

***GUARANTY TRUST BANK***

***GHANA LIMITED***

***FINANCIAL STATEMENTS***

***31ST DECEMBER, 2007***

**GUARANTY TRUST BANK GHANA LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

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**GUARANTY TRUST BANK GHANA LIMITED**

**BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE**

**BOARD OF DIRECTORS**

Alhaji Yusif Ibrahim (Chairman)  
Oludolapo Ogundimu (Managing Director)  
Olutayo Aderinokun  
Olusegun Agbaje  
Emmanuel Offei  
Herbert Osei Baidoo  
Demola Odeyemi

**SECRETARY**

Iris Richter-Addo

**AUDITORS**

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

**REGISTERED OFFICE**

25A Castle Road  
Ambassadorial Area  
Ridge-Accra

**GUARANTY TRUST BANK GHANA LIMITED**  
**REPORT OF THE DIRECTORS**

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31st December, 2007 report as follows:

	¢'000
Loss for the year ended 31st December, 2007 before taxation is	(1,728,145)
from which is deducted taxation of	-
giving a loss for the year after taxation of	(1,728,145)
To which is added balance on Income Surplus Account brought forward of	(2,218,620)
leaving a balance on Income Surplus Account carried forward of	<u>(3,946,765)</u>

The Directors cannot recommend the payment of dividend as long as there is a deficit on the surplus account.

**DIRECTORS RESPONSIBILITY STATEMENT**

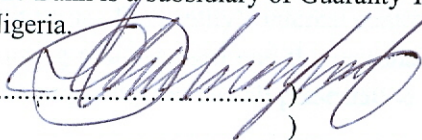
The company's directors are responsible for the preparation and fair presentation of the financial statements, comprising the balance sheet at 31 December 2007 and the profit and loss account and cash flow statement for the year then ended, and the note to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with Ghana Accounting Standards and in the manner required by the Companies Code 1963 (Act 179) of Ghana.

The directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, making accounting estimates that are reasonable in the circumstances.

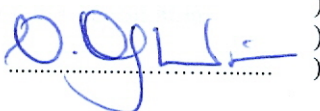
The directors have made an assessment of the company's ability to continue as a going concern and have no reason to believe the business will not be a going concern in the year end.

The bank obtained universal banking license and commenced banking operations in March 2006.

The Bank is a subsidiary of Guaranty Trust Bank Plc, a company incorporated in the Federal Republic of Nigeria.

  
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 ) **DIRECTORS**  
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ACCRA,

*19th February*, 2008



**REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
GUARANTY TRUST BANK GHANA LIMITED**

**Report on the financial statements**

We have audited the financial statements of Guaranty Trust Bank Ghana Limited which comprise the balance sheet at 31st December 2007 and the profit and loss account, and cash flow statement for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 22.

*Directors' Responsibility for the Financial Statements*

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Ghana Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.



**REPORT OF THE AUDITORS  
TO THE MEMBERS OF  
GUARANTY TRUST BANK GHANA LIMITED – (CONT'D)**

*Opinion*

In our opinion, the financial statements, in all material respects, give a true and fair view of the financial position of Guaranty Trust Bank Ghana Limited at 31st December 2007 and its financial performance and cash flows for the year ended in accordance with the Ghana Accounting Standards, and complies with the Companies Code, 1963 (Act 179) and the Banking Act, 2004 (Act 673).

*Other Matters*

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.

**Report on Other Legal and Regulatory Requirements**

*Compliance with the requirements of Section 133 and fifth Schedule of the Companies Code, 1963 (Act 179) and the Banking Act, 2004 (Act 673)*

In our opinion, proper books of account have been kept and balance sheet, profit and loss and income surplus accounts are in agreement with the books of account.

