GTBank

Guaranty Trust Bank (Ghana) Ltd
RC C-68,758

GUARANTY TRUST BANK (GHANA) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2008

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GUARANTY TRUST BANK (GHANA) LIMITED
BOARD OF DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Board of Directors	Alhaji Yusif Ibrahim (Chairman) Olutayo Aderinokun Olusegun Agbaje Emmanuel Offei Herbert Osei-Baidoo Demola Odeyemi Oludolapo Ogundimu (Managing Director)
Secretary	Iris Richter-Addo
Auditor	KPMG 13 Yiyiwa Drive, Abelenkpe P.O. Box GP242 Accra
Registered Office	Guaranty Trust Bank (Ghana) Limited 25A Castle Road, Ambassadorial Area, Ridge PMB CT 416, Cantonments Accra, Ghana

GUARANTY TRUST BANK (GHANA) LIMITED

REPORT OF DIRECTORS

The Directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2008 report as follows:

Directors Responsibility Statement

The Bank's Directors are responsible for the preparation and fair presentation of the financial statements comprising the balance sheet at 31 December 2008, the income statement, the statement of changes in equity, 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 in accordance with International Financial Reporting Standards (IFRS), and in the manner required by the Companies Code 1963 (Act 179) of Ghana, the Banking Act of Ghana, 2004 (Act 673) of Ghana, and the Banking (Amendment) Act, 2007 (Act 738) of Ghana.

The Directors' responsibilities include: designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial reports 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.

Change in Financial Reporting Framework

In line with changes in the financial reporting framework announced by the Institute of Chartered Accountants, Ghana (ICAG) in consultation with other regulatory bodies, the bank adopted International Financial Reporting Standards (IFRS) as the reporting framework with effect from 1 January 2008. As a result, the attached financial statements have been prepared in accordance with IFRS. Comparative financial information which was prepared in accordance with Ghana Accounting Standards (GAS) has also been restated accordingly. The impact of the change in the comparative results and position has been disclosed in notes to the financial statements.

Financial Statement and Dividend

	GH¢
Profit for the year ended 31 December 2008 before taxation is	4,473,920
from which is deducted taxation of	(723,167)
	-----------
giving a profit for the year after taxation of	3,750,753
less transfer to statutory reserve fund and other reserves of	(1,875,377)
	-------------
leaving a balance on Retained Earnings carried forward of	1,875,376
	========

The Directors did not recommend the payment of dividend.

GUARANTY TRUST BANK (GHANA) LIMITED

REPORT OF DIRECTORS – (CONT'D)

Nature of Business

The Bank is licensed to carry out universal banking business in Ghana, and there was no change in the nature of the Bank's business during the year.

Holding Company

The Bank is a subsidiary of Guaranty Trust Bank Plc, a company incorporated in the Federal Republic of Nigeria and licensed to carry out universal banking business.

Approval of the Financial Statements

The financial statements of the Bank were approved by the board of directors on **12 February 2009** and are signed on their behalf by:

....
Alhaji Yusif Ibrahim
Chairman

....
Oludolapo Ogundimu
Managing Director

ACCRA

12th February., **2009**

INDEPENDENT AUDITOR'S REPORT
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 31 December 2008, the income statement, the statement of changes in equity, 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 7 to 59.

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 Code, 1963 (Act 179) of Ghana, the Banking Act, 2004 (Act 673) of Ghana and the Banking (Amendment) Act, 2007 (Act 738) of Ghana. 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GUARANTY TRUST BANK (GHANA) LIMITED

(CONT'D)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Guaranty Trust Bank (Ghana) Limited at 31 December 2008 and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179) of Ghana, the Banking Act, 2004 (Act 673) of Ghana, and the Banking (Amendment) Act, 2007 (Act 738) of Ghana.

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 (Act179) of Ghana and the Banking Act, 2004 (Act 673) of Ghana.

In our opinion, proper books of account have been kept and the balance sheet, income statement and retained earnings accounts are in agreement with the books of account.

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

KPMG

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

12 February, 2009

GUARANTY TRUST BANK (GHANA) LIMITED

INCOME STATEMENT

For the year ended 31 December 2008

In Ghana Cedis

	Note	2008	Restated 2007
Interest Income	8	11,528,263	2,398,503
Interest Expense	8	(5,636,216)	(1,403,030)
Net Interest Income		5,892,047	995,473
Fee and Commission Income	9	2,853,858	940,192
Trading Income	10	4,976,101	319,433
Other Operating Income	11	7,867	8,128
Operating Income		13,729,873	2,263,226
Impairment Loss	20	(847,563)	(179,436)
Personnel Expenses	12	(2,571,799)	(1,466,174)
Operating Lease Expense	13, 34	(199,394)	(78,978)
Depreciation and Amortisation	24	(788,752)	(533,064)
Other Operating Expenses	14	(4,848,445)	(1,550,834)
Profit/ (Loss) before Income Tax		4,473,920	(1,545,260)
Income Tax Charge	15	(723,167)	(42,818)
Profit/ (Loss) After Income Tax		3,750,753	(1,588,078)
Attributable to:			
Equity Holders of the Bank		3,750,753	(1,588,078)
Basic Earnings per Share (Ghana pesewa per share)	16	0.0037	(0.0015)
Diluted Earnings per Share (Ghana pesewa per share)	16	0.0037	(0.0015)

The notes on pages 11 to 59 are an integral part of these financial statements.

GUARANTY TRUST BANK (GHANA) LIMITED

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2008

In Ghana Cedis

	Stated Capital	Credit Risk Reserve	Statutory Reserve	Retained Earnings	Total
Balance as at 1 January 2008	10,142,707	243,594	-	(4,185,588)	6,200,713
Profit for the period	-	-		3,750,753	3,750,753
Transfer to Statutory Reserve	-	-	1,875,377	(1,875,377)	-
Transfer to Credit Risk Reserve	-	408,360	-	(408,360)	-
Total Recognised Income and Expense for the period	-	408,360	1,875,377	1,467,016	3,750,753
Balance at 31 December 2008 carried forward	10,142,707	651,954	1,875,377	(2,718,572)	9,951,466

	Stated Capital	Credit Risk Reserve	Statutory Reserve	Retained Earnings	Total
Balance as at 1 January 2007	9,068,400	35,368	-	(2,389,284)	6,714,484
Loss for the Period	-	-	-	(1,588,078)	(1,588,078)
Transfer to Credit Risk Reserve	-	208,226	-	(208,226)	-
Total Recognised Income and expense for the period	-	208,226	-	(1,796,304)	(1,588,078)
Issue of Share Capital	1,074,307	-	-	-	1,074,307
Balance at 31 December 2007 carried forward	10,142,707	243,594	-	(4,185,588)	6,200,713

The notes on pages 11 to 59 are an integral part of these financial statements.

GUARANTY TRUST BANK (GHANA) LIMITED

BALANCE SHEET AT 31 DECEMBER 2008

In Ghana Cedis

	Note	2008	2007
Assets			
Cash and Cash Equivalents	7, 17	16,446,049	6,365,945
Due from Banks and Financial Institutions	4, 7, 17	32,274,295	9,099,271
Investment Securities	4, 7, 21	60,201,998	2,473,484
Loans and Advances to Customers	4, 7, 19	41,158,887	12,842,462
Pledged Assets	7, 18	9,640,000	3,500,000
Property and Equipment	22	8,562,597	4,277,137
Intangible Assets	23	98,769	111,571
Other Assets	26	5,669,529	2,768,827
Total Assets		**174,052,124**	**41,438,697**
Liabilities			
Deposits from Customers	4, 7, 27	91,235,280	34,115,890
Deposits for Shares	31	66,085,554	-
Provisions	28	27,269	84,491
Guarantee Contract Liabilities	29	34,295	12,653
Current Tax Liabilities	15	837,359	34,795
Deferred Tax Liabilities	25	61,208	198,836
Other Liabilities	30	5,819,693	791,319
Total Liabilities		164,100,658	35,237,984
Equity			
Stated Capital	32	10,142,707	10,142,707
Credit Risk Reserve	32a	651,954	243,594
Statutory Reserve	32b	1,875,377	-
Retained Earnings		(2,718,572)	(4,185,588)
Total Equity Attributable to Equity Holders of the Bank		9,951,466	6,200,713
Total Liabilities and Equity		**174,052,124**	**41,438,697**

The notes on pages 11 to 59 are an integral part of these financial statements.

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Alhaji Yusif Ibrahim — *Chairman*

Oludolapo Ogundimu — *Managing Director*

GUARANTY TRUST BANK (GHANA) LIMITED

STATEMENT OF CASH FLOWS

For the year ended 31 December			
In Ghana Cedis	***Note***	**2008**	**2007**
Cash Flows from Operating Activities			
Profit/(Loss) for the year		4,473,920	(1,545,260)
Adjustments for:			
Depreciation and Amortization	24	788,752	533,064
Impairment on Loans and Advances	20	847,563	179,436
		6,110,235	(832,760)
Change in Pledged Assets		(6,140,000)	(3,000,000)
Change in Loans and Advances		(29,163,988)	(9,454,788)
Change in Other Assets		(2,900,702)	(505,774)
Change in Deposits from Customers		57,119,390	21,454,432
Change in Other Liabilities and Provisions		4,971,152	232,241
Change in Guarantee Contract Liabilities		21,642	12,653
		30,017,729	7,906,004
Income Tax Paid	15	(58,231)	(7,500)
Net Cash from Operating Activities		29,959,498	7,898,504
Cash Flows from Investing Activities			
(Purchase)/sale of Investment Securities		(57,728,514)	1,455,221
Purchase of Property and Equipment	22	(5,045,517)	(1,253,641)
Purchase of Intangible Assets	23	(15,893)	(63,922)
Net Cash from Investing Activities		(62,789,924)	137,658
Cash Flows from Financing Activities			
Deposit for Shares		66,085,554	-
Net Cash from Financing Activities		66,085,554	-
Net Increase in Cash and Cash Equivalents		33,255,128	8,036,162
Cash and Cash Equivalents at 1 January		15,465,216	7,429,054
Cash and Cash Equivalents at 31 December	17	48,720,344	15,465,216

The notes on pages 11 to 59 are an integral part of these financial statements.

