



**GHANA COMMERCIAL BANK LTD.**

**AUDITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**DECEMBER 31, 2010**

**GHANA COMMERCIAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR**  
**THE YEAR ENDED 31 DECEMBER, 2010**

|   | THE GROUP        |                  | THE BANK         |                  |
|---|------------------|------------------|------------------|------------------|
|   | 2010<br>GHS'000  | 2009<br>GHS'000  | 2010<br>GHS'000  | 2009<br>GHS'000  |
| Interest Income   | 387,483          | 266,019          | 387,483          | 266,019          |
| Interest Expense  | (103,195)        | (134,312)        | (103,195)        | (134,312)        |
| <b>Net Interest Income</b>  | <b>284,288</b>   | <b>131,707</b>   | <b>284,288</b>   | <b>131,707</b>   |
| Fees and Commission Income  | 48,561           | 56,636           | 48,561           | 56,635           |
| Fees and Commission Expense   | (2,765)          | (813)            | (2,765)          | (813)            |
| <b>Net Fees and Commission Income</b>   | <b>45,796</b>    | <b>55,823</b>    | <b>45,795</b>    | <b>55,823</b>    |
| Net Trading (Expense)/Income  | (3,091)          | 10,501           | (3,091)          | 10,501           |
| Other Income  | 3,805            | 4,463            | 2,207            | 2,983            |
|   | 714              | 14,964           | (884)            | 13,484           |
| <b>Total Income</b>   | <b>330,798</b>   | <b>202,494</b>   | <b>329,200</b>   | <b>201,014</b>   |
| Impairment Charge on Loans & Advances   | (70,931)         | (36,675)         | (70,931)         | (36,675)         |
| <b>Net Income</b>   | <b>259,867</b>   | <b>165,819</b>   | <b>258,269</b>   | <b>164,339</b>   |
| <b>Operating Expenses</b>   | <b>(168,554)</b> | <b>(140,658)</b> | <b>(167,913)</b> | <b>(140,194)</b> |
| <b>Profit Before Exceptional item</b>   | <b>91,313</b>    | <b>25,161</b>    | <b>90,356</b>    | <b>24,145</b>    |
| Exceptional Item  | 0                | (4,522)          | 0                | (4,522)          |
| <b>Profit Before Taxation</b>   | <b>91,313</b>    | <b>20,639</b>    | <b>90,356</b>    | <b>19,623</b>    |
| Taxation  | (35,211)         | (1,786)          | (34,924)         | (1,506)          |
| <b>Profit After Tax Attributable to Equity Holders<br/>of the Bank Transferred to Retained Earnings</b> | <b>56,102</b>    | <b>18,853</b>    | <b>55,432</b>    | <b>18,117</b>    |
| <b>OTHER COMPREHENSIVE INCOME</b>   |                  |                  |                  |                  |
| Net charge in Fair Value of Other Securities<br>(Financial Assets Available for Sale)                   | 307              | (7,261)          | 320              | (7,250)          |
| <b>Total Comprehensive Income for the year</b>  | <b>56,409</b>    | <b>11,592</b>    | <b>55,752</b>    | <b>10,867</b>    |
| <b>BASIC AND DILUTED EARNINGS PER SHARE (GHS)</b>   | <b>0.212</b>     | <b>0.071</b>     | <b>0.209</b>     | <b>0.068</b>     |

**GHANA COMMERCIAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT**  
**31 DECEMBER, 2010**

|   | <b>THE GROUP</b>       |                        | <b>THE BANK</b>        |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | <b>2010</b><br>GHS'000 | <b>2009</b><br>GHS'000 | <b>2010</b><br>GHS'000 | <b>2009</b><br>GHS'000 |
| <b>Assets</b>                                     |                        |                        |                        |                        |
| Cash and Balances with Bank of Ghana              | 328,737                | 149,406                | 325,566                | 147,103                |
| Due From Banks and Financial Institutions         | 231,515                | 186,307                | 231,515                | 186,307                |
| Short-Term Investments                            | 452,525                | 106,784                | 451,596                | 105,857                |
| Medium-Term Investments                           | -                      | 110,000                | -                      | 110,000                |
| Loans and Advances To Customers                   | 1,003,682              | 1,265,517              | 1,003,682              | 1,265,517              |
| Investment In Subsidiary                          | 0                      | 0                      | 1                      | 1                      |
| Investment In Other Securities                    | 10,152                 | 10,627                 | 7,824                  | 8,287                  |
| Deferred Tax Asset                                | 3,284                  | 8,527                  | 3,284                  | 8,527                  |
| Other Assets                                      | 28,925                 | 35,842                 | 28,855                 | 35,829                 |
| Property, Plant & Equipment                       | 54,002                 | 49,655                 | 54,002                 | 49,655                 |
| <b>Total Assets</b>                               | <b>2,112,822</b>       | <b>1,922,666</b>       | <b>2,106,325</b>       | <b>1,917,083</b>       |
| <b>Liabilities</b>                                |                        |                        |                        |                        |
| Customer Deposits                                 | 1,575,281              | 1,259,470              | 1,575,281              | 1,259,470              |
| Accruals and Other Liabilities                    | 182,418                | 121,671                | 181,574                | 120,947                |
| Current Tax Liabilities                           | 31,580                 | 6,282                  | 31,196                 | 6,034                  |
| Borrowings  | 73,125                 | 331,800                | 73,125                 | 331,800                |
| <b>Total Liabilities</b>                          | <b>1,862,404</b>       | <b>1,719,223</b>       | <b>1,861,176</b>       | <b>1,718,252</b>       |
| <b>SHAREHOLDERS' FUND</b>                         |                        |                        |                        |                        |
| Stated Capital                                    | 72,000                 | 72,000                 | 72,000                 | 72,000                 |
| Capital Surplus                                   | 1,652                  | 1,345                  | 813                    | 493                    |
| Retained Earnings                                 | 83,758                 | 49,510                 | 80,235                 | 46,489                 |
| Regulatory Credit Reserve Fund                    | 42,147                 | 43,753                 | 42,147                 | 43,753                 |
| Statutory Reserve Fund                            | 50,861                 | 36,835                 | 49,954                 | 36,096                 |
| Share Holders Fund                                | 250,418                | 203,443                | 245,149                | 198,831                |
| <b>Total Liabilities &amp; Shareholders' Fund</b> | <b>2,112,822</b>       | <b>1,922,666</b>       | <b>2,106,325</b>       | <b>1,917,083</b>       |

