BANK OF AFRICA
Groupe BMCE BANK

FINANCIAL STATEMENTS AT 31 DECEMBER 2015

GHANA

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GHANA

Opening date: December 2011
Created in 1999: AMALBANK.

Integrated into BOA network in 2011.

Legal form
Limited Liability Company

Capital as at 31/12/2015
Ghana Cedis (GHS) 100.96 million

Company registration
C-74,833

Board of Directors as at 31/12/2015
Stephan ATA, Chairman
Amine BOUABID
Kobby ANDAH
Patrick ATA
Abdelkabir BENNANI
Vincent de BROUWER
John KLINOGO
Nana OWUSU-AFARI

Auditor
ERNST & YOUNG

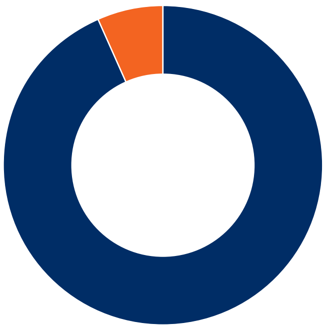
Registered office
C131/3, Farrar Avenue - Adabraka
P. O. Box C1541 - Cantonments
Accra - GHANA
Tel.: (233) 302 24 9690
Fax: (233) 302 24 9697

E-mail: <enquiries@boaghana.com>

Web site: www.boaghana.com

Principal Shareholders as at 31/12/2015

BOA WEST AFRICA	93,49 %
OTHER SHAREHOLDERS	6,51 %



Key features of the 2015 (Amount in GHS)

Activity	2015	Yearly* growth %
Deposits	625,592,038	14.13
Loans	387,493,948	14.46
Number of branches at the end of the financial year	23	8,6
Structure		
Total Assets	1,146,997,678	24.35
Shareholders' equity	138,580,692	25.34
Average number of employees	385	4.34

Capital Adequacy Ratio	
Tier 1	120,622,686
Tier 2	0
Risk Weighted Asset (RWA)	517,821,706
Tier 1 + Tier 2 / RWA (%)	23.29

(*) Yearly growth 2015-2014

Income

Net operating income	131,271,642	42.84
Operating expenses	62,175,978	21.86
Gross operating profit	39,541,194	42.22
Cost of risk (in value) (**)	29,554,470	126.05
Net income	27,519,164	-3.61
Operating ratio (%)	47.36	-8,16
Cost of risk (%)	8.14	4.28
Return on Assets (ROA %)	2.66	-1.01
Return on Equity (ROE %)	23.00	-10.04

(**) Including general provision

Financial Analysis

The bank recorded a profit after tax of GHS 27.52 million in 2015. We earned a total of GHS 39.54 million in Gross operating profit; representing 42.2% over 2014. This was attributable to strong performances on our keys revenue lines and strong cost controls executed throughout the year in the wake of a challenging economy.

Net Operating income grew from GHS 91.9 million in 2014 to GHS 131.27 million on the back of an expanded earning asset base of 22.2% relative to 2014. Net interest income went up as a result of earnings from Investments held in Treasury Bills and Corporate and Public service loans. Supported by improvements in Account Maintenance and Trade Services, Fees and commissions held up well, growing by 25.4% compared to 2014.

Operating cost went by 21.9% from GHS 51.02 million in 2014 to GHS 62.18 million. Inflationary pressures, hikes in utility prices and the sharp depreciation of the Cedi against our major trading currencies in the course of the year largely accounted for this. Our underlying cost efficiency ratio improved significantly from 55.5% in 2014 to 47.36%.

Balance sheet size went up relative to the previous year from GHS1, 146million to GHS 922.4 representing a growth of 24.35%. This growth was mainly funded by customer deposits and borrowings which increased by 14.13% and 45.3% to GHS 625.6 million and GHS 316.8 million respectively. Our balance sheet structure remains strong with 82% of Total assets in earning assets.

Net loans increased by 14.5% to GHS 387.5 million, up from prior year value of GHS 338.5 million. Our non-performing loans ratio, on an IFRS basis, was about 15% with a risk cover of 67%.