GUARANTY TRUST BANK (GHANA) LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. Reporting Entity

Guaranty Trust Bank (Ghana) Limited (the Bank) is a bank incorporated in Ghana. The address of the Bank's registered office is 25A Castle Road Ambassadorial Area, Ridge, PMB CT 416, Cantonments, Accra. The financial statements of the Bank as at and for the year ended 31 December 2008 is as stated in this report. Guaranty Trust Bank (Ghana) Limited is a subsidiary of Guaranty Trust Bank Plc of Nigeria. The Bank operates with a universal banking license that allows it to undertake all banking and related services.

2. Basis of Preparation

a. Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and its interpretations adopted by the International Accounting Standards Board (IASB).

The accounting policies set out below have been consistently applied to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2007 for the purposes of the transition to IFRSs.

These are the Bank's first set of financial statements prepared in accordance with IFRS and IFRS 1 has been applied. In accordance with the transitional requirements of these standards, the Bank has provided full comparative information. An explanation of how the transition to IFRS has affected the reported financial position, financial performance, and cashflows of the bank is provided in note 38.

b. Functional and Presentation Currency

These financial statements are presented in Ghana Cedi, which is the Bank's functional currency. Except as indicated, financial information presented in Ghana Cedi has been rounded to the nearest Ghana Cedi.

c. Basis of Measurement

These financial statements are prepared on the historical cost basis except for the following:

- financial instruments at fair value through profit or loss are measured at fair value
- available-for-sale financial assets are measured at fair value

d. Use of Estimates and Judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

In particular, information about significant areas of estimating uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in note (5). Judgements made by management in the application of IFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment are discussed in note 5.

3. Significant Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the bank and in preparing an opening balance sheet at 1 January 2007 for the purpose of transition to IFRS.

a. Foreign Currency

Transactions in foreign currencies are translated to the functional currency of the Bank at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rates at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign currency differences arising on retranslation are recognised in the income statement, except for differences arising on the retranslation of available-for-sale financial instruments.

b. Interest

Interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

Interest income and expense presented in the income statement include:

- interest on financial assets and liabilities at amortised cost on an effective interest rate basis

Fair value changes on other financial assets and liabilities carried at fair value through income statement, are presented in trading income in the income statement.

c. Fees and Commission

Fees and commission income and expenses 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, including account servicing fees, investment management and other fiduciary activity fees, sales commission, placement fees and syndication fees, are recognised as the related services are performed. When a loan commitment is not expected to result in the draw-down of a loan, loan commitment fees are recognised on a straight-line basis over the commitment period.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

d. Net Trading Income

Net trading income comprises gains less losses related to trading assets and liabilities, and includes all realised and unrealised fair value changes, interest, dividends and foreign exchange differences.

e. Dividends

Dividend income is recognised when the right to receive income is established. Dividends are reflected as a component of net trading income.

f. Lease Payments Made

Payments made under operating leases are recognised in income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding 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. Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

g. Income Tax Expense

Income tax expense comprises current and deferred tax. Income tax expense 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.

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

Deferred tax is provided using the balance sheet method, providing for 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 recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on laws that have been enacted or substantively enacted by the reporting date.

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

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

h. Financial Assets and Liabilities

i. Recognition

The Bank initially recognises loans and advances, deposits, debt securities issued and subordinated liabilities on the date that they are originated. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss) are initially recognised on the trade date at which the Bank becomes a party to the contractual provisions of the instrument.

ii. De-recognition

The Bank derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

The Bank derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Bank enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all risks or rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets are not derecognised from the balance sheet. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

In transactions where the Bank neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset, it derecognises the asset if control over the asset is lost.

The rights and obligations retained in the transfer are recognised separately as assets and liabilities as appropriate. In transfers where control over the asset is retained, the Bank continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset.

The Bank also derecognises certain assets when it charges off balances pertaining to the assets deemed to be uncollectible.

iii. Offsetting

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

Income and expenses are presented on a net basis only when permitted by accounting standards, or for gains and losses arising from a group of similar transactions.

iv. Amortised Cost Measurement

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

v. Fair Value Measurement

The determination of fair values of financial assets and financial liabilities is based on quoted market prices or dealer price quotations for financial instruments traded in active markets. For all other financial instruments, fair value is determined by using valuation techniques. Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models.

The value produced by a model or other valuation technique is adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Valuation adjustments are recorded to allow for model risks, bid-ask spreads, liquidity risks, as well as other factors. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet.

vi. Identification and Measurement of Impairment

At each balance sheet date, the Bank assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset, and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

The Bank considers evidence of impairment at both a specific asset and collective level. Assets showing signs of deterioration are assessed for individual impairment. All significant assets found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified by grouping together financial assets (carried at amortised cost) with similar risk characteristics.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower, restructuring of a loan or advance by the Bank on terms that the Bank would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a group of assets such as adverse changes in the payment status of borrowers or issuers in the group, or economic conditions that correlate with defaults in the group.

In assessing collective impairment, the Bank uses statistical modelling of historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical modelling. Default rates, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure that they remain appropriate.

Impairment losses on assets carried at amortised cost are measured as the difference between the carrying amount of the financial assets and the present value of estimated cash flows discounted at the assets' original effective interest rate. Losses are recognised in the income statement and reflected in an allowance account against loans and advances. Interest on the impaired asset continues to be recognised through the unwinding of the discount.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through the income statement.

Impairment losses on available-for-sale investment securities are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the income statement. When a subsequent event causes the amount of impairment loss on an available-for-sale debt security to decrease, the impairment loss is reversed through the income statement.

However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised directly in equity.

vii. Designation at Fair Value through Profit or Loss

The Bank designates financial assets and liabilities at fair value through profit or loss when either the assets or liabilities are managed, evaluated and reported internally on a fair value basis. The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise. The asset or liability contains an embedded derivative that significantly modifies the cashflows that would otherwise be required under the contract.

i. Cash and Cash Equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with original maturities of less than three months, which are subject to insignificant risk of changes in their fair value, and are used by the Bank in the management of its short-term commitments.

Cash and cash equivalents are carried at cost in the balance sheet.

j. Loans and Advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Bank does not intend to sell immediately or in the near term.

When the Bank is the lessor in a lease agreement that transfers substantially all of the risks and rewards incidental to ownership of an asset to the lessee, the arrangement is presented within loans and advances.

When the Bank purchases a financial asset and simultaneously enters into an agreement to resell the asset (or a substantially similar asset) at a fixed price on a future date ("reverse repo or stock borrowing"), the arrangement is accounted for as a loan or advance, and the underlying asset is not recognised in the Bank's financial statements.

Loans and advances are initially measured at fair value plus incremental direct transaction costs, and subsequently measured at their amortised cost using the effective interest method.

k. Investment Securities

Investment securities are initially measured at fair value and accounted for depending on their classification as either held for trading, held-to-maturity, fair value through the income statement, or available-for-sale.

i. Held-to-maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Bank has the positive intent and ability to hold to maturity, and which are not designated at fair value through the income statement or available-for-sale.

Held-to-maturity investments are carried at amortised cost using the effective interest method. Any sale or reclassification of a significant amount of held-to-maturity investments not close to their maturity would result in the reclassification of all held-to-maturity investments as available-for-sale, and prevent the Bank from classifying investment securities as held-to-maturity for the current and the following two financial years.

ii. Available-for-sale

Available-for-sale investments are non-derivative investments that are not designated as another category of financial assets. Unquoted equity securities whose fair value cannot be reliably measured are carried at cost. All other available-for-sale investments are carried at fair value.

Interest income is recognised in the income statement using the effective interest method. Dividend income is recognised in the income statement when the Bank becomes entitled to the dividend. Foreign exchange gains or losses on available-for-sale debt security investments are recognised in the income statement.

Other fair value changes are recognised directly in equity until the investment is sold or impaired and the balance in equity is recognised in the income statement.

l. Property and Equipment

i. Recognition and Measurement

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to brining the asset to a working condition for its intended use. Purchased software that is integral to the functionality of the related equipment is capitalised 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.

ii. Subsequent Costs

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statement as incurred.

iii. Depreciation

Depreciation is charged to the income statement on a straight-line basis to write down the cost of each asset, to their residual values over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation begins when an asset is available for use and ceases at the earlier of the date that the asset is derecognised or classified as held for sale in accordance with IFRS 5.

The estimated useful lives for the current and corresponding periods are as follows:

Leasehold land and buildings	50 years
Equipment	5 years
Computer hardware	3 years
Furniture and fittings	5 years
Motor vehicle	4 years

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

iv. De-recognition

An item of property and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

m. Intangible Assets - Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

Expenditure on internally developed software is recognised as an asset when the Bank is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalised costs of internally developed software include all costs directly attributable to developing the software, and are amortised over its useful life. Internally developed software is stated at capitalised cost less accumulated amortisation and impairment.

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

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is five years. This is reassessed annually.

n. Leased Assets – Lessee

Leases in which the Bank assumes substantially all the risks and rewards incidental to ownership 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 the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases and are not recognised on the Bank's balance sheet.

o. Impairment of Non-financial Assets

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

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset that generates cash flows that are largely independent from other assets.

Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

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

p. Deposits and Debt Securities Issued

Deposits and debt securities issued are the Bank's sources of debt funding.

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument.