**GHANA COMMERCIAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER, 2010**

| <b>GROUP</b>                               | <b>Capital<br/>Surplus<br/>Account</b> | <b>Retained<br/>Earnings<br/>Account</b> | <b>Regulatory<br/>Credit Risk<br/>Reserve</b> | <b>Statutory<br/>Reserve<br/>Fund</b> | <b>Total</b>         |                       |
|--|--|--|---|---------------------------------------|----------------------|-----------------------|
| <b>2010</b>                                | <b>Stated Capital</b>                  |  |   |                                       |                      |                       |
|  | GHS'000                                | GHS'000                                  | GHS'000                                       | GHS'000                               | GHS'000              |                       |
| <b>Balance at 1 January 2010</b>           | 72,000                                 | 1,345                                    | 49,510  | 43,753                                | 36,835               | 203,443               |
| Net profit for the year                    | 0                                      | 0  | 56,102  | 0                                     | 0                    | 56,102                |
| Changes in fair value of shares            | 0                                      | 307                                      | 0   | 0                                     | 0                    | 307                   |
| <b>Total Comprehensive Income</b>          | <u>0</u>                               | <u>307</u>                               | <u>56,102</u>                                 | <u>0</u>                              | <u>0</u>             | <u>56,409</u>         |
| Transfer to Statutory Reserve              | 0                                      | 0  | (14,026)                                      | 0                                     | 14,026               | 0                     |
| Transfer to Regulatory Credit Risk Reserve | 0                                      | 0  | 1,606   | (1,606)                               | 0                    | 0                     |
| Dividend Paid                              | 0                                      | 0  | (9,434)                                       | 0                                     | 0                    | (9,434)               |
| <b>Balance as at 31 December 2010</b>      | <u><b>72,000</b></u>                   | <u><b>1,652</b></u>                      | <u><b>83,758</b></u>                          | <u><b>42,147</b></u>                  | <u><b>50,861</b></u> | <u><b>250,418</b></u> |
| <b>BANK</b>                                |  |  |   |                                       |                      |                       |
| <b>2010</b>                                |  |  |   |                                       |                      |                       |
| <b>Balance at 1 January 2010</b>           | 72,000                                 | 493                                      | 46,489  | 43,753                                | 36,096               | 198,831               |
| Net profit for the year                    | 0                                      | 0  | 55,432  | 0                                     | 0                    | 55,432                |
| Changes in fair value of shares            | 0                                      | 320                                      | 0   | 0                                     | 0                    | 320                   |
| <b>Total Comprehensive Income</b>          | <u>0</u>                               | <u>320</u>                               | <u>55,432</u>                                 | <u>0</u>                              | <u>0</u>             | <u>55,752</u>         |
| Transfer to Statutory Reserve              | 0                                      | 0  | (13,858)                                      | 0                                     | 13,858               | 0                     |
| Transfer to Regulatory Credit Risk Reserve | 0                                      | 0  | 1,606   | (1,606)                               | 0                    | 0.048                 |
| Dividend Paid                              | 0                                      | 0  | (9,434)                                       | 0                                     | 0                    | (9,434)               |
| <b>Balance as at 31 December 2010</b>      | <u><b>72,000</b></u>                   | <u><b>813</b></u>                        | <u><b>80,235</b></u>                          | <u><b>42,147</b></u>                  | <u><b>49,954</b></u> | <u><b>245,149</b></u> |

