (TOR). The loan attracts interest at a rate of 2.234% per annum, which is payable quarterly.

Borrowings from Barclays, Standard Chartered, Unibank, Stanbic, Guarantee Trust and SG-SSB Banks represent overnight borrowings, which attracted interest at rates between 17.33% and 17.35% per annum.

30. EMPLOYEE BENEFIT OBLIGATIONS
Post-employment and long-term benefit plan

Apart from the legally required social security scheme, long service awards accrue to employees based on graduated periods of uninterrupted service. These awards accrue over the service life of employees. Employees leaving the service of the Bank after twenty (20) years through retirement (both voluntary and compulsory) or resignation become eligible for cash payments equivalent to their current entitlement at the time of retirement or resignation based on their length of service.

The Bank pays monthly pension benefits to retired employees, under a closed defined benefit pension scheme. Under this scheme, beneficiaries are paid pensions equal to 60% of the net basic salaries of their serving counterparts. The Bank also pays post retirement medical care of the Bank's staff.

Employee benefit obligations recognized in the financial statements

	2012 GH¢'000	2011 GH¢'000
Pension funds: defined benefit plan	46,150	36,322

Reconciliation of assets and employee benefit obligations recognized in the statements of financial position

	2012 GH¢'000	2011 GH¢'000
Present value of funded obligation	-	-
Present value of unfunded obligations	46,150	36,322
Total present value of obligations	46,150	36,322
Fair value of plan assets	-	-
Present value of net obligations	46,150	36,322
Recognized liability for defined benefit obligations	46,150	36,322
Movement in the present value of defined benefit obligations		
Defined benefit obligations at 1 January	36,322	33,336
Expense recognized in profit or loss	6,456	7,150

Notes to the financial statements
for the year ended 31 December 2012

Actuarial loss/(gain)	9,675	1,519
Benefits paid	(6,303)	(5,683)
Balance at 31 December	46,150	36,322
Movement in the fair value of plan assets		
Fair value of plan assets at 1 January	-	-
Contributions paid into plan	6,303	5,683
Benefits paid by the plan	(6,303)	(5,683)
Actuarial (loss)/ gain	-	-
Expected return on plan assets	-	-
Fair value of plan assets at 31 December	-	-
Expenses recognized in profit or loss		
Current service costs	1,570	2,240
Interest on obligations	5,211	4,910
Expected return on plan assets	-	-
Past service costs	(325)	-
Total charge to profit	6,456	7,150

Actuarial loss/(gain) recognized in other Comprehensive income

	2012 GH¢'000	2011 GH¢'000
Total loss/(gain) recognized in statements of comprehensive income before tax	9,675	1,519
Deferred taxation	(2,419)	(380)
	7,256	1,139

The disclosures under IAS 19 were compiled by qualified independent actuaries based on actuarial valuations done up to 31 December 2012. Pension costs were estimated using the projected unit method and the assumptions set out below:

Notes to the financial statements
for the year ended 31 December 2012

Principal actuarial assumptions used

	2012 %	2011 %
Discount rate	20	15
Expected rate of salary increase	12	10
Rate of inflation	10	12
Future pension increases	10	12
Medical inflation	9	12

31. STATED CAPITAL

	No. of shares		Proceeds	
	2012 '000	2011 '000	2012 GH¢'000	2011 GH¢'000
Bank				
Authorized:				
Ordinary shares of no par value	1,500,000	1,500,000	-	-
Issued:				
Issued for cash	115,000	115,000	60,030	60,030
Transfer from retained earnings	86,500	86,500	343	343
Transfer from retained earnings	-	-	10,000	10,000
Capitalization of reserves	1,000	1,000	2	2
Transfer from capital surplus	62,500	62,500	1,625	1,625
At 31 December	265,000	265,000	72,000	72,000

There is no unpaid liability and no call or installment unpaid on any share. There is no share in treasury.

32. RETAINED EARNINGS

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	26,732	13,965	18,806	7,328
Profit for the year	142,972	17,972	138,645	16,683
Dividend paid relating to prior year	(18,550)	(18,550)	(18,550)	(18,550)
Transfer to statutory reserve (Note 34)	(34,661)	(4,171)	(34,661)	(4,171)
Transfer to/from credit risk reserve (Note 35)	(2,638)	17,516	(2,638)	17,516
At 31 December	113,855	26,732	101,602	18,806

Notes to the financial statements
for the year ended 31 December 2012

33. FAIR VALUE RESERVE

Available for sale instruments

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	509	1,652	(332)	812
Changes in fair value of investment securities (Note 21)	634	(1,143)	313	(1,144)
Deferred tax	(159)	-	(78)	-
At 31 December	984	509	(97)	(332)

34. STATUTORY RESERVE

Statutory reserve represents cumulative amounts set aside from annual profits after tax required under the Banking Act.

The proportion of net profits transferred to reserves ranges from 12.5% to 50% of net profit after tax, depending on the relationship that the balance on statutory reserves bears to paid up capital.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	55,210	51,039	55,210	51,039
Transfer from retained earnings	34,661	4,171	34,661	4,171
At 31 December	89,871	55,210	89,871	55,210

35. CREDIT RISK RESERVE

Credit risk reserve represents the cumulative balance of amounts transferred from/to retained earnings to meet gaps in impairment allowances based on BOG guidelines and IFRS.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	24,631	42,147	24,631	42,147
Transfer from/to retained earnings	2,638	(17,516)	2,638	(17,516)
At 31 December	27,269	24,631	27,269	24,631

Notes to the financial statements
for the year ended 31 December 2012

36. OTHER RESERVES

Other reserves represent actuarial gains and losses on pension obligations recognized through other comprehensive income.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	(842)	297	(842)	297
Actuarial (loss)/gain	(9,675)	(1,519)	(9,675)	(1,519)
Deferred tax	2,419	380	2,419	380
At 31 December	(8,098)	(842)	(8,098)	(842)