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**CHARTERED ACCOUNTANTS  
13 YIYIWA DRIVE, ABELINKPE  
P. O. BOX GP 242  
ACCRA, GHANA**

..... 2008

**GUARANTY TRUST BANK GHANA LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

	Note	2007 GH¢	2006 GH¢
Interest income	5	2,373,533	937,983
Interest expense	6	(1,403,030)	(496,399)
<b>Net interest income</b>		----- 970,503	----- 441,584
Fees and Commissions income		1,023,714	193,713
Other operating income	7	327,561	64,759
<b>Operating Income</b>		----- 2,321,778	----- 700,056
Operating expenses	8	(3,671,126)	(2,901,440)
<b>Operating Loss before provision for bad and doubtful debts and taxation</b>		----- (1,349,348)	----- (2,201,384)
Loan Loss Provision	10	(378,797)	(35,368)
<b>Operating Loss before taxation</b>		----- (1,728,145)	----- (2,236,752)
Taxation - Corporate Tax	11(i)	-	-
- National Reconstruction Levy	11(i)	-	(276)
<b>Loss after taxation transferred to Income Surplus Account</b>		----- (1,728,145) =====	----- (2,237,028) =====


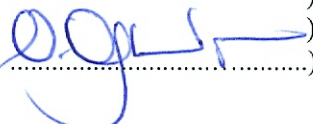
**INCOME SURPLUS ACCOUNT**  
**FOR THE YEAR ENDED 31ST DECEMBER 2007**

	2007 GH¢	2006 GH¢
Balance as at 1st January	(2,218,620)	18,408
Net loss transferred from profit and loss account	(1,728,145)	(2,237,028)
Balance as at 31st December	----- (3,946,765) =====	----- (2,218,620) =====

**GUARANTY TRUST BANK GHANA LIMITED**

**BALANCE SHEET AT 31ST DECEMBER 2007**

	Note	2007 GH¢	2006 GH¢
<b>Assets</b>			
Cash and Balances with Bank of Ghana	13	6,365,945	1,648,668
Short-Term Government Securities	14(i)	5,973,484	4,428,706
Due from other banks and financial institutions	15	8,916,881	5,534,926
Loans and advances	16(i)	12,689,450	3,515,503
Taxation	11	7,500	
Other asset	18	1,499,934	1,048,541
		-----	-----
Property, Plant and Equipment	17	35,453,194 5,765,040	16,176,344 5,052,770
		-----	-----
<b>Total assets</b>		<b>41,218,234</b>	<b>21,229,114</b>
		=====	=====
<b>Liabilities</b>			
Customer deposits	19	33,652,173	12,542,271
Deposit for Shares	21	-	1,074,307
Interest payable and other liabilities	20	1,049,337	599,143
Due to GTB Plc	26(ii)	320,782	163,613
		-----	-----
<b>Total liabilities</b>		<b>35,022,292</b>	<b>14,379,334</b>
		-----	-----
<b>Shareholders' funds</b>			
Stated capital	22	10,142,707	9,068,400
Income surplus		(3,946,765)	(2,218,620)
		-----	-----
<b>Total shareholders' funds</b>		<b>6,195,942</b>	<b>6,849,780</b>
		-----	-----
<b>Total liabilities and shareholders' funds</b>		<b>41,218,234</b>	<b>21,229,114</b>
		=====	=====

  
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 ) **DIRECTORS**  
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The Board of Directors approved the financial statements set out on pages 6 to 22 on 19th Feb, 2008.



**GUARANTY TRUST BANK GHANA LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2007**

	Note	2007 GH¢	2006 GH¢
<b>Net cash inflow from operating activities</b>	23(a)	10,969,075	8,642,447
<b>Taxation:</b>			
Taxes paid		(7,500)	(276)
<b>Investing activities:</b>			
Purchase of property, plant and equipment		(1,317,564)	(2,303,072)
<b>Net cash outflow from investing Activities:</b>		9,644,011	6,339,099
<b>Financing Activities:</b>			
Proceeds from issue of shares		-	-
<b>Increase in cash and cash equivalents</b>		9,644,011	6,339,099
Cash and cash equivalents at 1st January	23(b)	11,612,299	5,273,200
Cash and equivalents at 31st December	23(b)	21,256,310	11,612,299

**GUARANTY TRUST BANK GHANA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 2007**

**1. ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Bank's financial statements.

**a. Basis of Accounting**

The Bank prepares its financial statements under the historical cost convention as modified by the revaluation of leasehold properties and in accordance with Ghana Accounting Standards.