Customer deposits went up by 14.1% from GHS 548.2 million in 2014 to GHS 625.6 million. This was on the back of delivering on our deposit mobilization strategy. Our deposits mix did not significantly change throughout the year resulting in growth in our interest expenses by 3% compared to 2014.

The Bank's registered a return on equity of 23.0% and a return on assets of 2.7%. Shareholders' funds went up by 25.3% to GHS 138.58million mainly due to the profit earned in year 2015.

On capital adequacy, we continue to maintain an appreciable capital level to support our business operations as evidenced by a capital adequacy ratio of 23.29%, which is well above the regulatory requirement of 10% and provides ample cushion against potential shocks.

In terms of head count, we grew our staff strength by 4.3% from 369 in 2014 to 385. This was to cater for new branches and to fill up vacancies in the head office and existing branches.

In the bid to strengthen our Retail strategy we added one branch to our existing network bringing it to a total of twenty. We also refurbished eight existing branches across the country to meet the Group standard.

During the year, the Bank embarked on a strategy to improve its customer base. This led to an increase in the number of customers and accounts by 26.4% and 39% respectively.

Leveraging on the gains that we have made in over the past two years our bank is poised on delivering on its Retail strategy to have a paradigm shift to core banking activity in line with the Group strategy.

Corporate information

Directors

Directors	Position	Remarks
Stephan Ata	**Chairman**	
Nana Owusu-Afari	Member	
Dr. Patrick Ata	Member	
John Klinogo	Member	
Kobby Andah	Member	
Mohamed Bennani	Member	Resigned 1/09/2015
Amin Bouabid	Member	
Vincent De Brouwer	Member	
Abdelkabir Bennani	Member	

Board committees

Risk and Compliance committee

Dr. Patrick Ata	**Chairman**
Abdelkabir Bennani	Member
Vincent De Brouwer	Member
John Klinogo	Member
Kobby Andah	Member
Frederick Asanti-Awuku	Secretary

Audit committee

John Klinogo	**Chairman**
Vincent De Brouwer	Member
Nana Owusu-Afari	Member
Abdekabir Bennani	Member
George Otchere	Secretary

Recoveries committee

Dr. Patrick Ata	**Chairman**
Stephan Ata	Member
Nana Owusu-Afari	Member
Abdelkabir Bennani	Member
Kobby Andah	Member
Ras Manyo (Col Rtd)	Secretary

Remuneration committee

John Klinogo	**Chairman**
Dr Patrick Ata	Member
Abdekabir Bennani	Member
Kobby Andah	Member
Godwyll Ansah	Secretary

Company secretary

Godwyll Ansah
P. O. Box C 1541
Cantonments - Accra

Registered office

C 131/3 Farrar Avenue - Adabraka
P.O. Box C 1541
Cantonments – Accra

Auditors

Ernst & Young
Chartered Accountants
G15, White Avenue
Airport Residential Area
P. O. Box KA 16009
Airport, Accra

Bankers

Bank of Ghana, Ghana
Ghana International Bank, London
DZ Bank, Germany
Standard Chartered Bank, New York
Ghana Commercial Bank Limited, Ghana
Commerz Bank, Germany
Ecobank Nigeria
Deutsche Bank, New York
FBN UK, London
Standard Chartered Bank Ghana Limited
Bank of Beirut, Lebanon
Access Bank, London, UK
BMCE Bank International, Span
BNP Paribas Fortis
BOA Benin
BOA Cote D'Ivoire
BOA France
BOA Kenya
BOA Mali
BOA Niger
BOA Tanzania

Report of the Directors

To the members of BANK OF AFRICA - GHANA Limited

The Directors have the pleasure in presenting their report and the audited financial statements for the year ended 31 December 2015.

Statement of directors' responsibilities

The Bank's Directors are responsible under the Companies Act, 1963 (Act 179) and the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) for the preparation of the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit and loss and cash flows for that year. In preparing these financial statements, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are reasonable and prudent; stated whether applicable accounting standards have been followed, disclosed and explained in the financial statements; prepared the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business and that the financial statement is prepared in accordance with International Financial Reporting Standards.