Deposits and debt securities issued are initially measured at fair value plus transaction costs, and subsequently measured at their amortised cost using the effective interest method, except where the Bank chooses to carry the liabilities at fair value through the income statement.

q. Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, 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 a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

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

A provision for onerous contracts is recognised when the expected benefits to be derived by the Bank from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Bank recognises any impairment loss on the assets associated with that contract.

r. Financial Guarantees

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

Financial guarantee liabilities are initially recognised at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The guarantee liability is subsequently carried at the higher of this amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable). Financial guarantees are included within other liabilities.

s. Employee Benefits

i. Defined Contribution Plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement when they are due.

ii. Termination Benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

iii. Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

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

t. Share Capital and Reserves

i. Share Issue Costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

ii. Earnings per Share

The Bank presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the weighted average number of ordinary shares outstanding during the period.

iii. Dividend on Ordinary Shares

Dividends on the Bank's ordinary shares are recognised in equity in the period in which they are paid or, if earlier, approved by the Bank's shareholders.

u. New Standards and Interpretations not yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these consolidated financial statements:

- Revised IAS 1 presentation of financial statements becomes mandatory for the Bank's financial reporting periods ending 31 December 2009 will require the presentation of all non-owner changes in equity in a single statement of comprehensive income (which will include the current income statement) and owner changes in equity in the statement of changes in equity. Reclassification adjustments and income tax relating to each component of other comprehensive income must be disclosed on the face of the statement of comprehensive income. Currently, the Bank has opted to present a statement of changes in equity and will apply the revised IAS 1 on the effective date.
- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Bank's 2009 financial statements and will constitute a change in accounting policy for the Bank. In accordance with the transitional provisions, the Bank will apply the revised IAS 23 to qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.
- IAS 27 Consolidated and Separate Financial Statements will become mandatory for the Bank's 2010 financial statements. This amendment relates mainly to accounting for changes in the non-controlling (minority) interest in a subsidiary and the loss of control in a subsidiary:
  - Acquisitions of additional non-controlling equity interests after a business combination are accounted for as equity transactions. Disposals of equity interests while retaining control are accounted for as equity transactions.
  - Transactions giving rise to a loss of control, through sale or otherwise, will result in a gain or loss being recognised in profit or loss. The gain or loss includes a remeasurement to fair value of any retained equity interest in the investee. The amendments to IAS 27 also require that losses (including negative "other comprehensive income" as detailed in the revised IAS 1) have to be allocated to the non-controlling interest even if doing so causes the non-controlling interest to be in a deficit position. All these amendments have to be applied prospectively.

  This standard is not expected to have any impact on the Bank's financial statements.
- IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 31 December 2009 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. This standard is not expected to have any impact on the financial statements.

- IFRS 2 Amendment Share based payment: Vesting conditions and cancellations will become mandatory for the 31 December 2009 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and "non-vesting conditions". Vesting conditions are now limited to service conditions (as defined in the current IFRS 2) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no "true-up" for differences between expected and actual outcomes. These changes will have no impact on the Bank's financial statements.

- IFRS 3 Business Combinations will become mandatory for the 31 December 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree must be recognised in profit and loss. It is not expected to have any impact on the Bank's financial statements.

- IFRIC 11 IFRS 2 – Bank and Treasury Share Transactions requires a share-based payment arrangement in which an entity receives goods or services as consideration for its own equity instruments to be accounted for as an equity-settled share-based payment transaction, regardless of how the equity instruments are obtained. IFRIC 11 will become mandatory for the Bank's 2008 financial statements, with retrospective application required. It is not expected to have any impact on the financial statements.

- IFRIC 12 Service Concession Arrangements provides guidance on certain recognition and measurement issues that arise in accounting for public-to-private service concession arrangements. IFRIC 12, which becomes mandatory for the Bank's 2008 financial statements, is not expected to have any effect on the financial statements.

- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. This is not expected to have any impact on the financial statements.

- IFRIC 14 IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction clarifies when refunds or reductions in future contributions in relation to defined benefit assets should be regarded as available and provides guidance on the impact of minimum funding requirements (MFR) on such assets. It also addresses when a MFR might give rise to a liability. This is not expected to have any impact on the financial statements.

- IFRS 8 Operating Segments reporting requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters (the "management approach"). Such components (operating segments) are identified on the basis of internal reports that the entity's chief operating decision maker reviews regularly in allocating resources to segments and in assessing their performance. This new standard which supercedes IAS 14 Segment Reporting is effective for annual periods beginning on or after 1 January 2009 and is not expected to have an impact on the financial statements.

4. Financial Risk Management

a. Introduction and Overview

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

- credit risk
- liquidity risk
- market risks
- operational risks

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risks, and the Bank's management of capital.

Risk Management Framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Bank's Asset and Liability Committee (ALCO) and Credit and Operational Risk committees, which are responsible for developing and monitoring risk management policies in their specified areas.

All Board Committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

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

The Bank Audit Committee is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. The Board Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

b. Credit Risk

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

For risk management purposes, credit risk arising on trading securities is managed independently, but reported as a component of market risk exposure.

i. Management of Credit Risk

The Board of Directors has delegated responsibility for the management of credit risk to its Board Credit Committee. A separate Management Credit Committee reporting to the Board Credit Committee is responsible for oversight of the Bank's credit risk, including:

- *Formulating credit policies* in consultation with business units, covering collateral requirements, credit assessment, risk grading and reporting, documentary and legal procedures, and compliance with regulatory and statutory requirements.

- *Establishing the authorisation structure* for the approval and renewal of credit facilities. Authorisation limits are allocated to business unit Heads. Larger facilities require approval by the Management Credit Committee, Deputy Managing Director, Managing Director and the Board Credit Committee/Board of Directors as appropriate.

- *Reviewing and assessing credit risk*. Management Credit Committee assesses all credit exposures in excess of designated limits, prior to facilities being committed to customers by the business unit concerned. Renewals and reviews of facilities are subject to the same review process.

- *Developing and maintaining the Bank's risk gradings* in order to categorise exposures according to the degree of risk of financial loss faced and to focus management on the attendant risks. The current risk grading framework consists of six grades reflecting varying degrees of risk of default and the availability of collateral or other credit risk mitigation. The responsibility for approving the risk grades lies with the Board Credit Committee. The Risk grades are subject to regular reviews by the Risk Management unit of the Bank.

- *Reviewing compliance* of business units with agreed exposure limits, including those for selected industries, country risk and product types. Regular reports are provided to the Risk Management unit of the Bank on the credit quality of local portfolios and appropriate corrective action is taken.

- *Providing advice, guidance and specialist skills* to business units to promote best practice throughout the Bank in the management of credit risk. Each business unit is required to implement Bank's credit policies and procedures, with credit approval authorities authorised by the Board Credit Committee. Each business unit with the responsibility of initiating credit has experienced credit managers who report on all credit related matters to local management of the Bank Credit Committee and respond to issues at the Bank's Criticised Assets Committee (CAC). Each business unit is responsible for the quality and performance of its credit portfolio and for monitoring and controlling all credit risks in its portfolios, including those subject to central approval.

Regular audits of business units and credit quality reviews are undertaken by the Internal Audit of the Bank and GTB Plc of Nigeria.

		Loans and Advances to Customers	
In Ghana Cedis	***Note***	**2008**	**2007**
Carrying Amount	7, 19	41,158,887	12,842,460
Individually impaired			
Grade 6: Impaired		1,766,305	179,436
Gross Amount		1,766,305	179,436
Allowance for Impairment	20	(620,825)	(179,436)
Carrying Amount		1,145,480	-
Collectively impaired			
Grade 1-3: Low-fair Risk		-	-
Grade 4: Watch List		-	-
Grade 5-6: Impaired		-	-
Gross Amount		40,240,145	12,842,460
Allowance for Impairment	20	(226,738)	-
Carrying Amount		40,013,407	12,842,460
Past due but not Impaired			
Grade 1-3: Low-fair Risk		3,790,481	-
Grade 4-5: Watch List		-	462,139
Carrying Amount		3,790,481	462,139
Past due but not Impaired Comprises:			
90-180 days		1,134,642	4,589
180 days +		2,655,839	457,550
Carrying Amount		3,790,481	462,139
Past due but not Impaired Comprises			
Mining Sector		193,791	374,064
Agricultural Sector (cocoa marketing)		256,339	4,589
Construction Sector		2,206,929	16,308
Oil Marketing		168,834	67,177
Commerce		964,588	-
Carrying Amount		3,790,481	462,139
Neither past due nor Impaired			
Grade 1-3: Low-fair Risk		36,222,926	11,560,627
Grade 4-5: Watch List		-	819,694
Carrying Amount		36,222,926	12,380,321
Total Carrying Amount		40,013,407	12,842,460

ii. Key Ratios on Loans and Advances

Loan loss provision ratio is 4.30% (2007: 1.38%).

Percentage of gross non-performing loans with respect to Bank of Ghana Prudential Norms (specifically impaired) to total gross loans and advances is 2.70% (2007: 1.38%).

Ratio of twenty (20) largest exposure (gross funded and non-funded) to total exposure is 47.25% (2007: 68.92%).

iii. Impaired Loans and Securities

Impaired loans and securities are loans and securities for which the Bank determines that it is probable that it will be unable to collect all principal and interest due according to the contractual terms of the loan / securities agreement(s). These loans are graded 4 to 6 in the Bank's internal credit risk grading system.

iv. Past due but not Impaired Loans

Loans and securities where contractual interest or principal payments are past due but the Bank believes that impairment is not appropriate on the basis of the level of security / collateral available and / or the stage of collection of amounts owed to the Bank.

v. Allowances for Impairment

The Bank establishes an allowance for impairment losses that represents its estimate of incurred losses in its loan portfolio. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loan loss allowance, established for Banks of homogeneous assets in respect of losses that have been incurred but have not been identified on loans subject to individual assessment for impairment.

vi. Write-off Policy

The Bank writes off a loan / security balance (and any related allowances for impairment losses) when the Bank's Credit Committee determines that the loans / securities are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower / issuer's financial position such that the borrower / issuer can no longer pay the obligation, or that proceeds from collateral will not be sufficient to pay back the entire exposure. For smaller balance standardised loans, charge off decisions are generally based on a product specific past due status.