**b. Foreign Currency**

Assets and liabilities denominated in foreign currencies are translated into cedis at rates of exchange ruling at the balance sheet date. Any profits or losses on translation are dealt with in arriving at the operating profit.

**c. Interest Income**

The recognition of interest income ceases when the payment of interest or principal is in doubt. Thereafter, interest is included in income only when it is received. Loans are returned to the accruals basis only when doubt about collectibility is removed and when the outstanding arrears of interest and principal are received.

**d. Fee Income**

Loan fees are credited to income when the loans are granted.

**e. Investments**

Investment in securities redeemable at fixed dates are initially recognised at cost and subsequently adjusted to give effect to amortisation of premiums and discounts on purchase over the period to redemption. Trade investments are stated at cost.

Gains or losses arising from sale of investments or adjustments to the value of investments are recognised in the profit and loss accounts.

**f. Loans and Advances**

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

**g. Bad and doubtful debts**

Provisions against loans and advances are based on an appraisal of the loan portfolio and are made having regard to both specific and general risks. The specific element of the provisions relates to those advances that have been individually reviewed and specifically identified as bad or doubtful.

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

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

A general provision is also made on net current contingent liabilities (off balance sheet items).

#### **h. Property and Equipment**

Property and equipment owned by the Bank are stated at cost or revaluation less accumulated depreciation. Property and equipment is depreciated on a straight-line basis over its expected useful life as follows;

Leasehold Land & Buildings	2%
Machinery & Equipment	20%
Computer Hardware	33.33%
Computer Software	20%
Furniture & Fittings	20%
Motor Vehicle	25%

Leasehold properties are depreciated over the unexpired period of the lease.

Maintenance and repairs are charged to the profit and loss account when incurred, and improvements are capitalised.

#### **i. Taxation**

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

#### **j. Deferred Taxation**

Provision is made for deferred tax liabilities using the liability method on temporary differences. Deferred tax assets are recognised to the extent that there is reasonable certainty of realisation.

#### **k. 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.

#### **l. Presentation Currency**

The Government of Ghana re-denominated the currency by ₵10,000 (Ten thousand Cedis) with effect from 1 July 2007. Transactions from 1 January to 30 June 2007 have been converted to Ghana Cedis. The comparative figures for the 2006 financial year have also been converted to and presented in Ghana Cedi

**m. Dividend**

Dividends are recognised as a liability in the period in which they are declared.

**2. UNSECURED CONTINGENT LIABILITIES AND COMMITMENTS**

There were no unsecured contingent liabilities and commitments as at 31st December 2007, (2006: ¢ Nil).

**3. SOCIAL RESPONSIBILITY COST**

An amount of ¢66 million (2006: nil) was spent as part of social responsibility of the bank

**5. INTEREST INCOME**

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
Placements, Special deposits	257,351	206,955
Investment securities	584,082	517,509
Loans and advances	1,532,100	213,519
	-----	-----
	2,373,533	937,983
	=====	=====

**6. INTEREST EXPENSE**

Current accounts	5,822	255
Time and other deposit	1,245,404	484,755
Overnight and call account	151,804	11,389
	-----	-----
	1,403,030	496,399
	=====	=====

**7. OTHER OPERATING INCOME**

Foreign currency trading profit	319,433	60,876
Gains on foreign exchange	6,840	3,500
Postage revenue	1,288	383
	-----	-----
	327,561	64,759
	=====	=====

