

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(All amounts are expressed in thousands of cedis)

	Notes	<u>Year ended 31 December</u>			
		The Bank 2006	The Bank 2005	The Group 2006	The Group 2005
Interest income	1	126,499,353	98,704,830	127,079,872	98,881,687
Interest expense	2	(61,495,626)	(46,928,007)	(61,495,626)	(46,928,007)
Net interest income		65,003,727	51,776,823	65,584,246	51,953,680
Fee and commission income		13,254,249	6,598,534	18,311,002	12,092,996
Other operating income	3	3,052,376	490,802	3,069,431	672,472
Operating income		81,310,352	58,866,159	86,964,679	64,719,148
Operating expenses	4	(58,667,366)	(49,582,637)	(63,960,949)	(53,755,780)
Bad and doubtful debts expense	14	(6,338,391)	(1,617,948)	(6,338,391)	(1,617,948)
Operating profit		16,304,595	7,665,574	16,665,339	9,345,420
Other income	6	1,050,602	469,768	1,752,915	469,468
Profit before national reconstruction levy and tax		17,355,197	8,135,342	18,418,254	9,814,888
National reconstruction levy	7	(857,786)	(430,207)	(882,456)	(456,738)
Profit before tax		16,497,411	7,705,135	17,535,798	9,358,150
Income tax expense	8	(4,289,205)	(535,869)	(4,724,251)	(1,080,989)
Profit after tax transferred to consolidated income surplus account		<u>12,208,206</u>	<u>7,169,266</u>	<u>12,811,547</u>	<u>8,277,161</u>

CONSOLIDATED INCOME SURPLUS ACCOUNT

Balance at 1 January		296,285	9,591,029	6,729,093	14,915,942
Profit for the year		<u>12,208,206</u>	<u>7,169,266</u>	<u>12,811,547</u>	<u>8,277,161</u>
		12,504,491	16,760,295	19,540,640	23,193,103
Transfer to statutory reserve fund	27	(6,104,103)	(3,584,633)	(6,104,103)	(3,584,633)
Transfer to housing development assistance fund	29	(610,410)	(358,463)	(610,410)	(358,463)
Transfer to stated capital		-	(7,946,914)	-	(7,946,914)
Proposed dividend for the year	9	<u>(5,591,300)</u>	<u>(4,574,000)</u>	<u>(5,591,300)</u>	<u>(4,574,000)</u>
Balance at 31 December		<u>198,678</u>	<u>296,285</u>	<u>7,234,827</u>	<u>6,729,093</u>

The accounting policies and notes on pages 12 to 38 form an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

(All amounts are expressed in thousands of cedis)

Assets	Notes	At 31 December			
		The Bank 2006	The Bank 2005	The Group 2006	The Group 2005
Cash and balances with Bank of Ghana	10	68,648,623	19,495,573	68,650,470	19,495,573
Due from other banks	11	54,253,120	41,008,142	55,978,999	41,518,938
Government securities	12	216,960,353	253,283,538	221,392,862	255,015,976
Interest receivable and other assets	13	19,834,275	35,257,795	20,418,573	37,493,252
Loans and advances to customers	14	659,341,614	297,683,985	659,341,614	297,683,985
Investment securities	15	3,427,245	3,877,913	4,370,726	3,877,913
Other short-term investments	16	6,090,571	16,788,217	8,333,980	17,783,040
Investment in subsidiary and associated companies	17	5,344,992	3,344,992	1,244,992	2,244,992
Investment properties	18	-	-	1,575,914	1,734,567
Property and equipment	19	34,305,670	32,903,591	35,846,877	33,578,588
Tax	22	4,108,588	908,732	4,014,578	971,322
Total assets		1,072,315,051	704,552,478	1,081,169,585	711,398,146
Liabilities					
Customer deposits	20	554,761,676	280,262,315	554,761,676	280,262,315
Due to banks and other financial institutions		40,000,000	-	40,000,000	-
Interest payable and other liabilities	21	32,965,863	23,882,978	34,657,045	24,263,525
Deferred tax	23	2,106,763	2,058,063	2,077,525	2,090,376
Long-term bonds	24	263,108,092	284,891,519	263,108,092	284,891,519
Long-term loans	25	71,204,719	8,114,059	71,204,719	8,114,059
Total liabilities		964,147,113	599,208,934	965,809,057	599,621,794
Shareholders' funds					
Stated capital	26	70,252,387	70,252,387	70,252,387	70,252,387
Income surplus account		198,678	296,285	7,232,895	6,729,093
Statutory reserve fund	27	31,325,544	25,221,441	31,325,544	25,221,441
Capital surplus account	28	5,463,662	5,463,662	5,620,103	5,463,662
Housing development assistance fund	29	679,115	68,705	679,115	68,705
Share deals account	30	248,552	4,041,064	248,552	4,041,064
Total shareholders' funds		108,167,938	105,343,544	115,360,528	111,776,352
Total liabilities and shareholders' funds		1,072,315,051	704,552,478	1,081,169,585	711,398,146
Acceptance and guarantees	31	9,940,851	1,082,803	9,940,851	1,082,803