The Directors are responsible for ensuring that the company keeps proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company. The Directors are also responsible for safeguarding the assets of the Company and taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities

The principal activities carried out by the Bank during the year under review are within the limits permitted by its regulations which continued to be banking and finance. These represent no change from the activities carried out in the previous year.

Operational results

The results of operations for the year ended 31 December 2015 are set out in the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows together with notes to the financial statements.

Activities

OPERATIONAL RESULTS	2015 (IN GH¢)	2014 (IN GH¢)
PROFIT/(LOSS) BEFORE TAXATION	39,541,194	27,802,772
INCOME TAX EXPENSE	(3,969,085)	(441,454)
NATIONAL FISCAL STABILIZATION LEVY	(1,977,060)	(1,390,138)
DEFERRED TAX	(6,075,885)	2,580,091
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	27,519,164	28,551,271
OTHER COMPREHENSIVE (LOSS)/INCOME	494,552	(631,070)
TOTAL COMPREHENSIVE INCOME/(LOSS)	28,013,716	27,920,201

The bank made a profit after tax of GH¢27,519,164 as compared to GH¢28,551,271 in 2014. The total assets of the bank increased from GH¢922,396,403 in 2014 to GH¢1,146,997,678 in 2015, a growth of about 24% as at 31 December 2015. This was however less than the growth rate of 33% achieved last year.

Dividend

The directors do not recommend the payment of dividends.

Auditors

Ernst & Young, having indicated their willingness, continue in office pursuant to Section 134 (5) of the Companies Act, 1963 (Act 179).

Directors

The present list of members of the board is shown on page 1.

Signed on behalf of the board by:

Kobby Andah
Director
Accra - Ghana, 29th March, 2016

Independent auditor's report

To the members of BANK OF AFRICA - GHANA limited

Report on the financial statements

We have audited the accompanying financial statements of BANK OF AFRICA - GHANA Limited as set out on pages 7 to 78, which comprise the statement of financial position as at 31 December 2015, statement of profit or loss and other comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 controls 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 controls 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 controls. 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 present fairly, in all material respects, the financial position of BANK OF AFRICA - GHANA Limited as at 31 December 2015 and of 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 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

The Companies Act 1963, (Act 179) requires that in carrying out our audit we consider and report on the following matters. We confirm that:

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

ii. In our opinion, proper books of account have been kept by the company, so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from branches not visited by us; and

iii. The balance sheet (statement of financial position) and the profit and loss account (profit or loss section of the statement of comprehensive income) of the company are in agreement with the books of account.

The Banking Act 2004 (Act 673), Section 78 (2), requires that we state certain matters in our report. We hereby state that;

i. The accounts give a true and fair view of the state of affairs of the bank and its results for the period under review;

ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;

iii. the banks' transactions are within its powers; and

iv. the bank has generally complied with the provisions in the Banking Act 2004 (Act 673) and the Banking (Amendment) Act 2007 (Act 738).

Signed by **Pamela Des Bordes (ICAG\P\1329)**
For and on behalf of Ernst & Young (ICAG/F/2016/126)
Chartered Accountants
Accra, Ghana
Accra - Ghana, 29th March, 2016

Financial Statements

For the year ended 31 december 2015

Statement of Comprehensive Income as at 31 December 2015

	NOTE	2015	2014
		GH¢	GH¢
INTEREST INCOME	8	115,920,431	88,030,141
INTEREST EXPENSE	9	(31,566,986)	(30,713,163)
NET INTEREST INCOME		84,353,445	57,316,978
FEES AND COMMISSION INCOME	10 (A)	19,081,634	14,895,207
FEES AND COMMISSION EXPENSES	10 (B)	(1,625,291)	(979,123)
NET FEE AND COMMISSION INCOME		17,456,343	13,916,084
NET TRADING INCOME		101,809,788	71,233,062
OTHER INCOME	12	42,374,360	19,541,313
FAIR VALUE (LOSS)/GAIN ON FINANCIAL INSTRUMENTS			
THROUGH PROFIT OR LOSS	23	(12,912,506)	1,124,194
OPERATING INCOME		131,271,642	91,898,569
OPERATING EXPENSES	13	(62,175,978)	(51,021,754)
IMPAIRMENT CHARGES ON LOANS AND ADVANCES	21 (C)	(29,554,470)	(13,074,043)
PROFIT/(LOSS) BEFORE TAXATION		39,541,194	27,802,772
INCOME TAX EXPENSE	15 (A)	(10,044,970)	2,138,637
NATIONAL FISCAL STABILIZATION LEVY	15 (D)	(1,977,060)	(1,390,138)
PROFIT FOR THE YEAR		27,519,164	28,551,271
OTHER COMPREHENSIVE INCOME			
ITEMS THAT WILL SUBSEQUENTLY BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS (NET OF TAX):			
NET GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENTS (NET OF TAX)	16	494,552	(631,070)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		28,013,716	27,920,201
EARNINGS PER SHARE			
BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE	17	0.276	0.286