	<b>2007</b> <b>GH¢</b>	<b>2006</b> <b>GH¢</b>
<b>8. OPERATING EXPENSES</b>		
Staff cost (Note 9)	1,466,174	837,639
Administrative expenses	1,230,420	716,107
Pre-licensing Cost	-	675,000
Training	127,903	46,510
Depreciation	605,294	371,846
Directors' emoluments	42,152	36,493
Auditors' remuneration	27,670	20,350
Donations and Sponsorship	13,557	6,600
Direct write-off	-	170
Advertising & Marketing	157,956	190,725
	-----	-----
	<u>3,671,126</u>	<u>2,901,440</u>
	=====	=====
<b>9. STAFF COST</b>		
Wages, salaries, bonus and allowances	1,317,330	751,607
Social security cost	60,925	32,328
Medical	69,012	48,394
Other staff cost	18,907	5,310
	-----	-----
	<u>1,466,174</u>	<u>837,639</u>
	=====	=====
The average number of persons employed by the bank during the year was 84 (2006: 62).		
<b>10. BAD AND DOUBTFUL DEBTS EXPENSE</b>		
General provision for loans and advances	89,027	35,368
Specific provision for loans and advances	259,176	-
	-----	-----
	348,203	35,368
General provision on off-balance sheet items	30,594	-
	-----	-----
	<u>378,797</u>	<u>35,368</u>
	=====	=====

**11. TAXATION**

	Balance at 1/1/07 GH¢	Payments during the year GH¢	Charge for the year GH¢	Balance at 31/12/07 GH¢
<b>Income tax:-</b>				
2007	-	7,500	-	7,500
	-----	-----	-----	-----
	-	<b>7,500</b>	-	<b>7,500</b>
<b>National reconstruction levy:-</b>				
2007	-	-	-	-
	-----	-----	-----	-----
	-	<b>7,500</b>	-	<b>7,500</b>
	=====	=====	=====	=====

The income tax for the year is based on a tax rate of 25%.

The tax position for 2007 is subject to the agreement of the Internal Revenue Service.

**12. DEFERRED TAXATION**

	2007 GH¢	2006 GH¢
Balance at 1st January	-	-
(Released)/ Charged for the year	-	-
	-----	-----
Balance at 31st December	-	-
	=====	=====

**13. CASH AND BALANCES WITH BANK OF GHANA**

Cash on hand	1,299,092	233,711
Balances with Bank of Ghana	5,066,853	1,414,957
	-----	-----
	<b>6,365,945</b>	<b>1,648,668</b>
	=====	=====

**14. GOVERNMENT SECURITIES****14(i) Short-Term Government Securities**

Treasury Bills	5,973,484	4,428,706
	=====	=====

**15. DUE FROM OTHER BANKS AND FINANCIAL INSTITUTIONS**

Nostro account balances	2,042,635	1,535,930
Items in course of collection (due to other banks)	237,425	15,424
Placement with other banks	6,636,821	3,983,572
	-----	-----
	<b>8,916,881</b>	<b>5,534,926</b>
	=====	=====

## 16. LOANS AND ADVANCES

### (i) Analysis by type

Overdrafts	7,681,990	1,066,042
Term loans	5,374,114	1,674,137
Commercial Paper	-	746,749
Advances under finance lease	25,781	63,943
	-----	-----
Gross loans and advances	13,081,885	3,550,871
General provision for bad and doubtful advances	(124,395)	(35,368)
Specific provision for bad and doubtful advances	(259,176)	-
Interest in suspense	(8,864)	-
	-----	-----
Net Loans and advances	12,689,450	3,515,503
	=====	=====

The above constitutes loans and advances (including credit bills negotiated) to customers and staff.

### (ii) Key ratios on Loans and Advances

- Loan loss provision ratio is 2.9% (2006: 1.0%)
- Ratio of twenty (20) largest exposure (gross funded and non-funded) to total exposures is 68.92% (2006: 97.34%).

### (iii) Analysis by business segments

	<b>2006</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
Mining and quarrying	374,779	235,163
Manufacturing	1,291,302	1,322,552
Construction	2,777,122	324,806
Electricity, Gas & Water	446,522	-
Commerce and finance	6,631,222	1,171,041
Transport, storage and communication	851,454	234,027
Services	104,547	200,585
Miscellaneous	608,937	62,697
	-----	-----
	13,081,885	3,550,871
General provision for bad and doubtful advances	(124,395)	(35,368)
Specific provision for bad and doubtful advances	(259,176)	-
Interest in suspense	(8,864)	-
	-----	-----
	12,689,550	3,515,503
	=====	=====