Set out below is an analysis of the gross and net (of allowances for impairment) amounts of individually impaired assets by risk grade.

	Loans and Advances to Customers	
31 December 2008	**Gross**	**Net**
In Ghana Cedis		
Grade 5: Individually Impaired	339,313	339,313
Grade 6: Individually Impaired	1,426,992	806,167
Total	1,766,305	1,145,480
31 December 2007		
Grade 6: Individually Impaired	179,436	179,436

vii. Credit Collateral

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collateral usually is not held against investment securities, and no such collateral was held at 31 December 2008 (2007: Nil).

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

	Loans and Advances	
In Ghana Cedis	**2008**	**2007**
Against Individually Impaired		
Property	16,503,370	-
Other	673,820	252,090
Against Past due but not Impaired		
Property	21,195,557	453,522
Other	3,063,144	33,974
Against neither Past due nor Impaired		
Property	69,681,060	39,364,739
Other	85,388,428	29,781,964
Total	196,505,379	69,886,289

viii. Credit Concentration

The Bank monitors concentrations of credit risk by product, by industry and by customer. An analysis of concentrations of credit risk at the reporting date is shown below:

In Ghana Cedis	Loans and Advances to Customers	
	2008	**2007**
Carrying Amount	41,158,887	12,842,462
Concentration by Product		
Overdraft	24,953,387	7,542,262
Term Loan	17,232,499	5,479,636
	42,185,886	13,021,898
Less: Impairment	(1,026,999)	(179,436)
	41,158,887	12,842,462
Concentration by Industry		
Mining and Quarrying	186,556	374,779
Manufacturing	6,113,606	1,291,302
Construction	2,971,624	2,777,122
Electricity, Gas and Water	490,607	446,522
Commerce and Finance	30,290,623	6,631,222
Transport, Storage and Communication	465,792	851,454
Services	925,783	104,548
Miscellaneous	741,295	544,949
	42,185,886	13,021,898
Less: Impairment	(1,026,999)	(179,436)
	41,158,887	12,842,462
Concentration by Customer		
Individuals	931,989	489,501
Private Enterprise	41,253,897	12,531,264
Public Enterprise	-	1,133
	42,185,886	13,021,898
Less: Impairment	(1,026,999)	(179,436)
	41,158,887	12,842,462

Concentration by industry for loans and advances is measured based on the industry in which the customer operates. Where the nature of business operation of a client cannot be clearly identified, it is classified as miscellaneous.

ix. Settlement Risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trade. Settlement risk is the risk of loss due to the failure of a company to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For certain types of transactions, the Bank mitigates this risk by conducting settlements through a settlement / clearing agent to ensure that a trade is settled only when both parties have fulfilled their contractual settlement obligations. Settlement limits form part of the credit approval / limit monitoring process described earlier. Acceptance of settlement risk on free settlement trade requires transaction specific or counterparty specific approvals from the Bank's Risk Committee.

c. Liquidity Risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations from its financial liabilities.

i. Management of Liquidity Risk

The Bank's approach to managing liquidity is to ensure as far as possible that it will always have sufficient liquidity to meet its liabilities when due under both normal and stressed conditions without incurring unacceptable losses or risking damage to the Bank's reputation.

Treasury unit receives information from other business units regarding the liquidity profile of their financial assets and liabilities and details of other projected cash flows arising from projected future business. Treasury unit then maintains a portfolio of short-term liquid assets, largely made up of short-term liquid investment securities, loans and advances to banks and other inter-bank facilities, to ensure that sufficient liquidity is maintained within the bank. The liquidity requirements of business units are met through short-term loans and investments from Treasury to cover any short-term fluctuations and longer term funding to address any structural liquidity requirements.

The Bank maintains liquidity limit imposed by its local regulator, Bank of Ghana and the overall liquidity has always been within the regulatory limit of Bank of Ghana. Treasury monitors compliance of all branches to ensure that the Bank maintains optimum liquid assets.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by ALCO. Daily reports on the liquidity position of the bank is submitted to senior management and summary report, including any exceptions and remedial action taken, is submitted regularly to ALCO on monthly basis.

ii. Exposure to Liquidity Risk

The key measure used by the Bank for managing liquidity risk is the ratio of net liquid assets to deposits from customers. For this purpose net liquid assets are considered as including cash and cash equivalents and investment for which there is an active and liquid market less any deposits from banks. The Bank also uses gap analysis to determine the liquidity position of the bank and where necessary, recommend remedial action.

Details of the reported bank ratio of net liquid assets to deposits and customers at the reporting date and during the reporting period were as follows:

	2008	**2007**
At 31 December	44.90%	44%
Average for the period	41.63%	38%
Maximum for the period	47.20%	45%
Minimum for the period	36.60%	29%

iii. Residual Contractual Maturities of Financial Liabilities

In Ghana cedis	*Note*	Carrying amount	Gross nominal inflow	0 to 3 months	3 to 6 months	6 to 12 months	Over 12 months
31 December 2008							
Non-derivative liabilities							
Deposits from Financial Inst.	27	16,451,170	16,451,170	4,935,350	8,225,585	3,290,235	-
Deposits from Customers	27	74,784,110	74,944,217	43,678,848	21,814,139	9,451,230	-
		91,235,280	91,395,387	48,614,198	30,039,724	12,741,465	-
31 December 2007							
Non-derivative Liabilities							
Deposits from Financial Inst.	27	6,000,000	6,000,000	6,000,000	-	-	-
Deposits from Customers	27	28,115,890	27,652,173	7,872,157	11,499,464	7,280,552	1,000,000
		34,115,890	33,652,173	13,872,157	11,499,464	7,280,552	1,000,000

The table shows the undiscounted cash flows on the Bank's financial liabilities and on the basis of their earliest possible contractual maturity. The Gross nominal inflow / (outflow) disclosed in the table is the contractual, undiscounted cash flow on the financial liability or commitment.

d. Market Risks

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's / issuer's credit standing) will affect the Bank's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i. Management of Market Risks

The Bank separates its exposure to market risk between trading and non-trading portfolios. Trading portfolios mainly are held by the Treasury Group, and include positions arising from market making and proprietary position taking, together with financial assets and liabilities that are managed on a fair value basis.

With the exception of translation risk arising on the Bank's net investment in its foreign operations, all foreign exchange risk within the Bank are monitored by the Treasury Group. Accordingly, the foreign exchange position is treated as part of the Bank's trading portfolios for risk management purposes.

Overall authority for market risk is vested in the ALCO. The Risk Management unit is responsible for the development of detailed risk management policies (subject to review and approval by ALCO) and for the day-to-day review of their implementation.

ii. Exposure to Market Risks – Trading Portfolios

The principal tool used to measure and control market risk exposure within the Bank's trading portfolios is the open position limits using the Earning's at Risk approach. Specified limits have been set for open positions limits, which are the expected maximum exposure the Bank is to be exposed to.

iii. Exposure to Interest Rate Risk – Non-trading Portfolios

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for reprising bands. The ALCO is the monitoring body for compliance with these limits and is assisted by Risk Management in its day-to-day monitoring activities. A summary of the Bank's interest rate gap position on non-trading portfolios is as follows:

Market Risks

In Ghana Cedis	*Note*	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**
31 December 2008						
Cash and Cash Equivalents	17	16,446,049	16,446,049	-	-	-
Due from other Banks and FIs	17	32,274,295	32,274,295	-	-	-
Investment Securities	21	60,201,998	3,975,652	4,228,210	51,998,136	-
Loans and Advances to Customers	19	41,158,887	16,211,074	15,350,356	8,585,016	1,012,441
Pledged Assets	18	9,640,000	9,640,000	-	-	-
		159,721,229	78,547,070	19,578,566	60,583,152	1,012,441
Deposits from Customers	27	74,784,110	43,518,741	21,814,139	9,451,230	-
Deposits from Other Financial Institutions	27	16,451,170	5,935,351	8,225,585	3,290,234	-
		91,235,280	48,454,092	30,039,724	12,741,464	-
Net		68,485,949	30,092,978	(10,461,158)	47,841,688	1,012,441

In Ghana Cedis	*Note*	**Carrying amount**	**Less than 3 months**	**3 to 6 months**	**6 to 12 months**	**1 to 5 years**
31 December 2007						
Cash and Cash Equivalents	17	6,365,945	6,365,945	-	-	-
Due from Other Banks and FIs	17	9,099,271	7,596,025	182,684	1,320,562	-
Investment Securities	21	2,473,484	158,125	244,326	2,071,033	-
Loans and Advances to Customers	19	12,842,462	4,558,407	4,095,368	3,222,164	966,523
Pledged Assets	18	3,500,000	-	-	3,500,000	-
		34,281,162	18,678,502	4,522,378	10,113,759	966,523
Deposits from Customers	27	28,115,890	8,335,874	11,499,464	7,280,552	1,000,000
Deposits from Other Financial Institutions	27	6,000,000	6,000,000	-	-	
		34,115,890	14,335,874	11,499,464	7,280,552	1,000,000
Net		165,272	4,342,628	(6,977,086)	2,833,207	(33,477)

iv. Exposure to Other Market Risks – Non-trading Portfolios (continued)

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various scenarios. Credit spread risk (not relating to changes in the obligor / issuer's credit standing) on debt securities held by Treasury and equity price risk is subject to regular monitoring by the Bank's Risk Management Unit, but is not currently significant in relation to the overall results and financial position of the Bank.

Overall non-trading interest rate risk positions are managed by Treasury, which uses investment securities, advances to banks and deposits from banks to manage the overall position arising from the Bank's non-trading activities.

e. Operational Risks

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Bank's processes, personnel, technology and infrastructure, and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risks arise from all of the Bank's operations and are faced by all business entities.