Statement of Financial Position as at 31 December 2015

	NOTE	2015	2014
		GH¢	GH¢
ASSETS			
CASH AND BALANCES WITH BANK OF GHANA	18	130,520,730	72,853,855
INVESTMENT IN GOVERNMENT SECURITIES;			
- AVAILABLE-FOR-SALE INVESTMENTS	19A	170,708,861	84,647,661
- HELD TO MATURITY INVESTMENTS	19B	173,908,125	17,518,128
- AVAILABLE FOR SALE PLEDGED AS COLLATERAL	19C	47,886,595	95,527,869
- HELD TO MATURITY PLEDGED AS COLLATERAL	19D	46,948,850	-
DERIVATIVE FINANCIAL ASSETS HELD FOR TRADING	23	8,217,328	1,124,194
DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS	20	113,875,359	233,620,371
LOANS AND ADVANCES TO CUSTOMERS (NET)	21 (A)	387,493,948	338,549,441
OTHER ASSETS	22	49,432,296	58,858,410
CURRENT INCOME TAX ASSET	15 (D)	1,361,769	756,818
PROPERTY, PLANT AND EQUIPMENT	24	8,839,711	7,134,720
INTANGIBLE ASSETS	25	693,904	1,838,941
OPERATING LEASE PREPAID	26	410,202	450,163
INVESTMENT PROPERTY	27	6,700,000	6,700,000
DEFERRED TAX ASSETS	15 (C)	-	2,815,832
TOTAL ASSETS		1,146,997,678	922,396,403
LIABILITIES			
CUSTOMER DEPOSITS	28	625,592,038	548,160,852
DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	29	55,748,441	13,486,910
ACCOUNTS PAYABLE AND OTHER LIABILITIES	30	41,431,338	45,621,023
BORROWINGS	31	261,098,067	204,560,642
DERIVATIVE FINANCIAL LIABILITIES HELD FOR TRADING	23	21,129,834	-
DEFERRED TAX LIABILITIES	15(C)	3,417,268	-
TOTAL LIABILITIES		1,008,416,986	811,829,427
CAPITAL RESOURCES			
STATED CAPITAL	32	100,960,828	100,960,828
RETAINED EARNINGS		(29,746,898)	(48,570,482)
AVAILABLE FOR SALE RESERVE		76,227	(418,325)
CREDIT RISK RESERVE		30,396,925	35,460,927
STATUTORY RESERVE		36,893,610	23,134,028
SHAREHOLDERS' FUNDS		138,580,692	110,566,976
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		1,146,997,678	922,396,403

The financial statements on pages 1 to 78 were approved by the board of directors on and were signed on its behalf by:

Kobby Andah
Director
Accra - Ghana, 29th March, 2016

Stephan Ata
Director
Accra - Ghana, 29th March, 2016

Statement of Changes in Equity for the year ended 31 December 2015

	STATED CAPITAL	RETAINED EARNINGS	CREDIT RISK RESERVE	STATUTORY RESERVE	AVAILABLE FOR SALE RESERVE	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
AT 1 JANUARY 2015	100,960,828	(48,570,482)	35,460,927	23,134,028	(418,325)	110,566,976
PROFIT FOR THE YEAR		27,519,164	-	-	-	27,519,164
OTHER COMPREHENSIVE INCOME	-	-	-	-	494,552	494,552
TOTAL COMPREHENSIVE INCOME	-	27,519,164	-	-	494,552	28,013,716
TRANSFER FROM CREDIT RESERVE	-	5,064,002	(5,064,002)	-	-	-
TRANSFER TO STATUTORY RESERVE	-	(13,759,582)	-	13,759,582	-	-
AT 31 DECEMBER 2015	100,960,828	(29,746,898)	30,396,925	36,893,610	76,227	138,580,692
2014						
AT 1 JANUARY 2014	100,960,828	(55,046,846)	27,661,656	8,858,392	212,745	82,646,775
PROFIT FOR THE YEAR	-	28,551,271	-	-	-	28,551,271
OTHER COMPREHENSIVE INCOME	-	-	-	-	(631,070)	(631,070)
TOTAL COMPREHENSIVE INCOME	-	28,551,271	-	-	(631,070)	27,920,201
TRANSFER TO CREDIT RESERVE	-	(7,799,271)	7,799,271	-	-	-
TRANSFER TO STATUTORY RESERVE	-	(14,275,636)	-	14,275,636	-	-
AT 31 DECEMBER 2014	100,960,828	(48,570,482)	35,460,927	23,134,028	(418,325)	110,566,976

Statement of cash flows for the year ended 31 december 2015

	NOTE	2015 GH¢	2014 GH¢
OPERATING ACTIVITIES			
CASH (UTILISED)/GENERATED FROM OPERATIONS	35 (A)	(220,486,911)	43,310,083
TAX PAID	15(D)	(6,551,096)	(1,628,107)
TOTAL		(227,038,007)	41,681,976
INVESTING ACTIVITIES			
PURCHASE OF PROPERTY AND EQUIPMENT	24 (A/B)	(4,454,840)	(2,445,181)
PURCHASE OF INTANGIBLE ASSETS	25	(274,923)	(1,171,203)
PURCHASE OF INVESTMENT PROPERTY		-	(6,700,000)
PROCEEDS FROM THE SALE OF PPE	24B	92,898	-
PROCEEDS FROM DISPOSAL OF OPERATING LEASE PREPAID	24C	-	1,887,825
NET CASH USED IN INVESTING ACTIVITIES		(4,636,865)	(8,428,559)
FINANCING ACTIVITIES			
ADDITIONAL BORROWINGS		94,204,298	114,841,503
BORROWINGS REPAID		(37,666,873)	(14,931,253)
NET CASH FLOWS FROM FINANCING ACTIVITIES		56,537,425	99,910,250
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(175,137,447)	133,163,667
NET FOREIGN EXCHANGE DIFFERENCE		76,714,664	47,935,996
CASH AND CASH EQUIVALENTS AT 1 JANUARY		256,519,804	75,420,141
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	35 (B)	158,097,021	256,519,804

OPERATIONAL CASH FLOWS FROM INTEREST	2015	2014
INTEREST RECEIVED	108,970,047	88,589,440
INTEREST PAID	31,406,727	32,159,377

Notes to the Financial Statements

For the year ended 31 December 2015

1. Reporting Entity

BANK OF AFRICA - GHANA Limited is a financial institution incorporated in Ghana. The registered office of the Bank is at 131/3 Farrar Avenue, Accra. The Bank operates under the Banking Act, 2004 [Act 673] and the Banking [Amendment] Act, 2007 [Act 738].

The Bank is a subsidiary of BANK OF AFRICA WEST AFRICA S.A. which is a holding company incorporated in Cote D'Iviore. It's ultimate parent is BANK OF AFRICA GROUP S.A. incorporated and based in Luxemburg with operating offices in Senegal, Mali and Benin.

2. Basis of Operation

2.1. Presentation of financial statements

The Bank presents its statement of financial position broadly in order of liquidity. Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position only when there is a current legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liability simultaneously. Income and expenses are not offset in the profit or loss unless required or permitted by any accounting standard or interpretation, and as specifically disclosed in the accounting policies of the bank.