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>(iv) Analysis by type of customer</b>		
Individuals	489,501	62,696
Private enterprises	12,591,252	3,488,175
Public enterprises	1,132	-
	-----	-----
	13,081,885	3,550,871
General provision for bad and doubtful advances	(124,395)	(35,368)
Specific provision for bad and doubtful advances	(259,176)	-
Interest in suspense	(8,864)	-
	-----	-----
	12,689,450	3,515,503
	=====	=====
<b>(v) Movement in the Bank's general provision for bad and doubtful advances are as follows:</b>		
Balance at 1st January	35,368	-
Provision for the year	89,027	35,368
	-----	-----
Balance at 31st December	124,395	35,368
	=====	=====
<b>(vi) Movement in the Bank's specific provision for bad and doubtful advances are as follows:</b>		
Balance at 1st January	-	-
Provision for the year	259,176	-
	-----	-----
Balance at 31st December	259,176	-
	=====	=====
<b>(vii) Movement in the Bank's interest in suspense are as follows:</b>		
Balance at 1st January	-	-
Provision for the year	8,864	35,368
	-----	-----
Balance at 31st December	8,864	35,368
	=====	=====



**17. PROPERTY AND EQUIPMENT**

	Assets in course of construction GH¢	Leasehold Land and Buildings GH¢	Computers GH¢	Furniture & Equipment GH¢	Motor Vehicles GH¢	Total GH¢
<b>Cost or valuation</b>						
At 1st January	98,879	3,413,305	873,271	744,802	294,360	5,424,617
Additions	-	763,371	77,751	446,320	30,121	1,317,563
Transfers	(96,624)	48,950	-	47,674	-	-
	-----	-----	-----	-----	-----	-----
At 31st December	2,255	4,225,626	951,022	1,238,796	324,481	6,742,180
	=====	=====	=====	=====	=====	=====
<b>Depreciation</b>						
At 1st January	-	31,751	153,605	112,265	74,225	371,846
Charge for the year	-	85,807	246,701	192,779	80,007	605,294
	-----	-----	-----	-----	-----	-----
At 31st December	-	117,558	400,306	305,044	154,232	977,140
	====	=====	=====	=====	=====	=====
<b>Net book value</b>						
At 31/12/07	2,255	4,108,068	550,716	933,752	170,249	5,765,040
	=====	=====	=====	=====	=====	=====
At 31/12/06	98,879	3,381,553	719,666	632,537	220,136	5,052,770
	=====	=====	=====	=====	=====	=====

	<b>2007 GH¢</b>	<b>2006 GH¢</b>
--	---------------------	---------------------

**18. OTHER ASSETS**

Accounts receivable and prepayments	1,082,927	614,288
Accrued interest receivable	193,575	278,110
Stationery/Other Stock	223,432	156,143
	-----	-----
	1,499,934	1,048,541
	=====	=====

**19. CUSTOMER DEPOSITS**

Current accounts	9,419,890	2,681,681
Time deposit	23,054,854	7,774,056
Savings deposit	654,261	164,846
Cash collateral	523,168	1,921,688
	-----	-----
	33,652,173	12,542,271
	=====	=====

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>19(i) ANALYSIS BY TYPE OF DEPOSITORS</b>		
Individuals and other private enterprises	20,991,995	10,678,803
Financial Institutions	5,260,178	1,363,468
Public enterprises	7,400,000	500,000
	-----	-----
	33,652,173	12,542,271
	=====	=====

Ratio of twenty largest depositors to total deposit is 75.54% (2006: 67%).

## 20. INTEREST PAYABLE AND OTHER LIABILITIES

Accrued interest payable	433,122	119,187
Other creditors and accruals	616,215	479,956
	-----	-----
	1,049,337	599,142
	=====	=====

## 21. DEPOSIT FOR SHARES

Deposit for Shares	-	1,074,307
	=====	=====

Deposit for shares relates to proposed investment by FMO of The Netherlands for which a new shares sale and purchase agreement has been signed by all parties.