37. INVESTMENT IN ASSOCIATES

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
At 1 January	20,240	7,156	16,126	3,876
Additions - (rights issue)	14,000	12,250	14,000	12,250
Impairment	-	(1,481)	-	-
Share of post tax profits	6,600	4,321	-	-
Dividend paid	(3,598)	(2,006)	-	-
At 31 December	37,242	20,240	30,126	16,126

The following amounts represent the profit, assets and liabilities of the Bank's associates:

	2012 GH¢'000	2011 GH¢'000
Profit for the year	33,484	22,155
Total assets	1,929,877	1,864,150
Total liabilities	(1,587,174)	(1,589,033)
Net assets	342,703	275,117

Notes to the financial statements
for the year ended 31 December 2012

The Bank's principal associates are:

	Main areas of operations	Interest in ordinary share capital %
Ghana International Bank	United Kingdom	20
Activity Venture Finance Limited	Ghana	40

38. CONTINGENT LIABILITIES AND COMMITMENTS

Off balance sheet items
As with other banks, the Bank engages in business activities involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties, the nominal amounts of which are not reflected in the statements of financial position.

Nature of instruments
An acceptance is an undertaking by a bank to pay a bill of exchange drawn on a customer. The Bank expects most acceptances to be presented, but reimbursement by the customer is normally immediate.

Other contingent liabilities include transaction related customs and performance bonds and are generally, short- term commitments to third parties.

Commitments to lend to a customer in the future are made subject to certain conditions. Such commitments are either made for a fixed period, or have specific maturity dates but are cancellable by the lender subject to notice requirements. Documentary credits commit the Bank to make payments to third parties, on the production of documents, which are usually reimbursed immediately by customers.
The following, summarize the nominal principal amounts of contingent liabilities and commitments with off- balance sheet risks.

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Contingent liabilities				
Guarantees and indemnities	223,989	81,012	223,989	81,012
Documentary and commercial letters of credit	51,710	128,824	51,710	128,824
	275,699	209,836	275,699	209,836
Commitments				
Loan commitments	131,173	15,822	131,173	15,822
	406,872	225,658	406,872	225,658

Notes to the financial statements
for the year ended 31 December 2012

Capital Expenditure Commitments
Capital commitments not provided for in the financial statements as at 31 December 2012 was GH¢446,508 (2011: GH¢5,923,399).

Legal proceedings
There were a number of legal proceedings pending against the Bank at 31 December 2012 and 2011. Some of these cases have been brought against the Bank by former employees, customers and others. Potential liabilities have been estimated at GH¢2,845,257 (2011: GH¢718,533).

39. SOCIAL RESPONSIBILITY COST

A total of GH¢2,568,091 (2011: GH¢727,399) was spent under the Bank's social responsibility programme.

40. RELATED PARTY TRANSACTIONS

a. Transactions with executive directors and key management personnel
Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Ghana Commercial Bank Limited (directly or indirectly) and comprise the Directors and Senior Management of Ghana Commercial Bank Limited.

There were no material transactions with companies in which a Director or other members of key management personnel (or any connected person) is related.

No provisions have been made in respect of loans to Directors or other members of key management personnel (or any connected person).

Remuneration of Executive Directors and other key management personnel

	2012 GH¢'000	2011 GH¢'000
Salaries and other short-term benefits	3,334	1,618
Social security contributions	253	130
	3,587	1,748

Details of transactions and balances between the Bank and Executive Directors and other key management personnel are as follows:

Notes to the financial statements
for the year ended 31 December 2012

	2012 GH¢'000	2011 GH¢'000
Loans		
Loans outstanding at 1 January	267	299
Net movement	266	(32)
Loans outstanding at 31 December	533	267
Interest income	22	12
Deposits		
Deposits at 1 January	93	129
Net movement during the year	281	(36)
Deposits at 31 December	374	93
Interest expense	15	7

b. Transactions with non-executive directors

No loans were advanced to non-executive Directors during the year. There were no balances outstanding on account of loans due from non-executive Directors at the year end.

Fees and allowances paid to non-executive Directors during the year amounted to GH¢363,200 (2011: GH¢531,001)

c. Transactions and balances with subsidiary

Development Finance & Holdings Limited

Fixed deposit investments are placed with the Bank. The subsidiary's current account is held with the Bank. Interest accrues on these placements at normal commercial rates.

Balances due to/from the subsidiary at the year end were as follows:

	2012 GH¢'000	2011 GH¢'000
Other Assets		
Amounts due from subsidiary on unpaid expenses	20	-
Customer Deposits		
Investments placed	919	919

Notes to the financial statements
for the year ended 31 December 2012

Current account balances	3,390	2,039
Other Liabilities		
Interest payable on investments placed	29	50
The Bank entered into the following transactions with the subsidiary:		
Investments placed during the year	1,308	1,308
Investments redeemed during the year	1,308	1,308
Interest paid on investments	64	72
Management fees received from subsidiary	193	187

d. Transactions and balances with associates

	2012 GH¢'000	2011 GH¢'000
Balances due to/from associates at year end were as follows:		
Overnight placements (Foreign)	29,798	21,398
Current account balances (Foreign)	13,073	7,731
Current account balances (Local)	204	192
The Bank entered into the following transactions with its associates:		
Dividend received	3,598	2,006
Interest received on current account balances (foreign)	43	59

41. PLEDGED ASSETS

In the normal course of business, assets are sometimes pledged for specific purposes. The status of pledged assets at the year end was as follows:

	The Group		The Bank	
	2012 GH¢'000	2011 GH¢'000	2012 GH¢'000	2011 GH¢'000
Government securities	128,780	52,500	128,780	52,500

42. DIVIDEND PER SHARE

The Directors wish to propose a dividend of GHp14 (2011: GHp7) per share amounting to GH¢37,100,000 (2011: GH¢18,550,000) at the forthcoming annual general meeting.