The consolidated financial statements on pages 8 to 38 were approved by the Board of Directors on 2007 and signed on its behalf by:

Chairman:

Managing Director:

CONSOLIDATED CASH FLOW STATEMENT

(All amounts are expressed in thousands of cedis)

	Notes	<u>Year ended 31 December</u>	
		2006	2005
Operating activities			
Net cash (used in)/generated from operations	35	(826,841)	80,985,466
Interest paid		(5,894,625)	(9,007,415)
Tax paid	22	<u>(7,780,358)</u>	<u>(2,137,741)</u>
Net cash (used in)/generated from operating activities		<u>(14,501,824)</u>	<u>69,840,310</u>
<u>Investing activities</u>			
Purchase of property and equipment	19	(10,805,212)	(7,384,235)
Proceeds from sale of property and equipment	19	115,564	1,247,853
Sale/(purchase) of government securities		28,190,249	(64,328,836)
Sale of other investments		9,449,060	20,266,284
Equity investments	15	(943,481)	(2,555,793)
Investment securities repayment	15	450,668	-
Proceeds from sale of investment property	18	1,001,550	-
Purchase of investment property	18	<u>(750,348)</u>	<u>(909,003)</u>
Net cash generated from/(used in) investing activities		<u>26,708,050</u>	<u>(53,663,730)</u>
Financing activities			
Dividend paid	9	(4,574,000)	(8,615,345)
<u>Redemption of bonds</u>	24	<u>(48,748,281)</u>	<u>(11,167,949)</u>
Loans repaid	25	(5,986,065)	(24,009,722)
Loan drawdown	25	69,076,725	-
Proceeds from the sale of shares in associate	17	-	152,735
Investment in HFC Brokerage	17	-	(1,000,000)
Purchase of treasury shares	30	(3,792,512)	-
Proceeds from share options exercised	37	<u>-</u>	<u>252,387</u>
Net cash generated from/(used in) financing activities		<u>5,975,867</u>	<u>(44,387,894)</u>
Increase/(decrease) in cash and cash equivalents		<u>18,182,093</u>	<u>(28,211,314)</u>
Movement in cash and cash equivalents			
At 1 January		70,807,404	99,018,718
Increase/(decrease) during the year		<u>18,182,093</u>	<u>(28,211,314)</u>
At 31 December	36	<u>88,989,497</u>	<u>70,807,404</u>

The accounting policies and notes on pages 12 to 38 form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(All amounts are expressed in thousands of Cedis)

The Group	Stated capital	Income surplus account	Statutory reserve fund	Capital surplus account	Housing development assistance fund	Share deals account	Total
Year ended 31 December 2006							
At 1 January	70,252,387	6,729,093	25,221,441	5,463,662	68,705	4,041,064	111,776,352
Net profit	-	12,811,547	-	-	-	-	12,811,547
Transfer to statutory reserve	-	(6,104,103)	6,104,103	-	-	-	-
Transfer to Housing development assistance fund	-	(610,410)	-	-	610,410	-	-
Share buy back	-	-	-	-	-	(3,792,512)	(3,792,512)
Proposed dividend	-	(5,591,300)	-	-	-	-	(5,591,300)
Issue of shares	-	-	-	-	-	-	-
At 31 December	<u>70,252,387</u>	<u>7,234,827</u>	<u>31,325,544</u>	<u>5,463,662</u>	<u>679,115</u>	<u>248,552</u>	<u>115,204,087</u>
Year ended 31 December 2005							
At 1 January	46,791,949	14,915,942	21,636,808	11,644,320	3,327,059	4,041,064	102,357,142
Net profit	-	8,277,161	-	-	-	-	8,277,161
Transfer to statutory reserve	-	(3,584,633)	3,584,633	-	-	-	-
Transfer to Housing development assistance fund	-	(358,463)	-	-	358,463	-	-
Revaluation of land and buildings	-	-	-	5,463,662	-	-	5,463,662
Transfer to stated capital	23,208,051	(7,946,914)	-	(11,644,320)	(3,616,817)	-	-
Proposed dividend	-	(4,574,000)	-	-	-	-	(4,574,000)
Issue of shares	<u>252,387</u>	-	-	-	-	-	<u>252,387</u>
At 31 December	<u>70,252,387</u>	<u>6,729,093</u>	<u>25,221,441</u>	<u>5,463,662</u>	<u>68,705</u>	<u>4,041,064</u>	<u>111,776,352</u>

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