## 22. STATED CAPITAL

	<b>2007</b>		<b>2006</b>	
	<b>No of Shares</b>	<b>Proceeds</b>	<b>No of Shares</b>	<b>Proceeds</b>
	<b>'000</b>	<b>GH¢</b>	<b>'000</b>	<b>GH¢</b>
<b>(i) <u>Ordinary Shares</u></b>				
<u>Authorised</u>				
No. of ordinary shares of no par value	1,000,000		1,000,000	
	=====		=====	
<u>Issued and fully paid</u>				
Issued for cash consideration	781,000	8,157,307	781,000	7,083,000
Issued for consideration other than cash	219,000	1,985,400	219,000	1,985,400
	-----	-----	-----	-----
	1,000,000	10,142,707	1,000,000	9,068,400
	=====	=====	=====	=====

## 23. CASH FLOW STATEMENT

### a) Reconciliation between trading profit and net cash inflow from operating activities

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
Loss before taxation	(1,728,145)	(2,236,753)
<b>Items not involving cash flow:</b>		
Depreciation	605,294	371,846
Charge for bad and doubtful debts	378,797	35,368
	-----	-----
<b>Net cash outflow from trading activities</b>	<b>(744,054)</b>	<b>(1,829,539)</b>
Net increase in loans and advances	(9,522,149)	(3,550,871)
Increase in other assets	(451,394)	(135,943)
Net increase in customer deposits	21,109,902	12,542,271
Increase in amounts due to GTB Plc	157,168	55,613
Net Increase in interest payable and other liabilities	419,602	1,560,916
	-----	-----
Net cash inflow from operating activities	10,969,075	8,642,447
	=====	=====

### b) Analysis of changes in cash and cash equivalents during the year

Balance at 1st January	11,612,299	5,273,200
Net cash inflow	9,644,011	6,339,099
	-----	-----
Balance at 31st December	21,256,310	11,612,299
	=====	=====

### c) Analysis of cash and cash equivalents during the year

Cash and Balance with Bank of Ghana	6,365,945	1,648,668
Due from Other Banks & Financial Institutions	8,916,881	5,534,926
Government Securities	5,973,484	4,428,706
	-----	-----
	21,256,310	11,612,299
	=====	=====

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
<b>24. CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<i>(i) Contingent Liabilities</i>		
Guarantees and irrevocable letters of credit	3,059,365 =====	2,015,005 =====
<b>25. Contingent Liabilities and Commitments Cont'd</b>		
Pending legal suits	- =====	- =====
<i>(ii) Commitments for capital expenditure</i>		
Under contract	- =====	659,463 =====

**26. RELATED PARTY TRANSACTIONS**

**26 (i) Directors, Officers and other employees:**

The following are loan balances due from related parties:

Dara Salaam Group	171,930 =====	16,314 =====
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The above loan was adequately covered with own balances held in foreign exchange. This resulted in nil exposure to the bank.

**26 (ii) Holding Company**

Amounts due to the Holding company at the balance sheet date were as follows:

	<b>2007</b>	<b>2006</b>
	<b>GH¢</b>	<b>GH¢</b>
Inter Company Current Account	320,782 =====	163,613 =====

**27. CONCENTRATION OF CEDI EQUIVALENT OF FOREIGN CURRENCY  
DENOMINATED ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS**

	<b>USD GH¢</b>	<b>GBP GH¢</b>	<b>EUR GH¢</b>	<b>Others GH¢</b>	<b>2007 GH¢</b>	<b>2006 GH¢</b>
<b>Asset</b>						
Cash and Balances with Bank of Ghana	1,641,006	42,413	99,326	-	1,782,745	270,237
Due from other banks and Financial Institutions	1,960,402	240,972	16,884	-	2,218,258	3,319,503
Loans and advances	1,165,080	-	-	-	1,165,080	506,202
Other assets				-		4,274
<b>Total Assets</b>	<b>4,766,488</b>	<b>283,385</b>	<b>116,210</b>	<b>-</b>	<b>5,166,083</b>	<b>4,100,216</b>
<b>Liabilities</b>						
Customer deposits	4,701,166	273,004	91,745	-	5,065,915	2,824,121
Interest Payable and other liabilities	-	-	-	-	-	1,085,280
<b>Total Liabilities</b>	<b>4,701,166</b>	<b>273,004</b>	<b>91,745</b>	<b>-</b>	<b>5,065,915</b>	<b>3,909,401</b>
<b>Net On-balance sheet position</b>	<b>65,322</b>	<b>10,381</b>	<b>24,465</b>	<b>-</b>	<b>(100,168)</b>	<b>190,815</b>
<b>Off-Balance Sheet Credit Commitments</b>						
	1,809,909	-	72,069	-	1,881,978	1,772,606
<b>At 31st December 2006</b>						
Total Assets	3,703,930	185,518	210,768	-		4,100,216
Total Liabilities	3,591,217	159,620	158,564	-		3,909,401
<b>Net-On balance sheet position</b>	<b>112,713</b>	<b>25,898</b>	<b>52,204</b>	<b>-</b>		<b>190,815</b>
<b>Off-balance sheet Credit Commitments</b>						
	1,589,534	116,981	66,092	-		1,772,606