Appendix 1

Shareholders' information

Number of shareholders

The Bank had 95,988 ordinary shareholders at 31 December2012 distributed as follows:

Category	No. of holders	No of shares	% of shares held
1-1,000	88,114	19,655,856	7
1,001-5,000	6,864	15,124,133	6
5,001-10,000	596	4,449,126	2
10,000 and over	414	225,770,885	85
Total	95,988	265,000,000	100

Directors' Shareholders

The Directors named below held the following number of shares in the Bank at 31 December 2012:

	No. of shares	% Holding
Simon Dornoo	91,064	0.0344
Adelaide Mary Benneh (Mrs)	1,000	0.0004
Fritz Gockel (Dr)	1,000	0.0004
Joshua Kwaku Kyeremeh Peprah	1,000	0.0004
Lovelace Prempeh	1,818	0.0007
Samuel Sarpong	500	0.0002
	96,382	0.0365

Appendix 1

20 Largest Shareholders

	No. of shares	% Holding
Social Security and National Insurance Trust	79,000,000	29.81
GH/GV Act. By Ministry of Finance & Economic Planning	56,608,613	21.36
SCBN/Northern Trust Global Services Limited	17,397,904	6.57
Daniel Ofori	10,095,736	3.81
SCBN/SSB& TAS Custodian Re SQM Frontier Africa Master FD, Ltd FD-SQM1	6,902,047	2.60
SCBN/PICTET Africa Non Tax 6275J	5,566,090	2.10
GCB Staff Provident Fund	2,996,695	1.13
Ghana Reinsurance Company Limited	1,799,651	0.68
SCBN/SSB Teacher Retirement Systems of Texas FD	1,790,000	0.68
SCBN/Northern Trust co AVFC 6314B	1,780,049	0.67
Ghana Cocoa Board	1,600,000	0.60
SCBN/SSB Eaton Vance Structure Emerging Mkt. Fund	1,453,841	0.55
SCBN/SSB Eaton Vance Tax-Managed Emerging Mkt. Fund	1,384,370	0.52
SCBN/SSB London Care of SSB LDN. Inv Assets Mgt (PTY)	1,250,000	0.47
SCBN/CITIBank NY Eaton Vance International (Ireland) FDS Plc- Eaton Vance Int (IRE) PPA Emer Mkts EQT FD	1,245,700	0.47
SCBN/BB Mauritius UBS AG LDN. Nubuke AFR Multi STR Master	1,215,808	0.46
STD NOMS (TVL) Pty/BNYM SANV/ Advanced Series Trust- AST Parametrics emerging markets equity portfolio	1,190,800	0.45
SCBN/Epack Investment Fund Limited -Transaction Account	1,060,000	0.40
Tema Oil Refinery	1,000,000	0.38
Africa Tiger Mutual Fund	995,782	0.38
	196,333,086	74.09
Others	68,666,914	25.91
	265,000,000	100.00

List of Branches

Accra High Street	P.O. BOX 2971, Accra highstreetmgr@gcb.com.gh	Retail Mgr: 0302-662337 Ops. Mgr: 0302-672857 Casa:668743 Fax: 0302-673496
Kotoka International Airport (Agency)	c/o P.O. BOX 2971, Accra	
Kotoka Int Airport (Aviance Agency)	-do-	
Diamond House PMMC (Agency)	P.O. Box 2971, Accra	Dir.Line : 0302-662094 0302-664931(Ext. 147)

ACCRA ZONE

Area Manager's Office	P.O. Box NT 96 Accra New Town areaaccra@gcb.com.gh	0302-222641, 225928 Mgr: 0302-249772 Fax: 0302-236671
Accra New Town	accranewtownmgr@gcb.com.gh	Mgr/Fax: 0302-236935, Office: 0302- 222641
Zonal Legal Officer	-do-	0302-249773 Fax: 258448
Kwame Nkrumah Circle Branch	P.O. Box AN 5709, Accra-North circlemgr@gcb.com.gh	0302-246008-15 Mgr: 257616 Fax: 246035
Liberty House	P.O. Box 4443, Accra libertymgr@gcb.com.gh	0302-666631-7 Mgr: 0302-663556 Fax: 0302-663556
Republic House	P.O. Box 5550, Accra-North republicmgr@gcb.com.gh	0302-680355, 681810, 681862 Fax: 0302-681812
Dome Branch	P. O box Kw247, Kwabenya-Atomic domemgr@gcb.com.gh	0302-420039/420041, Fax: 0302-420040
Ring Road West	P. O. Box ST 498, Kaneshie, Accra rrwmgr@gcb.com.gh	0302-224703, 225605 Fax: 0302-225270
Kaneshie Market	P.O. Box 171, Kaneshie kanmktmgr@gcb.com.gh	0302- 229005/227568 Fax: 0302-227568
Kaneshie Industrial Area	P. O. Box 12513, Accra North kanindmgr@gcb.com.gh	0302-220551/220591 Fax: 0302-220591
Derby Avenue	P.O. Box GP4832, Accra derbymgr@gcb.com.gh	0302-664191/2 Fax: 0302-665847