The financial statements have been prepared in Ghana Cedi (GHC) and under the historical cost convention except for available for sale investments, investment properties, derivative financial assets/liabilities held for trading which have been measured at fair value.

2.2 Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board [IASB].

3. Significant accounting policies

3.1. Significant accounting judgements, estimates and assumptions

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures, as well as the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

In losses on loans and advances

The Bank reviews its individually significant loans and advances at each reporting date to assess whether an impairment loss should be recorded in the profit or loss. In particular, management's judgement is required in the estimation of the amount and timing of future cash flows when determining the impairment loss. These estimates are based on assumptions about a number of factors described in the next paragraph and actual results may differ, resulting in future changes to the allowance.

Loans and advances that have been assessed individually and found not to be impaired and all individually insignificant loans and advances are then assessed collectively in groups of assets with similar credit risk characteristics to determine whether provision should be made due to incurred loss events for which there is objective evidence, but the effects of which are not yet evident. The collective assessment takes account;

- historical loss experience in portfolios of similar credit risk characteristics (for example, by industry sector);
- the estimated period between impairment occurring and the loss being identified and evidenced by the establishment of an appropriate allowance against the individual loan; and
- Management's experienced judgement as to whether current economic and credit conditions are such that the actual level of inherent losses at the reporting date is likely to be greater or less than that suggested by historical experience.

The period between a loss occurring and its identification (emergence period) is estimated by management for each identified portfolio. The emergence period varies across products and are based on actual exposure and reviewed on an annual basis. In general, the periods used vary between three and 12 months; in exceptional cases, longer periods are warranted.

In terms of individual assessment, the trigger point for impairment is formal classification of an account as exhibiting serious financial problems and where any further deterioration is likely to lead to failure. For all loans that are considered individually significant, the Bank assesses on a case-by-case basis at each reporting date whether there is any objective evidence that a loan is impaired. For those loans where objective evidence of impairment exists, impairment losses are determined considering the following factors:

(i) significant financial difficulty of the issuer or obligor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Bank, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the Bank would not otherwise consider;

(iv) it becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

(v) the disappearance of an active market for that financial asset because of financial difficulties observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:

(a) adverse changes in the payment status of borrowers in the portfolio; and

(b) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The impairment loss on loans and advances is disclosed in more detail in Note 21a and 21d.

Impairment of available-for-sale investments

The Bank reviews its debt securities classified as available-for-sale investments at each reporting date to assess whether they are impaired. This requires similar judgement as applied to the individual assessment of loans and advances.

Deferred tax assets

Deferred tax assets are recognised in respect of tax losses to the extent that it is probable that future taxable profit will be available against which the losses can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits, together with future tax-planning strategies. Tax losses can be used indefinitely. See Note 15 for deferred tax assets disclosure.

Going concern

The Bank's management has made an assessment of its ability to continue as a going concern which assumes that it will be able to continue operation into the foreseeable future and will be able to realise its assets and discharge its liabilities in the normal course of business. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Fair value of financial instruments and investment properties

Where the fair values of financial assets and financial liabilities and investment properties recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The inputs to these models are derived from observable market data where possible, but if this is not available, judgement is required to establish fair values. The judgements include considerations of liquidity and model inputs such as volatility and discount rates, prepayment rates and default rate assumptions for asset-backed securities. The valuation of financial instruments is described in more detail in Note 45a.

Property, plant and equipment and Intangible asset

Critical judgments are utilised in determining amortisation rates and useful lives of these assets and in calculating the amount of interest to capitalise against projects in progress at the end of the period is described in more detail in Note 23 and 24.

3.2. Interest income and expense

Interest income and expense for all interest-bearing financial instruments, except for those classified as held for trading or designated as fair value through profit and loss are recognised within interest income and interest expense in the Statement of comprehensive income 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. Interest income includes interest on loans and advances and placements with other Banks, and is recognised in the period in which it is earned. Interest earned whilst holding available-for-sale and held to maturity financial investments are also reported as interest income.

3.3. Fees and commission

Unless included in the effective interest calculation, fees and commissions are recognised on an accruals basis when the service has been provided. Fees and commissions not integral to the effective interest arising from negotiating, or participating in the negotiation of a transaction from a third party, such as the acquisition of loans, shares or other securities or the purchase or sale of businesses, are recognised on completion of the underlying transaction. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts.