## 28. MATURITIES OF ASSETS AND LIABILITIES

	0-3 months GH¢	3-6 months GH¢	6-12months GH¢	Over 1 year GH¢	2007 GH¢	2006 GH¢
<b>Assets</b>						
Cash and Balances with BoG	6,365,945	-	-	-	6,365,945	1,648,668
Short-Term Government Securities	158,125	244,326	5,571,033	-	5,973,484	4,428,706
Due from other banks and financial institutions	7,413,635	182,684	1,320,562	-	8,916,881	5,534,926
Loans and advances	4,485,136	4,095,368	3,222,164	886,782	12,689,550	3,515,503
Other assets	-	-	1,499,934	-	1,499,934	1,048,541
Taxation	-	-	7,500	-	7,500	-
Property, Plant and equipment	-	-	-	5,765,040	5,765,040	5,052,770
	-----	-----	-----	-----	-----	-----
	18,422,841	4,522,378	11,621,193	6,651,822	41,218,234	21,229,114
	-----	-----	-----	-----	-----	-----
<b>Liabilities</b>						
Customer deposits	13,872,157	11,499,464	7,280,552	1,000,000	33,652,173	12,542,271
Interest payables and other liabilities	-	-	1,049,337	-	1,049,337	599,143
Due to GTB Plc	-	-	320,782	-	320,782	163,613
Deposits for shares	-	-	-	-	-	1,074,307
	-----	-----	-----	-----	-----	-----
Total Current Liabilities	13,872,157	11,499,464	8,650,671	1,000,000	35,022,292	14,379,334
	-----	-----	-----	-----	-----	=====
<b>Net liquidity gap</b>						
Total Assets	18,422,841	4,522,378	11,621,193	6,651,822	41,218,234	21,229,114
Total Liabilities	(13,872,157)	(11,499,464)	(8,650,671)	(1,000,000)	(35,022,292)	(14,379,334)
	-----	-----	-----	-----	-----	-----
<b>Net Liquidity Gap (2007)</b>	4,550,684	(6,977,086)	2,970,522	5,651,822	6,195,942	6,849,780
	=====	=====	=====	=====	=====	=====
<b>Net Liquidity Gap (2006)</b>	(1,319,706)	456,496	3,162,220	4,550,770		6,849,780
	=====	=====	=====	=====		=====

## 29. RECLASSIFICATIONS

The 2006 comparative information where necessary has been reclassified to make them consistent with current year's presentation.

## 30. DIRECTORS' SHAREHOLDING

The Directors named below held the following number of shares in the Bank as at 31st December, 2007:

	<b>2007</b>	<b>2006</b>
(i) <b>Ordinary Shares</b>		
Alhaji Yusif Ibrahim	150,000,000	219,000,000

## 31. NUMBER OF SHAREHOLDERS

The company had three (3) ordinary shareholders at 31st December, 2007 distributed as follows:

(i) <b><u>Ordinary Shares</u></b>	<b>Number of</b>	<b>Holding</b>	<b>Percentage</b>
<b>Name of Shareholder</b>	<b>Shareholders</b>		
GTB Plc	1	700,000,000	70
FMO	1	150,000,000	15
Alhaji Yusif Ibrahim	1	150,000,000	15
	--	-----	-----
	3	1,000,000,000	100
	==	=====	===