List of Branches

Boundary Road	P.O. Box 819, Accra boundaryroadmgr@gcb.com.gh	Fax: 0302-672402 Tel:0302-682992/3
Osu	P.O. Box 0212, Osu, Accra osumgr@gcb.com.gh	Fax: 0302-774456, Mgr: 020-2011912 0302-782712,782798/9
Ministries	P.O. Box M.88, Accra ministriesmgr@gcb.com.gh	0302-673950 Fax: 0302-674150
Korle-Bu	P.O. Box 3852, Accra korlebumgr@gcb.com.gh	0302-666521 Mgr: 0302- 666524 Fax:0302-666522
Trade Fair Site	P.O. Box 198, Trade Fair Centre La tradefairmgr@gcb.com.gh	0302-778274, 774270 Fax: 0302-778275
Burma Camp	P.O Box B.C. 268 Burma Camp, Accra burmacampmgr@gcb.com.gh	0302-784182/0289546175 Fax: 0302-770341
Makola Market Branch	P.O. Box 4832, Accra makolamgr@gcb.com.gh	Tel/Fax: 0302-682278
Kasoa Main	P. O. Box KS 557, Kasoa kasoamainmgr@gcb.com.gh	0302-862429/862431 Fax: 0302-862430
Kasoa Market	P. O. Box KS 557, Kasoa kasoamgr@gcb.com.gh	Mgr: 0302-862881 Fax: 0302-862880
Kisseiman	P. O. Box AT 1946 Achimota kisseimanmgr@gcb.com.gh	Mgr:0302-410444/028795508 Fax: 0302-410724
Tantra Hill	PMB, Achimota Market Post Office tantrahillmgr@gcb.com.gh	Tel: 0302-413094, 412817 Tel/Fax: 0302-412822
Nima	P.O. Box, AN 5288 Accra-North nimamgr@gcb.com.gh	Mgr: 0302-222439/222441 Fax: 0302-222445
Dansoman	PMB 17, Dansoman Estates dansomanmgr@gcb.com.gh	Tel: 0302-301410,0241701526 Fax: 0302-301454
Accra North	P.O.Box 5205 Accra-North accranorthmgr@gcb.com.gh	Mgr: 0302-253055 Office:0302-223645 Fax: 0302-250245
Abelenkpe	PMB, Achimota School Accra abelenkpemgr@gcb.com.gh	Mgr:0302-769142 Office:0302-769135 Fax: 0302-769137

List of Branches

TEMA ZONE

Area Manager's Office	P.O. Box 152, Tema areatema@gcb.com.gh	Area Mgr/Fax: 0303-204824 0303-410724/202768/9/10
Zonal Legal Office	-do-	0303-212037 Fax:0303-212037
Tema Main	P.O. Box 152, Tema temamainmgr@gcb.com.gh	Office/Fax- 0303-204346 Mgr:0303-202760,202768/9
Tema Agency(Long Rm.)	-do-	0303-204768
Tema Agency (Golden Jubilee)		0289104444
Tema Market	P.O. Box CO173, Tema temamktmgr@gcb.com.gh	Mgr./Fax: 0303-204763 Office: 0303-201422/202861
Evergreen Agency		0303-202094
Tema Ind. Area	P.O. Box 8202, Tema Ind Area temaindmgr@gcb.com.gh	Mgr/Fax.-0303-306082 Main Line: 0303-302818/300575
Tema Fishing Harbour	P.O. Box 281, Fishing Hbr. temahrbmgr@gcb.com.gh	Office: 0303-202413 Tel/Fax: 0303-202344
Tema Safe Bond	P. O. Box CO 1737 Tema safebondmgr@gcb.com.gh	Mgr.: 0303-215588 Office: 0303-215576 Fax: 0303-215591
Ashaiman	P.O. Box AS 199, Ashaiman ashaimanmgr@gcb.com.gh	Mgr/Fax: 0303-306606 Office: 0303-307691
Legon	P.O. Box LG 17, Legon legonmgr@gcb.com.gh	Mgr-0302-513131 Office: 0302-500644 Fax: 0302-500854
Madina	P.O. Box 431, Madina madinamgr@gcb.com.gh	Mgr-0302-501240 Office: 501241 Fax: 0302-500570
Aburi	P.O. Box 98, Aburi aburimgr@gcb.com.gh	Office: 03428-22043 Fax: 03428-22045,
Mampong-Akwapim	P.O. Box 54, Mampong-Akwapim makwapimmgr@gcb.com.gh	Tel:03421-95872 Mgr:03421-99650 Fax:03421-99651
Akropong Akwapim	P.O. Box 83, Akropong Akwapim akropongmgr@gcb.com.gh	Office:028-9534865/0277811192 Fax:0278787059

List of Branches

Somanya	P.O. Box 78, Somanya somanyamgr@gcb.com.gh	Office: 03420-91421/ 03420-91428 Fax: 027-8787060
Akosombo	P.O. Box 24, Akosombo akosombomgr@gcb.com.gh	Mgr: 03430-21142 Office: 03430-20472 Fax: 03430-20530
Akuse	P. O. Box 40, Akuse akusemgr@gcb.com.gh	Office: 03420-91311 Fax: 0377900013
Tetteh Quarshie Circle	Private Mail Bag, LG14, Legon ttqmgr@gcb.com.gh	Mgr: 0302- 506221/024-4284764 Office: 0302-506198/9 Fax: 0302-506223
Ada	P. O. Box AF55, Ada Foah adamgr@gcb.com.gh	Mgr: 0303-910412 Office: 0303-910411/3
Spintex Road	P.O.Box 152 , Spintex spintexroadmgr@gcb.com.gh	Mgr: 0302-816967 Office: 0302-816966 Fax: 0302-816968
Nungua	P.O. Box TN 30, Nungua nunguamgr@gcb.com.gh	Office: 0302-715351/715365 Fax: 0302-715366 Mgr: 0302-715352
Adenta Shopping Centre	P. O. Box AF 2070, Adenta adentashpcntmgr@gcb.com.gh	Mgr: 0302-522541 Office: 0302-522543 Fax: 0302-522542