The Bank's objective is to manage operational risk so as to balance the avoidance of financial losses and damage to the Bank's reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to senior management within each business unit. This responsibility is supported by the development of overall Group standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorisation of transactions
- requirements for the reconciliation and monitoring of transactions
- compliance with regulatory and other legal requirements
- documentation of controls and procedures
- requirements for the periodic assessment of operational risks faced, and the adequacy of controls and procedures to address the risks identified
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plans
- training and professional development
- ethical and business standards
- risk mitigation, including insurance where this is effective.

Compliance with the Bank's standards is supported by a programme of periodic reviews undertaken by Internal Audit. The results of Internal Audit reviews are discussed with the management of the business unit to which they relate, with summaries submitted to the Audit Committee and senior management of the Bank.

i. Regulatory Capital

The Bank's regulator, the Bank of Ghana sets and monitors capital requirements for the Bank as a whole.

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

The Bank's regulatory capital is analysed into two tiers:

- Tier 1 capital, also referred to as core/primary capital is made up of equity and disclosed reserves. Equity includes issued and fully paid ordinary share capital and perpetual cumulative preference shares. Disclosed reserves relate to those created or increased by appropriation of after tax retained earnings/surplus, retained profits and general statutory reserves.

- Tier 2 capital, also referred to as supplementary/secondary capital includes revaluations reserves, latent revaluation reserves and hybrid capital instruments. Latent revaluation reserves relate to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base. The qualifying tier 2 capital cannot exceed tier 1 capital.

Banking operations are categorised mainly as trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognised and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

There have been no material changes in the Bank's management of capital during the period.

ii. Capital Adequacy Ratio

The capital adequacy ratio is the quotient of the capital base of the Bank and the Bank's risk-weighted asset base. In accordance with Central Bank of Ghana regulations, a minimum ratio of 10% is to be maintained.

In Ghana Cedis	*Note*	**2008**	**2007**
Tier 1 capital			
Ordinary Share Capital	32	10,142,707	10,142,707
Retained Earnings		(2,718,572)	(4,185,588)
Shareholders' Fund		7,424,135	5,957,119
Less:			
Fair Value Reserve on Available for Sale Securities		-	-
Intangible Assets	24	-	-
Total		7,424,135	5,957,119
Tier 2 Capital			
Fair Value Reserve for Available for Sale Securities	25	-	-
Total Regulatory Capital		7,424,135	5,957,119
Adjusted Risk-weighted Assets		41,158,887	12,842,462
Risk Weighted Contingent Liabilities		21,529,668	3,059,365
Risk Adjusted Net Open Position		2,144,253	38,572
Risk-weighted Assets		64,832,808	15,940,399
Total Regulatory Capital Expressed as a percentage of Total Risk-Weighted Assets is		11.45%	37.37%

iii. Capital Allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved on the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in some cases the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital requirements may be flexed to reflect differing risk profiles, subject to the overall level of capital to support a particular operation or activity not falling below the minimum required for regulatory purposes. The process of allocating capital to specific operations and activities is undertaken independently of those responsible for the operation, by the Bank's Risk Management and Credit Administration Units, and is subject to review by the Bank's Credit Committee or ALCO as appropriate.

Although maximisation of the return on risk-adjusted capital is the principal basis used in determining how capital is allocated within the Bank to particular operations or activities, it is not the sole basis used for decision making. Account also is taken of synergies with other operations and activities, the availability of management and other resources, and the fit of the activity with the Bank's longer term strategic objectives.

The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

5. Use of Estimates and Judgements

Management discussed with the Audit Committee the development, selection and disclosure of the Bank's critical accounting policies and estimates, and the application of these policies and estimates.

These disclosures supplement the commentary on financial risk management (see note 4).

a. Key Sources of Estimation Uncertainty

i. Allowances for Credit Losses

Assets accounted for at amortised cost are evaluated for impairment on a basis described in accounting policy 3(h)(vi).

The specific counterparty component of the total allowances for impairment applies to claims evaluated individually for impairment and is based upon management's best estimate of the present value of the cash flows that are expected to be received. In estimating these cash flows, management makes judgements about a counterparty's financial situation and the net realisable value of any underlying collateral. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable are independently approved by the ALCO.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of claims with similar economic characteristics when there is objective evidence to suggest that they contain impaired claims, and to determine the required input parameters, based on historical experience and current economic conditions. The accuracy of the allowances depends on how well these estimated future cash flows for specific counterparty allowances and the model assumptions and parameters used in determining collective allowances.

ii. Determining Fair Values

The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation where the individual impaired items cannot yet be identified. A component of collectively assessed allowances is for country risks. In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, assumptions are made to define the way inherent losses are modelled as described in accounting policy 3(h)(vi).

For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

b Critical Accounting Judgments in applying the Bank's Accounting Policies

Critical accounting judgments made in applying the Bank's accounting policies include:

i. Financial Asset and Liability Classification

The Bank's accounting policies provide scope for assets and liabilities to be designated on inception into different accounting categories in certain circumstances:

In classifying financial assets as held-to-maturity, the Bank has determined that it has both the positive intention and ability to hold the assets until their maturity date as required by accounting policy 3(k)(i).

Details of the Bank's classification of financial assets and liabilities are given in note 7.

ii. Determination of impairment of Property and Equipment, and Intangible Assets, excluding Goodwill

Management is required to make judgments concerning the cause, timing and amount of impairment. In the identification of impairment indicators, management considers the impact of changes in current competitive conditions, cost of capital, availability of funding, technological obsolescence, discontinuance of services and other circumstances that could indicate that impairment exists. The Bank applies the impairment assessment to its separate cash generating units. This requires management to make significant judgements and estimates concerning the existence of impairment indicators, separate cash generating units, remaining useful lives of assets, projected cash flows and net realisable values. Management's judgement is also required when assessing whether a previously recognised impairment loss should be reversed.

6. Segment Reporting

Segment information within the group is presented in respect of the Bank's geographical segments based on management and internal reporting structure.

The Bank's current operation is concentrated in Ghana and as such does not lend itself to segmental reporting and hence management has not provided information on segmental reporting.

7. Financial Assets and Liabilities

Accounting Classification, Measurement Basis and Fair Values

The table below sets out the Bank's classification of each class of financial assets and liabilities, and their fair values.

In Ghana Cedis	*Note*	Designated at Fair Value	Held-to-maturity	Loans and Receivables	Available-for-sale	Other Amortised Cost	Total Carrying Amount	Fair Value
31 December 2008								
Cash and Cash Equivalents	17	-	-	-	16,446,049	-	16,446,049	16,446,049
Due from Banks and Other FIs	17	-	-	32,274,295	-	-	32,274,295	32,274,295
Pledged Assets	18	-	-	9,640,000	-	-	9,640,000	9,640,000
Loans and Advances to Customers	19	-	-	41,158,887	-	-	41,158,887	41,158,887
Investment Securities	21	-	-	60,201,998		-	60,201,998	60,201,998
		-	-	143,275,180	16,446,049	-	159,721,229	159,721,229
Deposits from Customers	27	-	-	-	-	91,235,280	91,235,280	91,235,280
31 December 2007								
Cash and Cash Equivalents	17	-	-	-	6,365,945	-	6,365,945	6,365,945
Due from Banks and Other FIs	17	-	-	9,099,271	-	-	9,099,271	9,099,271
Pledged Assets	18	-	-	3,500,000	-	-	3,500,000	3,500,000
Loans and Advances to Customers	19	-	-	12,842,462	-	-	12,842,462	12,842,462
Investment Securities	21	-	-	2,473,484	-	-	2,473,484	2,473,484
		-	-	27,915,217	6,365,945	-	34,281,162	34,281,162
Deposits from Customers	27	-	-	-	-	34,115,890	34,115,890	34,115,890

8. Net Interest Income

In Ghana Cedis	**2008**	**2007**
Interest Income		
Placements with Other Banks	973,085	257,351
Investment Securities	4,697,868	584,082
Loans and Advances to Customers	5,857,310	1,557,070
Total Interest Income	11,528,263	2,398,503

Interest income for the year ended 31 December 2008 includes GH¢93,494 being interest accrued on impaired financial assets (2007: GH¢8,864).

	2008	**2007**
Interest Expense		
Current Accounts	31,749	5,822
Deposits from Customers	5,254,067	1,245,404
Overnight and Call Accounts	350,400	151,804
Total Interest Expense	5,636,216	1,403,030
Net Interest Income	5,892,047	995,473

9. Fee and Commission Income

In Ghana Cedis	**2008**	**2007**
Commission Income	939,947	652,882
Income from Fees	1,032,604	279,394
Others	881,307	7,916
	2,853,858	940,192

Fees and commission income excludes facility fees or any other fees used in calculating the adjusted effective interest rate on the principal facility to which they were charged.

10. Trading Income

In Ghana Cedis	**2008**	**2007**
Income from dealing in Foreign Exchange	4,976,101	319,433

Trading income includes the profits and losses arising from trading of foreign currencies.

11. Other Operating Income

In Ghana Cedis	**2008**	**2007**
Foreign Exchange Gains	4,110	6,840
Postage Revenue	3,757	1,288
	7,867	8,128

12. Personnel Expenses

In Ghana Cedis	**2008**	**2007**
Wages and Salaries	2,141,657	1,324,327
Employer's Social Security Contributions	125,207	60,925
Medical Expenses	138,115	69,012
Other Staff Costs	166,820	11,910
	2,571,799	1,466,174

The average number of persons employed by the bank during the year was 144 (2007: 84).

