

Independent Auditor's Report

to the members of Ghana Commercial Bank Limited

Report on the Financial Statements

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

Directors' Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement

of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Other Legal and Regulatory Requirements

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

Independent Auditor's Report

to the members of Ghana Commercial Bank Limited



We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit.

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

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

K P m G

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

27th March, 2013

Statements of comprehensive income for the year ended 31 December 2012

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

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

Statements of financial position

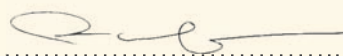
as at 31 December 2012

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

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



Chairman



Director

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

Statements of changes in equity

for the year ended 31 December 2012

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

Statements of changes in equity

for the year ended 31 December 2012

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

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

Statements of changes in equity

for the year ended 31 December 2012

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

Statements of changes in equity

for the year ended 31 December 2012

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

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

Statements of cash flows

for the year ended 31 December 2012

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

Statements of cash flows

for the year ended 31 December 2012

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

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