KOFORIDUA ZONE

Area Manager's Office	P.O. Box KF 286, Koforidua areakoforidua@gcb.com.gh	Mgr: 03420-26790 26791,23059,23060 Fax: 03420-23042
Koforidua	-do- koforiduamgr@gcb.com.gh	03420-23069, 23059 03420-26832 Fax: 03420-22525
New Tafo	P.O. Box 42, New Tafo newtafomgr@gcb.com.gh	Tel:03420-24278, 0244329645 Fax:03420-24772
Suhum	P.O. Box SU 155, Suhum suhummgr@gcb.com.gh	03425- 22370 Fax: 03425-22121
Asamankese	P.O. Box 167, Asamankese asamankesemgr@gcb.com.gh	Mgr: 03420-91135, Ops Mgr: 03420-91011
Akim Oda	P.O. Box 364, Akim Oda akimodamgr@gcb.com.gh	Mgr/fax: 03429-22698 03429-22124, 22869
Kade	P.O. Box 62, Kade kademgr@gcb.com.gh	0244342494,0277804092 Fax: 0278787016

List of Branches

Nsawam	P.O. Box 280, Nsawam nsawammgr@gcb.com.gh	03421-22062, Tel/Fax:03421-22560
Kibi	P.O. Box 97, Kibi kibimgr@gcb.com.gh	Tel:03420-96337/8 Fax:03420-24112
Anyinam	P.O. Box AY46, Anyinam anyinammgr@gcb.com.gh	Mgr:0208179856 Ops Mgr: 0244614613 Office:03420-96697/03421-90607/8 Fax:0278787063
Nkawkaw	P.O. Box 272, Nkawkaw nkawkawmgr@gcb.com.gh	Tel:03431-22222 Fax:03431-22126
Mpraeso	P.O. Box 56, Mpraeso mpraesomgr@gcb.com.gh	03420-99684, 0277605349 Fax:0577900071
Donkorkrom	P.O. Box 11, Donkorkrom donkorkrommgr@gcb.com.gh	Mgr.:03424- 22039/03420- 91941 Office/Fax: 0577900045
Konongo	P.O. Box 137, Konongo konongomgr@gcb.com.gh	Mgr: 03221-24336, 25866, Tel: 03221-24276, Fax: 03221-24209
Agogo	P.O. Box AG74, Agogo agogomgr@gcb.com.gh	03220-92184
Juaso	P.O. Box 51, Juaso juasomgr@gcb.com.gh	03220-94834 Fax:0577900072

HO ZONE

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Ho Branch	P.O. Box 164, Ho homgr@gcb.com.gh	03620 -26436 28395, 27597, 27067 Mgr:03620-28905 Fax: 03620-28396
Ho Market Branch	P. O. Box HP 841 Ho Market homktmgr@gcb.com.gh	Mgr. /Fax: 03620-26491 03620-26459
Ho Polytechnic	P. O. Box 164, Ho hopolymgr@gcb.com.gh	Mgr: 03620-27472 03620-27451, 27441 Fax: 03620-27446
Hohoe	P.O. Box 178, Hohoe hohoemgr@gcb.com.gh	03627-22986/03620-95068 Mgr: 03627-22070 Fax: 03627-22432

List of Branches

Dzodze	P.O. Box DJ88, Dzodze dzodzemgr@gcb.com.gh	03620-91227/0277811363 Fax:0278787045
Aflao	P.O. Box AF12, Aflao aflaomgr@gcb.com.gh	Mgr: 03625-31311 GCNET: 03625-31119 Fax: 03625-30451 03625-30207
Abor	P. O. Box 48, Abor abormgr@gcb.com.gh	024-4313679 027-7811175 Fax: 027-8787054
Keta	P.O. Box KW133, Keta ketamgr@gcb.com.gh	Mgr: 03626-42663 Fax: 03626-43053 Office: 03626-42664
Akatsi	P.O. Box 39, Akatsi akatsimgr@gcb.com.gh	Mgr: 03626-44401, Office: 03626-44754 Fax: 03626-44499
Sogakope	P.O. Box 8, Sogakope sogakopemgr@gcb.com.gh	Mgr: 027-7811195, Fax: 027-8787062
Kpando	P.O. Box 70, Kpando kpandomgr@gcb.com.gh	03623-50203, Mgr/Fax:03623-50984
Peki	P.O. Box 12, Peki pekimgr@gcb.com.gh	Mgr: 0244313094 Fax: 0577900044
Jasikan	P.O. Box 85, Jasikan jasikanmgr@gcb.com.gh	Mgr: 05425-98548 Fax: 027-8787010
Kadjebi	P.O. Box 27, Kadjebi kadjebimgr@gcb.com.gh	Mgr: 0249332765,0244168178 Fax: 0243361530
Nkwanta	P. O Box 56 Nkwanta nkwantamgr@gcb.com.gh	Mgr: 0200608464, 0244334835 0277808121 Fax: 0277878051
Dambai	P. O. Box DM38, Dambai Volta Region dambaimgr@gcb.com.gh	Mgr: 0242-214388 0272802633,0274528256/024 Fax: 027-8787009

KUMASI ZONE

Area Manager's Office	c/o P.O. Box SE 1212 Suame, Kumasi areakumasi@gcb.com.gh	03220-31604, Fax: 03220-23512
Area Manager's Secretariat	-do- areaofficekumasi@gcb.com.gh	03220-29001, 82812