13. Lease Rentals

In Ghana Cedis	**2008**	**2007**
Operating Lease Rentals on Leasehold Land	30,514	30,154
Operating Lease Rentals on Office Premises	168,880	48,824
	199,394	78,978

14. Other Operating Expenses

In Ghana Cedis	**2008**	**2007**
Advertising and Marketing Expenses	421,194	157,956
Administrative Expenses	3,982,704	1,022,945
Software Licensing and Other IT Costs	130,507	158,651
Training	207,396	127,903
Directors' Emoluments	48,469	42,152
Auditor's Remuneration	49,000	27,670
Donations and Sponsorship	9,175	13,557
	4,848,445	1,550,834

Social Responsibility Cost

An amount of GH¢9,175 (2007: GH¢13,557) was spent as part of social responsibility of the Bank.

15. Income Tax Expense

In Ghana Cedis	**2008**	**2007**
Current Tax Expense		
Current year	860,795	-
Deferred Tax Expense		
Origination and Reversal of Temporary Differences (note 25)	(137,628)	42,818
Total Income Tax Expense	723,167	42,818

Current Tax Expense

In Ghana Cedis	**Balance at 1/1/08**	**Payments during year**	**Charge for the year**	**Balance at 31/12/08**
Income tax				
2006	42,295	-	-	42,295
2007	(7,500)	-	-	(7,500)
2008	-	(58,231)	860,795	802,564
	34,795	(58,231)	860,795	837,359

Reconciliation of Effective Tax

In Ghana Cedis	**2008**	**2007**
Profit/(Loss) Before Income Tax	4,473,920	(1,545,260)
Income Tax using the Domestic Corporation Tax Rate (25%)	1,118,480	-
Effect of Movement in Deferred Tax	(137,628)	42,818
Non-deductible Expenses	(257,685)	-
Total Income Tax Expense in Income Statement	723,167	42,818

16. Earnings per Share

Basic Earnings per Share

The calculation of basic earnings per share at 31 December 2008 was based on the profit/(loss) attributable to ordinary shareholders of GH¢3,750,753 (2007: loss of (GH¢1,588,078)) and a weighted average number of ordinary shares outstanding of 1,000,000,000 (2007: 1,000,000,000), calculated as follows:

Profit/(Loss) Attributable to Ordinary Shareholders

In Ghana Cedis	**2008**	**2007**
Net profit/(Loss) for the period Attributable to Equity Holders of the Bank	3,750,753	(1,588,078)
Weighted Average Number of Ordinary Shares	1,000,000,000	1,000,000,000

17. Cash and Cash Equivalents

In Ghana Cedis	**2008**	**2007**
Cash on hand	4,272,241	1,299,092
Balances with Bank of Ghana	12,173,808	5,066,853
	16,446,049	6,365,945
Due from banks and other financial inst. (see note (a) below)	32,274,295	9,099,271
	48,720,344	15,465,216

a. Due from Banks and Other Financial Institutions

In Ghana Cedis	**2008**	**2007**
Nostro Account Balances	17,281,506	2,238,104
Placements with Other Banks and Financial Institutions	14,137,187	6,819,193
Due from Other Local Banks	175,985	61,365
Items in Course of Collection	679,617	(19,391)
(See above)	32,274,295	9,099,271

18. Pledged Assets

Financial Assets that may be repledged or resold by Counterparties

In Ghana Cedis	**2008**	**2007**
Government Securities	9,640,000	3,500,000

These Government securities have been pledged as collateral for liabilities of GH¢9,640,000 (2007: GH¢3,500,000). These liabilities have been included in deposits from customers in note 27. These transactions have been conducted under terms that are usual and customary to standard lending and securities borrowing activities.

19. Loans and Advances

In Ghana Cedis	**2008**	**2007**
Loans and Advances	42,203,740	13,093,072
Less: Effective Interest Rate Adjustment	(197,290)	(71,174)
Specific Allowances for Impairment	(620,825)	(179,436)
Collective Impairment	(226,738)	-
	41,158,887	12,842,462

20. Impairment Allowance on Loans and Advances

In Ghana Cedis	**2008**	**2007**
Balance at beginning of year	179,436	-
Impairment loss for the year - specific allowances	620,825	179,436
collective allowances	226,738	-
Impairment loss at 31 December	1,026,999	179,436

21. Investment Securities

In Ghana Cedis	**2008**	**2007**
Investment Securities Comprise		
Treasury Bills (see (a) below)	58,231,998	666,864
Government Bonds	1,970,000	1,806,620
	60,201,998	2,473,484

a. Treasury Bills

In Ghana Cedis	**2008**	**2007**
At cost	62,434,366	690,000
Less: Unearned Interest	(4,202,368)	(23,136)
(See note above)	58,231,998	666,864

22. Property and Equipment

In Ghana Cedis

	Leasehold Improv.	Furn. & Equip	Computer & Access.	Motor Vehicle	Capital W-I-P	Total
Cost						
Balance at 1 Jan 2007	1,905,606	744,802	805,372	294,360	98,879	3,849,019
Additions	763,371	446,320	13,829	30,121	-	1,253,641
Transfers	48,950	47,674	-	-	(96,624)	-
Balance at 31 Dec 2007	2,717,927	1,238,796	819,201	324,481	2,255	5,102,660
Balance at 1 Jan 2008	2,717,927	1,238,796	819,201	324,481	2,255	5,102,660
Additions	515,999	1,216,648	397,274	716,309	2,199,287	5,045,517
Balance at 31 Dec 2008	3,233,926	2,455,444	1,216,475	1,040,790	2,201,542	10,148,177
Depreciation						
Balance at 1 Jan 2007	16,674	102,247	140,057	53,240	-	312,218
Charge for the year	55,653	174,250	208,957	74,445	-	513,305
Balance at 31 Dec 2007	72,327	276,497	349,014	127,685	-	825,523
Balance at 1 Jan 2008	72,327	276,497	349,014	127,685	-	825,523
Charge for the year	77,171	293,213	280,592	109,081	-	760,057
Balance at 31 Dec 2008	149,498	569,710	629,606	236,766	-	1,585,580
Carrying Amounts						
Balance at 1 Jan 2007	1,888,932	642,555	665,315	241,120	98,879	3,536,801
Balance at 31 Dec 2007	2,645,600	962,299	470,187	196,796	2,255	4,277,137
Balance at 31 Dec 2008	3,084,428	1,885,734	586,869	804,024	2,201,542	8,562,597

23. Intangible Assets

In Ghana Cedis

	Purchased Software	Developed Software	Total
Cost			
Balance at 1 January 2007	67,899	-	67,899
Additions	20,153	43,769	63,922
Balance at 31 December 2007	88,052	43,769	131,821
Balance at 1 January 2008	88,052	43,769	131,821
Additions	9,393	6,500	15,893
Balance at 31 December 2008	97,445	50,269	147,714
Amortization			
Balance at 1 January 2007	491	-	491
Amortisation for the year	17,231	2,528	19,759
Balance at 31 December 2007	17,722	2,528	20,250
Balance at 1 January 2008	17,722	2,528	20,250
Amortisation for the year	21,540	7,155	28,695
Balance at 31 December 2008	39,262	9,683	48,945
Carrying Amounts			
Balance at 1 January 2007	67,408	-	67,408
Balance at 31 December 2007	70,330	41,241	111,571
Balance at 31 December 2008	58,183	40,586	98,769

24. Depreciation and Amortization

The depreciation and amortization charge is recognized in the following line items in the income statement:

In Ghana Cedis		2008	2007
Property and Equipment	(note 22)	760,057	513,305
Intangible Assets	(note 23)	28,695	19,759
		788,752	533,064

25. Deferred Tax

Movements in Temporary Differences during the year

In Ghana Cedis	**Opening balance**	**Recognised in profit or loss**	**Recognised in equity**	**Closing balance**
2008				
Property, Equipment and Software	198,836	81,080	-	279,916
Allowances for Loan Losses	-	(218,708)	-	(218,708)
	198,836	(137,628)	-	61,208
2007				
Property and Equipment, and Software	156,018	42,818	-	198,836
Allowances for Loan Losses	-	-	-	-
	156,018	198,836	-	198,836

26. Other Assets

In Ghana Cedis	**2008**	**2007**
Accounts Receivable and Prepaid Expenses	1,746,626	775,889
Prepaid Expense – Premises	2,081,745	307,038
Prepaid Expense – Leasehold land	1,432,314	1,462,468
Stocks	408,844	223,432
	5,669,529	2,768,827

27. Deposits from Customers

In Ghana Cedis	**2008**	**2007**
By type of deposit		
Current and Call Account	38,192,822	9,517,905
Savings Account	1,468,582	362,571
Cash Collateral	4,982,648	523,168
Term Deposit	46,591,228	23,712,246
	91,235,280	34,115,890

Ratio of twenty largest depositors to total deposit is 50.01% (2007: 75.54%).

In Ghana Cedis	**2008**	**2007**
By type of customer		
Financial Institutions	16,451,170	5,443,684
Individuals and Other Private enterprises	74,784,110	21,272,206
Public Enterprises	-	7,400,000
	91,235,280	34,115,890

28. Provisions

These relate to provisions made for staff related obligations and various operational obligations during the year. These are expected to be utilized during the year 2009.

29. Guarantee Contract Liability

This relates to the fair value less amount amortised of financial guarantees outstanding at the year end.

30. Other Liabilities

In Ghana Cedis	**2008**	**2007**
Due to Parent Company	2,652,543	320,781
Other Payables	3,167,150	470,538
	5,819,693	791,319

31. Deposit for Shares

This represents an amount contributed by GTB Plc (the parent company) towards recapitalization of the Bank in compliance with Bank of Ghana's requirement for all Banks to raise their minimum capital from GH¢7 million to GH¢60 million. Subsequent to 31 December 2008 the shares had been issued by the Bank.