**GHANA COMMERCIAL BANK LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS FOR**  
**THE YEAR ENDED 31 DECEMBER, 2010**

|   | <b>THE GROUP</b>        |                         | <b>THE BANK</b>         |                         |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
|   | <b>2010<br/>GH¢'000</b> | <b>2009<br/>GH¢'000</b> | <b>2010<br/>GH¢'000</b> | <b>2009<br/>GH¢'000</b> |
| <b>Cash Flows from Operating Activities</b>                   |                         |                         |                         |                         |
| Net Profit Before Tax   | 91,313                  | 20,640                  | 90,356                  | 19,623                  |
| <b>Ajustments for:</b>  |                         |                         |                         |                         |
| Dividend Received   | (2,828)                 | (3,166)                 | (1,526)                 | (1,857)                 |
| Depreciation Charge   | 8,128                   | 7,798                   | 8,128                   | 7,798                   |
| Impairment Charge on Loans & Advances                         | 70,931                  | 36,675                  | 70,931                  | 36,675                  |
| Profit on Sale of Property, Plant & Equipment                 | (270)                   | (52)                    | (270)                   | (52)                    |
| <b>Operating Profit Before Working Capital Changes</b>        | <b>167,274</b>          | <b>61,895</b>           | <b>167,619</b>          | <b>62,187</b>           |
| Increase In Investments                                       | (103,757)               | (158)                   | (103,765)               | (458)                   |
| Decrease/(Increase) In Loans and Advances to Customers        | 190,903                 | (215,073)               | 190,903                 | (215,073)               |
| (Decrease)/Increase In Other Assets                           | 6,917                   | (22,291)                | 6,974                   | (22,352)                |
| Increase In Customers Deposits                                | 315,811                 | 229,364                 | 315,811                 | 229,364                 |
| Increase/(Decrease) In Int. Payable & Other Liabilities       | 23,188                  | (71,665)                | 23,148                  | (71,924)                |
| (Decrease)/Increase In Borrowings                             | (258,675)               | 214,500                 | (258,675)               | 214,500                 |
| Decrease In Bal. Due To Other Banks                           | -                       | (91,338)                | -                       | (91,338)                |
| Cash Generated From Operations                                | 341,661                 | 105,234                 | 342,015                 | 104,906                 |
| Tax Paid  | (104)                   | (12,110)                | -                       | (12,004)                |
| <b>Net Cash Inflow From Operating Activities</b>              | <b>341,557</b>          | <b>93,124</b>           | <b>342,015</b>          | <b>92,902</b>           |
| <b>Cash Flows From Investing Activities</b>                   |                         |                         |                         |                         |
| Purchase Of Property, Plant & Equipment                       | (12,531)                | (16,371)                | (12,531)                | (16,370)                |
| Decrease/(Increase) in Available for Sale Financial Assets    | 167                     | (83)                    | 143                     | (83)                    |
| Proceeds On Sale Of Property, Plant & Equipment               | 326                     | 55                      | 326                     | 55                      |
| Dividend Received From Investments                            | 2,828                   | 3,166                   | 1,526                   | 1,857                   |
| <b>Net Cash Used In Investing Activities Before Financing</b> | <b>(9,210)</b>          | <b>(13,233)</b>         | <b>(10,536)</b>         | <b>(14,541)</b>         |
| <b>Cash flows from financing activities</b>                   |                         |                         |                         |                         |
| Dividends Paid  | (9,434)                 | (15,900)                | (9,434)                 | (15,900)                |
| <b>Net cash inflow from financing activities</b>              | <b>(9,434)</b>          | <b>(15,900)</b>         | <b>(9,434)</b>          | <b>(15,900)</b>         |
| <b>Net increase in cash and cash equivalents</b>              | <b>322,913</b>          | <b>63,991</b>           | <b>322,045</b>          | <b>62,461</b>           |
| <b>Cash and cash equivalents at beginning of the year</b>     | <b>369,322</b>          | <b>305,331</b>          | <b>367,009</b>          | <b>304,548</b>          |
| <b>Cash and cash equivalents at end of the year</b>           | <b>692,235</b>          | <b>369,322</b>          | <b>689,054</b>          | <b>367,009</b>          |
| <b>Analysis Of Cash &amp; Cash Equivalents</b>                |                         |                         |                         |                         |
| <b>Cash &amp; Balances With Bank Of Ghana</b>                 | <b>328,737</b>          | <b>149,406</b>          | <b>325,566</b>          | <b>147,103</b>          |
| <b>Treasury Bills</b>   | <b>131,983</b>          | <b>33,609</b>           | <b>131,973</b>          | <b>33,599</b>           |
| <b>Due From Other Banks and Financial Institutions</b>        | <b>231,515</b>          | <b>186,307</b>          | <b>231,515</b>          | <b>186,307</b>          |
|   | <b>692,235</b>          | <b>369,322</b>          | <b>689,054</b>          | <b>367,009</b>          |

**GHANA COMMERCIAL BANK LIMITED**

**APPROVAL OF THE FINANCIAL STATEMENTS**

The Audited Financial Statements were approved by the Board of Directors on Thursday, 24th February, 2011 and signed on its behalf by the Board Chairman and the Managing Director.

**PRYCE KOJO THOMPSON**  
**CHAIRMAN**

**SIMON DORNOO**  
**MANAGING DIRECTOR**