List of Branches

GCNet		03220-32525
Valuation	P. O Box SE 1212,Suame,Kumasi	Tel/Fax: 03220-26468
Legal	P. O Box SE 1212,Suame,Kumasi	03220-27587
Corporate Office	P. O. Box KS 14751, Kumasi	03220-81884/81888 Fax: 03220-81885
SMEs Office	-do-	03220-81886, 0244514611, 0244104467
Kumasi Main	P.O. Box 852, Kumasi kumasimainmgr@gcb.com.gh	03220-25291-3 Mgr: 03220-37303 Fax: 03220-24569
Ahinsan	P.O. Box 8818, Ahinsan, Kumasi ahinsanmgr@gcb.com.gh	03220-28255/33452/37192 Mgr: 03220-31964 Fax: 03220-24129
Kejetia	P.O. Box 1630, Kumasi kejetiamgr@gcb.com.gh	03220-31446 Mgr: 03220-44660 Fax: 03220-22692
Asafo Market	P.O. Box 3696, Kumasi asafomgr@gcb.com.gh	03220-23514, 45252 Mgr: 03220-45251 Fax: 03220-36721
Harper Road	P. O. Box KS 14751, Kumasi harperroadmgr@gcb.com.gh	03220-81880 Mgr: 03220-81881 Fax: 03220-81882
Jubilee House	P.O. Box SE 1212, Suame Kumasi jubileemgr@gcb.com.gh	03220-30819 Mgr: 03220-26366 Fax: 03220-25070
Kwame Nkrumah Univ.of Sci. & Tech.	Private Post Bag, Kumasi knustmgr@gcb.com.gh	03220-60153, 62135 Mgr: 03220-62136 Fax: 03220-62137
Ejura	P.O Box 24, Ejura ejuramgr@gcb.com.gh	Tel: 03220-97147
Yeji	P.O. Box 29, Yeji yejimgr@gcb.com.gh	Tel/Fax:03527-22008,0244586834 Ops Mgr:0243374533
Obuasi	P.O. Box 290, Obuasi obuasimgr@gcb.com.gh	Fax:03225-40255 Tel:03225-42669

List of Branches

Bekwai Ashanti	P.O. Box 127, Bekwai Ash. bekwai-ashantimgr@gcb.com.gh	03224-20143 Mgr:03224-20204 Fax: 03224-20144
Dunkwa-On-Offin	P.O. Box 228 Dunkwa-On-Offin dunkwamgr@gcb.com.gh	Tel:03322-28236, Fax: 03322-28673
New Edubiase	P.O. Box 42, New Edubiase edubiasemgr@gcb.com.gh	03220-94702,0577604851 Fax:0577900038
New Offinso	P.O. Box 60, New Offinso offinsomgr@gcb.com.gh	03220-91590
Nkawie	P.O Box 69, Nkawie nkawiemgr@gcb.com.gh	03220-92192
Mampong Ashanti	P.O. Box 94, Mampong- Ashanti mampongashantimgr@gcb.com.gh	03222-22329 Fax: 03222-22327
Effiduase Ashanti	P.O. Box 10, Effiduase effiduasemgr@gcb.com.gh	03220-92173 Fax: 03220-92173
Ejisu	P.O. Box 49, Ejisu ejisumgr@gcb.com.gh	03220- 92480, 99449 Fax – 03220-20183
Agona Ashanti	P.O. Box 16, Agona Ashanti ashantiagonamgr@gcb.com.gh	03220-91820
Sefwi-Wiawso	P.O. Box 59, Sefwi-Wiawso sefwiwiawsomgr@gcb.com.gh	03120- 94488 Mgr: 0577605358 Fax:057900079
Tech Junction	P. O. Box UP1151, KNUST, Kumasi techjunctionmgr@gcb.com.gh	Mgr: 03220-64830, Office: 03220-64800 Fax: 03220-64831
Bantama	P. O. Box PT 80, Kumasi bantamamgr@gcb.com.gh	Mgr: 03220-48820 Office/ Fax: 48823
Assistant Security	P. O Box SE1212 Suame, Kumasi.	03220-81883

TAMALE ZONE

Area Manager's Office	P.O. Box 228, Tamale areatamale@gcb.com.gh	03720-26415,25715,22999 Fax:03720-22765
Zonal Valuation Office	P. O. Box 228, Tamale	03720-27276

List of Branches

Tamale Main	P.O. Box 228, Tamale tamalemainmgr@gcb.com.gh	Mgr: 03720-22827 Fax: 03720-22455 Office: 03720-26400, 26406, 22755, 25745
Tamale Market	P.O. Box 766, Tamale tamalemktmgr@gcb.com.gh	03720-22608 Tel/Fax: 03720-22608
Tamale Hospital Road	P. O.Box TL. 2240, Tamale thospitalroadmgr@gcb.com.gh	Mgr/Fax: 03720-27279 Office:03720-27278
Bolgatanga	P.O. Box 12, Bolgatanga bolgamgr@gcb.com.gh	Mgr:03820- 23462 Fax: 03820-23446 Office: 03820-24961
Bawku	P.O. Box 36, Bawku bawkumgr@gcb.com.gh	Mgr: 027-7809679 Office: 03720-91689 Fax: 027-8787870
Navrongo	P.O. Box 28, Navrongo navrongomgr@gcb.com.gh	Mgr/Fax; 03821-22318 Office: 03821-22390, 027-7809697, 027-8787029
Tumu	P.O. Box 2, Tumu tumumgr@gcb.com.gh	03920-21214, 91509 Fax: 03920-22420
Lawra	P.O. Box 92, Lawra lawramgr@gcb,com.gh	03920-24791 03920-21079
Wa	P.O. Box 66, Wa wamgr@gcb.com.gh	Office: 03920-22025, Mgr/Fax: 03920-22039
Bole	P.O. Box 24, Bole bolemgr@gcb.com.gh	Mgr/Fax: 03725-22006 Office: 03920 -93342 0277809704
Damongo	P.O. Box DM 40, Damongo damongomgr@gcb.com.gh	020-6815099 Mgr: 03720-95230 Office:03920-93486,03920-93342
Yendi	P.O. Box 32, Yendi yendimgr@gcb.com.gh	Mgr/Fax: 03720-95242 Office: 03720- 95241
Salaga	P.O. Box SL 7, Salaga salagamgr@gcb.com.gh	Office: 03720-95192
Kete-Krachi	P.O. Box 13, Kete Krachi kete-krachimgr@gcb.com.gh	03620-99680 Fax:03620-93061