32. Share Capital

In Ghana Cedis	**No. of shares**	**Proceeds**
2008		
Authorised		
No. of Ordinary Shares of no par Value	9,000,000,000	
Issued and Fully Paid		
Issued for Cash Consideration	781,000,000	8,157,307
Issued for Consideration Other than Cash	219,000,000	1,985,400
	1,000,000,000	10,142,707
2007		
Authorised		
No. of Ordinary Shares of no par Value	9,000,000,000	
Issued and Fully Paid		
Issued for Cash Consideration	781,000,000	8,157,307
Issued for Consideration Other than Cash	219,000,000	1,985,400
	1,000,000,000	10,142,707

Directors' Shareholding

The Directors named below held the following number of shares in the Bank as at 31 December 2008.

Number of Ordinary Shares	**2008**	**2007**
Alhaji Yusif Ibrahim	150,000,000	219,000,000

Number of Shareholders

The company had three (3) ordinary shareholders at 31 December 2008 distributed as follows:

	Number of shareholders	**Shareholding**	**Percentage**
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

a. Credit Risk Reserve

This represents the excess of BoG's 1% general provision for off-balance sheet items over provisions charged to the income statements.

b. Statutory Reserve

This represents transfer of 50% of profit after tax to reserve in compliance with Bank of Ghana's regulatory requirement.

33. Dividends

The bank neither declared nor proposed any dividends for the year ended 31 December 2008 (31 December 2007: Nil).

34. Leasing

The Bank acts as lessee under operating leases and lessor under finance leases, leasing assets for its own use and providing asset financing for its customers.

Finance Lease

The Bank asset financing for its customers are included within loans and advances (see note 19). The Bank did not have any finance lease receivables at 31 December 2008 (2007: Nil).

The Bank leases various offices, branches and other premises under non-cancellable operating lease arrangements. The leases have various terms and renewal rights. The lease rentals are paid in advance and recognised on straight line basis over the lease period. The outstanding balance is accounted for as prepaid lease rentals. There are no contingent rents payable.

Operating Lease

The Bank leases various offices, branches and other premises under non-cancellable operating lease arrangements. The lease rentals are paid in advance and amortised on a straight line basis over the lease period. The outstanding balance is accounted for as a prepayment in other assets (see note 26). There are no contingent rents payable.

Non cancellable operating lease rentals are payable as follows:

In Ghana Cedis	**2008**	**2007**
Less than One Year	601,747	30,154
Between One and Five Years	2,272,606	150,770
More than Five Years	1,417,237	1,281,544

35. Contingencies

i. Claims and Litigation

There were no litigation and claims involving the bank as at 31 December 2008 (2007: Nil)

ii. Contingent Liabilities and Commitments

In common with other banks, the Bank conducts business involving acceptances, performance bonds and indemnities. The majority of these facilities are offset by corresponding obligations of third parties. Contingent liabilities and commitments comprise acceptances, guarantees and letters of credit.

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.

Guarantees and letters of credit are given as security to support the performance of a customer to third parties. As the Bank will only be required to meet these obligations in the event of the customer's default, the cash requirements of these instruments are expected to be considerably below their nominal amounts.

Other contingent liabilities include transaction related to performance bonds and are, generally, short-term commitments to third parties which are not directly dependent on the customer's creditworthiness.

Documentary credits commit the Bank to make payments to third parties, on production of documents, which are usually reimbursed immediately by customers.

The following tables summarise the nominal principal amount of contingent liabilities and commitments with off-balance sheet risk.

In Ghana Cedis	**2008**	**2007**
Contingent Liabilities:		
Bonds and guarantees	6,697,032	1,041,333
Commitments:		
Clean Line Facilities for Letters of Credit	21,529,668	1,726,521

iii. Commitments for Capital Expenditure

The Bank had no commitment for capital expenditure as at 31 December 2008 (2007: Nil).

36. Related Parties

Parties are considered to be related if one party has the ability to control the other party or exercise influence over the other party in making financial and operational decisions, or one other party controls both. The definition includes members of the Guaranty Trust Bank Group.

i. Parent

The parent company, which is also the ultimate parent company, is Guaranty Trust Bank Plc (GTB Plc).

Transactions between Guaranty Trust Bank Plc and the subsidiaries also meet the definition of related party transactions.

During the year ended 31 December 2008, the bank transacted the following business with the parent bank:

In Ghana Cedis	**2008**	**2007**
Time deposit from GTB Plc	6,110,826	1,165,080
Amount due to GTB Plc	2,329,780	320,781
Technical service fee	322,763	46,479
	8,763,369	1,532,340

Included in amount due to GTB Plc is an amount of 1,463,151 Ghana Cedis being interest accrued on deposits for shares received from GTB Plc (note 30 above).

ii. Transactions with Key Management Personnel

The Group's key management personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. The definition of key management includes the close members of family of key personnel and any entity over which key management exercise control. The key management personnel have been identified as the executive and non-executive directors of the Group. Close members of family are those family members who may be expected to influence, or be influenced by that individual in their dealings with Guaranty Trust Bank Plc.

Key management personnel and their immediate relatives engaged in the following transactions with the bank during the year:

Loans and Advances

In Ghana Cedis	**2008**	**2007**
Secured Loans	223,939	171,930

Interest rates charged on balances outstanding are rates that would be charged in an arm's length transaction. The secured loans granted are secured over real estate, equity and other assets of the respective borrowers. No impairment losses have been recorded against balances outstanding during the period with key management personnel, and no specific allowance has been made for impairment losses on balances with key management personnel and their immediate relatives at the year end.

Key Management Personnel Compensation for the year

There were no short-term employee and post-employment benefits as at 31 December 2008 (2007: Nil).

37. Subsequent Events

There were no adjusting post balance sheet events.

38. Explanation of Transition to IFRS

i. Implementation of IFRS

As stated in note 3 on significant accounting policies, these are the Bank's first financial statements prepared in accordance with IFRS. As the Bank publishes comparative information for one year in its financial statements, the date of transition to IFRS 1 is effectively, 1 January 2007, which represents the start of the earliest period of comparative information presented. The opening balance sheets as at 1 January 2007 and 1 January 2008 have been restated accordingly. The accounting policies as set out in note 3 have been applied consistently to both periods presented in these financial statements.

Comparative information at 31 December 2007 is restated to take account of the requirements of all standards including IAS 32- Financial instruments disclosure and presentation, IAS 39 – Financial instruments: recognition and measurement and IFRS 7- Financial instruments: disclosures.

The most significant IFRS impact for the Bank originated from the implementation of:

- IAS 39 – Financial instruments: measurement and recognition which requires the valuation of financial assets and liabilities at fair values;
- impairment of financial assets to only be accounted if there is objective evidence that a loss event has occurred after initial recognition but before the balance sheet date;
- IAS 12 income taxes, specifically deferred tax adjustments; and
- IAS 1 presentation of financial statements.

An explanation of how the transition from Ghana Accounting Standards to IFRS has affected the Bank's financial position, financial performance and cash flows is set out in the accompanying notes and tables.

ii. Transitional Arrangements

The Bank adopted IFRS effective 1 January 2008. The key principle of IFRS 1 – First time adoption of International Financial Reporting Standards for reporting entities with adoption date subsequent to 1 January 2006 is a full retrospective application of IFRS. However, this statement provides exemption from retrospective application in certain instances due to costs and practical considerations. The Bank's transitional elections in this regard are set out below:

- *Property and Equipment*

  A first time adopter may elect to use the fair value of individual property and equipment at transition date as the deemed cost. The Bank did not make use of this transitional exemption and elected to measure individual items of property and equipment at depreciated cost determined in accordance with IFRS.

- *Cumulative Foreign Currency Translation Adjustment*

The Bank elected to reset the cumulative foreign currency translation reserve existing on transition date to zero as allowed by the IFRS 1.

The accounting policies as set out in note 3 have been applied in preparing the financial statements for the year ended 31 December 2008, the comparative information presented in these financial statements for the year ended 31 December 2007 and in the preparation of an opening IFRS balance sheet at 1 January 2007 being the Bank's transition date to IFRS.

In preparing its opening IFRS balance sheet, the Bank has adjusted amounts reported previously in financial statements prepared in accordance with Ghana Accounting Standards. An explanation of how the transition from Ghana Accounting Standards to IFRS has affected the Bank's financial position, financial performance and cash flows is set out in the following tables and the notes accompanying the tables.

The financial position and financial performance for the year ended 31 December 2007 have also been reconciled with the results previously reported under Ghana Accounting Standards.

iii. Key impact analysis of IFRS on the financial position as at 31 December 2007 and 1 January 2007, date of transition.

a. IAS 32, 39 and IFRS 7 Financial Instruments

Under IFRS, financial assets and liabilities are required to be classified as held for trading, fair value through the income statement, loans and receivables and held to maturity financial assets and liabilities. Ghana Accounting Standards do not require such classification of financial instruments and measurement. The basis of valuation of individual instrument is provided in the accompanying statement of accounting policy.

b. Impairment of Loans and Advances

Under Ghana Accounting Standards, loans and advances are measured at costs net of impairment losses. A specific risk provision for loan impairment is established to provide for management's estimate of credit losses as soon as the recovery of an exposure is identified as doubtful. This provision is made for each account that is not performing in accordance with the terms of the related facility and in line with Bank of Ghana Prudential Norms on provisions. A general reserve of at least 1% is made for all performing accounts to recognize losses in respect of risks inherent in any credit portfolio. Under IFRS, an impairment loss can only be accounted for if there is objective evidence that a loss has occurred after the initial recognition but before the balance sheet date. IFRS also allows for incurred but not reported losses in order to provide for latent losses in a portfolio of loans that have not yet been individually identified as impaired and the general reserve to be reversed. Generally, the impairment for credit losses is lower than the level required by the regulatory authorities. As a result, the shortfall on impairment for credit losses is set aside in a regulatory credit risk reserve within total equity.

The difference in the measurement basis of impairment loss assessment between IFRS and Ghana Accounting Standards increased the net assets of the Bank as at 1 January 2007 by GH¢35,368. In addition, for the year ended 31 December 2007, the adoption of the incurred loss model for impairment loss assessment on loans and advances resulted in an increase in the profit of the Bank for the year ended by GH¢199,361.

c. Property Equipment and Leases (Lessee)

Under Ghana Accounting Standards, landed properties acquired under a 50 to 99 year lease agreements were capitalised as land and buildings and depreciated over the life of the lease. IFRS requires that the land and building components should be evaluated separately for the purpose of lease classification. IFRS generally requires that leasehold land should be classified as an operating lease unless title is expected to pass to the lessee at the end of the lease term.

As a result, cost of leasehold land with a value of GH¢1,507,699 was reclassified as an operating lease at 1 January 2007 to other assets. The effect of the aforesaid at 31 December 2007 was to decrease the balance of property and equipment by GH¢1,462,468 (2006: GH¢1,492,622).

The depreciation charge for the year ended 31 December 2007 was adjusted based on the outstanding period of the lease on land by GH¢30,154 (2006: GH¢15,077) and recognised in lease rental expense.

Under IFRS, the bank is required to assess the residual value of its property and equipment at each year end and recomputed depreciation expense. This is not a requirement under Ghana Accounting Standards. Based on the bank's assessment of the residual value of its property and equipment, depreciation expense and accumulated depreciation on property and equipment decreased by GH¢42,075 for the year ended 31 December 2007 (2006: GH¢44,061).

Under IFRS, intangible assets purchased are to be disclosed separately in the financial statements. This is not required under Ghana Accounting Standards. Computer software purchased and qualifying developed software classified as intangible assets have therefore been reclassified out of property plant and equipment resulting in a net reduction in property plant and equipment of GH¢111,571 as at 31 December 2007 (2006: GH¢67,408).

d. IAS 12 Income Taxes

Adjustments in respect of the conversion to IFRS resulted in deferred taxation liability of GH¢156,018 and an equivalent increase in the net assets of the Bank at 1 January 2007. As at 31 December 2007, additional deferred taxation liability was GH¢42,818.

iv. Explanation of Material changes to Income Statement Items

e. Interest Income and Expense

Under IFRS, interest income and expense are recognised in the income statement using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or, where appropriate, a shorter period) to the carrying amount of the financial asset or liability. The effective interest rate is established on initial recognition of the financial asset and liability and is not revised subsequently. The calculation of the effective interest rate includes all fees and points paid or received, transaction costs, and discounts or premiums that are an integral part of the effective interest rate. Under Ghana Accounting Standards, interest income and expense are recognised in accordance with the terms of the related facility on an accrual basis.

The effect of accounting for interest income and expense using the effective interest rate method resulted in a reclassification of GH¢16,105 from fees and commission income to interest income for 2007 (2006: Nil).

f. Impairment Loss

Under GAS, provisions for bad debt were computed based on past due days as set out in the Central Bank's Prudential Norms on provisioning. A general provision of 1% was also required for net indirect exposures. Under IFRS, the impairment loss evaluation is done by calculating the present value of estimated future cash flows and comparing these against the carrying amounts of loans and advances and a provision to cover inherent risk of losses in the loan portfolios. The effect of this is a decrease in impairment loss of GH¢199,361 for the year ended 31 December 2007 (2006: GH¢35,368).

v. Explanation of Material Changes to Reserves

All transfers to reserves during the year are no longer recorded in the income statement, but are separately disclosed in the note 38 on reconciliation of capital and reserves.

vi. Fair value of Financial Assets and Liabilities

g. Loans and Advances

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

GUARANTY TRUST BANK (GHANA) LIMITED

EXPLANATION OF TRANSITION TO IFRS

Opening Balance Sheet: 1 January 2007

In Ghana Cedis	***Note***	**Previous GAAP**	**Effect of IFRS Transition**	**IFRS**
Assets				
Cash and Cash Equivalents		1,648,668	-	1,648,668
Due from Banks and Financial Institutions	a	5,534,926	245,460	5,780,386
Investment Securities		4,428,706	(500,000)	3,928,706
Loans and Advances to Customers	a, b	3,515,503	51,606	3,567,109
Pledged Assets		-	500,000	500,000
Property and Equipment	c	5,052,770	(1,515,970)	3,536,800
Intangible Assets	c	-	67,408	67,408
Other Assets	a, c	1,048,541	1,214,513	2,263,054
Total Assets		21,229,114	63,017	21,292,131
Liabilities				
Deposits from Customers	a	12,542,271	119,187	12,661,458
Deposits for Shares		1,074,307	-	1,074,307
Tax Liability		42,295	-	42,295
Deferred tax Liability		-	156,018	156,018
Other Liabilities	a, b, c	762,756	(119,187)	643,569
Total Liabilities		14,421,629	156,018	14,577,647
Equity				
Stated Capital		9,068,400	-	9,068,400
Credit Risk Reserve		-	35,368	35,368
Retained Earnings		(2,260,915)	(128,369)	(2,389,284)
Total Equity Attributable to Equity holders of the Bank		6,807,485	(93,001)	6,714,484
Total Liabilities and equity		21,229,114	63,017	21,292,131

Equity Reconciliation: 1 January 2007

Credit Risk Reserve	
Opening Balance per Previous GAAP	-
Transfer from Retained Earnings as Regulatory Impairment Loss – Loans and Advances	35,368
Opening Balance per IFRS	35,368

Retained Earnings	
Opening Balance per Previous GAAP	(2,218,620)
Tax Charge for 2005 year of Assessment	(42,295)
Adjusted Retained Earnings Before IFRS Adjustments	(2,260,915)
Regulatory impairment in excess of IFRS requirement	35,368
Loans and Advances – EIR Adjustment	(16,412)
Regulatory Impairment Loss now Transferred to Credit Risk Reserve	(35,368)
Depreciation Expense – Residual Value Adjustment	44,061
Deferred Tax Charge - 2006	(156,018)
Opening Balance per IFRS	(2,389,284)

GUARANTY TRUST BANK (GHANA) LIMITED
EXPLANATION OF TRANSITION TO IFRS (CONT'D)

Comparative Information: 31 December 2007

In Ghana Cedis	***Note***	**Previous GAAP**	**Effect of IFRS Transition**	**IFRS**
Assets				
Cash and Cash Equivalents		6,365,945	-	6,365,945
Due from Banks and Financial Institutions	a	8,916,881	182,390	9,099,271
Investment Securities		5,973,484	(3,500,000)	2,473,484
Loans and Advances to Customers	a, b	12,689,450	153,012	12,842,462
Pledged Assets		-	3,500,000	3,500,000
Property and Equipment	c	5,765,040	(1,487,903)	4,277,137
Intangible Assets	c	-	111,571	111,571
Tax Assets		7,500	(7,500)	-
Other Assets	a, b, c	1,499,934	1,268,893	2,768,827
Total assets		41,218,234	220,463	41,438,697
Liabilities				
Deposits from Customers	a	33,652,173	463,717	34,115,890
Provisions		-	84,491	84,491
Guarantee Contract Liabilities		-	12,653	12,653
Current Tax Liabilities		-	34,795	34,795
Deferred Tax Liabilities		-	198,836	198,836
Other Liabilities	a, b, c	1,370,119	(578,800)	791,319
Total Liabilities		35,022,292	215,692	35,237,984
Equity				
Stated Capital		10,142,707	-	10,142,707
Credit Risk Reserve		-	243,594	243,594
Retained Earnings		(3,946,765)	(238,823)	(4,185,588)
Total Equity Attributable to Equity holders of the Bank		6,195,942	4,771	6,200,713
Total Liabilities and Equity		41,218,234	220,463	41,438,697

GUARANTY TRUST BANK (GHANA) LIMITED

EXPLANATION OF TRANSITION TO IFRS (CONT'D)

Equity Reconciliation: 31 December 2007

Credit Risk Reserve	
Opening Balance per Previous GAAP	-
Transfer from Retained Earnings as	
Regulatory Impairment Loss – Loans and Advances	213,000
Regulatory Impairment Loss – Off Balance Sheet Exposure	30,594
Opening Balance per IFRS	243,594

Retained Earnings	
Opening Balance per Previous GAAP	(3,946,765)
Tax Charge for 2005 year of Assessment	(42,295)
Adjusted Retained Earnings before IFRS Adjustments	(3,989,060)
Loans and Advances – EIR Adjustment	(71,174)
Regulatory impairment in excess of IFRS requirement	243,594
Regulatory Impairment Loss transferred to Credit Risk Reserve	(243,594)
Commission on Guarantees Deferred under Guarantee Contract Liability	(12,653)
Depreciation Expense – Residual Value Adjustment	86,135
Deferred Tax Charge (2006)	(156,018)
Deferred Tax Charge (2007)	(42,818)
Opening Balance per IFRS	(4,185,588)

GUARANTY TRUST BANK (GHANA) LIMITED

EXPLANATION OF TRANSITION TO IFRS (CONT'D)

Comparative Information: 31 December 2007

In Ghana Cedis	***Note***	**Previous GAAP**	**Effect of IFRS Transition**	**IFRS**
Interest Income	e	2,373,533	24,970	2,398,503
Interest Expense		(1,403,030)	-	(1,403,030)
Net Interest Income		970,503	24,970	995,473
Fee and Commission Income	f	1,023,714	(83,522)	940,192
Trading Income		-	319,433	319,433
Other Operating Income		327,561	(319,433)	8,128
Operating Income		2,321,778	(58,552)	2,263,226
Impairment Loss on Financial Assets		(378,797)	199,361	(179,436)
Personnel Expenses		-	(1,466,174)	(1,466,174)
Operating Lease Expense		-	(78,978)	(78,978)
Depreciation and Amortisation		-	(533,064)	(533,064)
Other Operating Expenses		(3,671,126)	2,120,292	(1,550,834)
Loss Before Income Tax		(1,728,145)	182,885	(1,545,260)
Income Tax Charge		-	(42,818)	(42,818)
Loss After Income Tax		(1,728,145)	140,067	(1,588,078)