List of Branches

Bimbilla	P.O. Box 27, Bimbilla bimbillamgr@gcb.com.gh	Mgr.:03720-94356 Office: 03720-24379, 03720-91739 Fax: 03720-23434
Walewale	P. O Box 91, Walewale walewalemgr@gcb.com.gh	Office:03820-94326 Fax:027-8787021

SUNYANI ZONE

Area Manager's Office	P.O. Box 34, Sunyani sunyaniareamgr@gcb.com.gh	Area Mgr: 03520-25957 03520-25958, 24084 Fax: 03520-27162
Sunyani Main	-do- sunyanimgr@gcb.com.gh	03520- 27157 Mgr: 03520-27716 0205881994 Fax: 03520-27087
Sunyani Market	sunyanimktmgr@gcb.com.gh P. O. Box 325, Sunyani	03520-24103 Mgr: 03520-24267 Fax: 03520-24474
Berekum	P.O. Box 115, Berekum berekummgr@gcb.com.gh	Mgr/ Fax: 03522-22042, Office: 03522-22567/22193
Dormaa Ahenkro	P.O. Box: 16, Dormaa Ahenkro dormaamgr@gcb.com.gh	Mgr:03523-22047, Office:0202390759,03520-96115 Branch:03520-22033/96124 Fax: 027-8787012
Techiman Main	P.O. Box 196, Techiman techimanmgr@gcb.com.gh	Tel:03525-22369 Mgr: 03520-91092 Fax: 03525-22048
Techiman Market	P. O. Box TM796, Techiman techimanmktmgr@gcb.com.gh	Tel:03525-22395 Fax: 03525-22394
Wenchi	P.O. Box 49, Wenchi wenchimgr@gcb.com.gh	Tel:03520-91445 Fax: 0278787008
Nkoranza	P.O. Box 44, Nkoranza nkoranzamgr@gcb.com.gh	Tel:03520-47305 /92076 027-7808095
Kintampo	P.O. Box 31, Kintampo kintampomgr@gcb.com.gh	Branch:03520-38839, 92047 Mgr:03520-37306 Fax:027-8787025, 0278787007
Duayaw Nkwanta	P.O. Box 66, Duayaw Nkwanta duayaw-nkwantamgr@gcb.com.gh	Office:020-9126053, 027-7808091 Fax: 027-8787005

List of Branches

Bechem	P.O. Box 69, Bechem bechemmgr@gcb.com.gh	03520-92007,22302 03520-92690
Akumadan	P.O. Box 33 Akumadan, Ash. akumadanmgr@gcb.com.gh	Tel:0244313714 Fax: 027-8787013
Tepa	P.O. Box 103, Tepa, Ash tepamgr@gcb.com.gh	Tel:03220-20900 Fax: 03220- 47100
Hwidiem	P.O. Box 11, Hwidiem hwidiemmgr@gcb.com.gh	03220-97615
Goaso	P.O. Box 83, Goaso goasomgr@gcb.com.gh	03520-91815,0277808111 Fax: 027-8787014
Mim	P.O. Box 33, Mim mimmgr@gcb.com.gh	03520 -99800 Fax: 027-8787006
Sankore	Private Post Bag, Sankore sankoremgr@gcb.com.gh	Office: 0244313638 Mgr:0244877052,0274726336
Sampa	P. O. Box 90, Sampa, B/A sampamgr@gcb.com.gh	Mgr:0271-497602,0244-737467 Ops Mgr:0244434071 Office: 0244341751 Fax:0277900162
Drobo	P. O. Box 27, Japekrom drobomgr@gcb.com.gh	Tel:0244334836,0277804112 Fax: 027-7900161

TAKORADI ZONE

Area Manager's Office	P.O. Box 475, Takoradi tadiareamgr@gcb.com.gh	Tel:03120-23072, 22355 Area Mgr: 03120-24948 Fax: 03120-25226
SME	-do-	03120-33994
Corporate Banking	-do-	03120-26700, Fax: 03120-25226
Zonal Legal Office	-do-	03120 -29340
Takoradi Main	-do- tadimainmgr@gcb.com.gh	Tel:03120-22351- 4 Mgr: 03120-23102 Fax: 031 20-23540
GCNET		03120-29103

List of Branches

Takoradi Harbour	P.O. Box 707, Takoradi tadihbrmgr@gcb.com.gh	Mgr: 03120-22731 Office: 03120-22534, Fax: 03120-27309
Takoradi Market Circle	P.O. Box 098, Takoradi tadimktmgr@gcb.com.gh	Office: 03120-23569, Mgr/ Fax: 03120-25370
Sekondi	P.O. Box 101, Sekondi sekondimgr@gcb.com.gh	Fax: 03120-46746 Office: 03120-46511 Mobile: 0244187545 Mgr:03120-94974
Tarkwa	P. O. Box 90, Tarkwa tarkwamgr@gcb.com.gh	Tel:03123-20394, 024-7817921 Fax: 03123-20374
Axim	P.O. Box 55, Axim aximmgr@gcb.com.gh	Fax: 03121-22408, Office: 03121-98734 Mgr:03121:98735
Half-Assini	P.O. Box 54, Half-Assini half-assinimgr@gcb.com.gh	Tel:03121-90159 Mgr:0277851206 Fax:0278787068
Dadieso	Private Mail Bag, Dadieso dadiesomgr@gcb.com.gh	Mgr: 0244335687 0277801177 Fax: 027900136
Elubo	P. O. Box 134, Elubo elubomgr@gcb.com.gh	Mgr: 03122-22545 Office: 03122-22544 Fax: 03122-22546
GCNET Elubo	-do-	03122-22547
Enchi	P.O. Box 15, Enchi enchimgr@gcb.com.gh	Mgr:03121-93988 Tel:03120-90193,0277804095 Fax:0277900149
Samreboi	P.O. Box 40, Samreboi samreboimgr@gcb.com.gh	Tel:03120-97520 Mgr:0277811205 Fax:0278787066
Prestea	P.O. Box 102, Prestea presteamgr@gcb.com.gh	Mgr: 03120-92670 Office: 0244313089, 027-7801254 Fax: 0277900138
Bogoso	P.O. Box 42, Bogoso bogosomgr@gcb.com.gh	Office: 0277801256 Mgr: 03120-92655 Fax: 0277900137

CAPE COAST ZONE

Area Manager's Office	P.O. Box 65, Cape Coast areacapecoast@gcb.com.gh	Mgr: 03321-30440 Fax: 03321-32625 Office: 03321-37887

List of Branches

Cape Coast Main	P.O. Box 65, Cape Coast capecoastmgr@gcb.com.gh	Tel:03321-32812/3 Ops Mgr:03321-32354 Mgr: 03321-34253 Fax: 03321-32549
Cape Coast University	P.O. Box 046, Cape Coast capecoastunimgr@gcb.com.gh	Tel:03321-32287, 34020 Mgr:03321- 30069 Fax: 03321-36377
Agona Swedru	P.O. Box 186, Agona Swedru agonaswedrumgr@gcb.com.gh	Mgr:03320-20291 Fax: 03320-20414, Office:03320-21071
Assin Fosu	P.O. Box AF 76, Assin Fosu assinfosumgr@gcb.com.gh	Mobile:027-6793122 Mgr: 03321-91141 Fax: 0277811191
Mankessim	P.O. Box 78, Mankessim mankessimmgr@gcb.com.gh	Mgr:03321-94026 Ops Mgr:03321-91435 Mobile:020-2011620 Fax:0277-900113
Winneba	P.O. Box 128, Winneba winnebamgr@gcb.com.gh	Tel:03323-21064,22364 Mgr/Fax:03323-22133
Twifu Praso	P.O. Box TW 84, Twifu Praso twifuprasomgr@gcb.com.gh	03120-99030 Mgr:027-7776775 / 0244314810 Fax: 027 7900 124
Breman Asikuma	P.O. Box 60, Breman-Asikuma bremanmgr@gcb.com.gh	Mgr:0246-339255 0277777655 Fax:0277900128
Saltpond	P.O. Box SP. 096, Saltpond saltpondmgr@gcb.com.gh	Office: 03321-92003 Mgr: 0277777652 Fax: 0277900089
Abura Dunkwa	P.O. Box 29, Abura Dunkwa aburadunkwamgr@gcb.com.gh	Tel:03321-91964 Mgr: 027-7777654 Fax: 0277900127
Elmina	P. O. Box EL 113 Elmina elminamgr@gcb.com.gh	Mgr: 03321-40381, Office: 03321-40383 Fax: 03321-40382

AREA OFFICES

Accra High Street	P.O. Box 2971, Accra highstreetmgr@gcb.com.gh	Mgr:0302- 662337 Fax: 0302-673496 Ops. Mgr: 0302-672857 Cables Dept.: 0302-673493 Current/savings Dept: 0302-662508 Foreign Desk: 0302-662434

List of Branches

Accra	P.O. Box K.96 Accra New Town areaaccra@gcb.com.gh	0302-225928, 222641 Fax: 0302-236671 Area Mgr: 0302-249772.
Tema	P.O. Box 152, Tema areatema@gcb.com.gh	0303-202768/9/10, 0303410724 Fax: 0303-204824
Koforidua	P.O. Box KF286, Koforidua areakoforidua@gcb.com.gh	03420-26790-1/23059/23069 Fax:03420-23042/23049
Ho	P.O. Box 164, Ho areaho@gcb.com.gh	03620-28251/26543/28395-6 Fax:03620-27598/27597/26436
Kumasi	P.O. Box SE 1212 Suame, Kumasi areakumasi@gcb.com.gh	03220-31604/29001 Fax: 03220-23512
Tamale	P.O. Box 228, Tamale areatamale@gcb.com.gh	03720-26415/25715/22999 Fax: 03720-22765
Sunyani	P.O. Box 34, Sunyani sunyaniareamgr@gcb.com.gh	03520-25957/8, 24084 Fax: 03520-27162
Takoradi	P.O. Box 475, Takoradi tadiareamgr@gcb.com.gh	03120-23072, 22355 24948 Fax: 03120-25226
Cape Coast	P.O. Box 65, Cape Coast areacapecoast@gcb.com.gh	Tel:03321-32625/37887 Fax: 03321-32625

GHANA COMMERCIAL BANK LIMITED

INVITATION AND FORM OF PROXY
FOR USE AT ANNUAL GENERAL MEETING

To be held at 10.00am on Friday, May 31, 2013 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***
Ordinary Business			*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 10a.m on Wednesday, May 29, 2013.*
1. To consider and adopt the Financial Statements of the Company for the year ended 31st December, 2012 together with the Reports of the Directors and Auditors thereon.			
2. To declare a Dividend for the year ended 31st December 2012.			
3. To re-elect Mr Joshua Peprah who is retiring by rotation.			
4. To re-elect Mr Lovelace Prempeh who is retiring by rotation.			
5. To ratify the appointment of Mr John Awuah as a Director.			
6. To approve an increase in the remuneration of Directors			
7. To authorize Directors to determine the fees of the Auditors.			
Special Business			
8. To consider, and if deemed fit, pass a special Resolution That the name of the Company be changed from Ghana Commercial Bank Ltd to GCB BANK LTD			
9. To consider, and if deemed fit, pass a special Resolution that, the Directors be authorised to Transfer an amount of GHS29,138,257 (GHS28,000,000 net of taxes) from Retained Earnings to Stated Capital thereby Increasing the Company's Stated Capital fromGHS72,000,000 to GHS100,000,000			

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 *I/We ……a member/members(*) of GCB* *Hereby 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 Meeting of the Company to be held at 10am on May 31, 2013 and at any adjournment therefore.*	*Date* *…….2013*

(*) Delete whichever is not applicable