Commitment fees, together with related direct costs, for loan facilities where draw down is probable are deferred and recognised as an adjustment to the effective interest on the loan once drawn. Other commitment fees are recognised over the term of the facilities.

Loan syndication fees are recognised as revenue when the syndication has been completed and the Bank has retained no part of the loan package for itself or has retained a part at the same effective rate as the other participants.

3.4. Computer software development costs

Generally, costs associated with developing computer software programmes are recognised as an expense when incurred. However, costs that is clearly associated with an identifiable and unique product which will be controlled by the Bank and has a probable economic benefit exceeding the cost beyond one year, are recognised as an intangible asset.

Expenditure which enhances and extends computer software programmes beyond their original specifications and useful lives is recognised as a capital improvement and added to the original costs of the software. Computer software development costs recognised as assets are stated at cost less amortisation. Amortisation is calculated on a straight line basis over a period of 5 years.

3.5. Foreign currencies

Transactions in foreign currencies are initially recorded by the Bank at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. The source of the Bank's exchange rates is the Ghana Association of Bankers as published on the Bank of Ghana Website.

3.6. Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment loss. Cost comprises the cost of acquisition and costs directly related to the acquisition up until the time when the asset is ready for use.

Replacement or major inspection costs are capitalised when incurred and if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

The depreciation base is determined as cost less any residual value. Depreciation is charged on a straight-line basis over the estimated useful lives of the assets and begins when the assets are ready for use.

The assets' residual values, and useful lives and method of depreciation are reviewed and adjusted, if appropriate, at each financial year end and adjusted prospectively, if appropriate.

Impairment reviews are performed when there are indicators that the carrying value may not be recoverable.

Impairment losses are recognised in profit and loss as an expense. The estimated depreciation rates of the major asset categories are:

CLASS OF ASSETS	
DEPRECIATION RATE	
BUILDING ON SHORT TERM LEASEHOLD LAND	OVER THE REMAINING PERIOD OF THE LEASE
COMPUTERS HARDWARE	25%-33.3%
MOTOR VEHICLES	20%-25%
OFFICE EQUIPMENT	15-20%
FURNITURE AND FITTINGS	15-20%

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

3.7. Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including the corresponding tax effect. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model of International Valuation Standards Committee.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Bank accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

3.8. Impairment of non-financial assets

Property, plant and equipment and intangible assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated. For the purpose of measuring recoverable amounts, assets are compared at the lowest levels for which there are separately identifiable cash-generating units (CGUs). The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use (being the present value of the expected future cash flows of the relevant asset or CGUs). An impairment loss is recognised in profit or loss for the amount by which the asset's carrying amount exceeds its recoverable amount.

The Bank evaluates impairment losses for potential reversals when events or circumstances may indicate such consideration is appropriate. The increased carrying amount of an asset or a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

3.9. Employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave accrued at the reporting date.

The Bank operates a defined contribution for its employees. The assets of these schemes are held in separate trustee administered funds. The schemes are funded by contributions from both the employees and employer. Benefits are paid to retiring staff in accordance with the scheme rules.

The Bank also contributes to the statutory Social Security and National Insurance Trust (SSNIT). This is a defined contribution scheme registered under the National Pensions Act, 2008 Act 766. The Bank's obligations under the scheme are limited to specific contributions legislated from time to time and are currently limited to a maximum of 13% of an employee's basic salary per month. The Bank's obligations to staff retirement benefit schemes are charged to profit or loss in the year to which they relate.

3.10. Taxation

Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date. Current income tax assets and liabilities also include adjustments for tax expected to be payable or recoverable in respect of previous periods.

Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Current tax and deferred tax relating to items recognised directly in equity are also recognised in equity and not in the profit or loss.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3.11. Leasing

The determination of whether an arrangement is a lease, or it contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Bank as a lessee

Leases that do not transfer to the bank substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they are incurred.

Bank as a Lessor

Leases where the bank does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

Contingent rents are recognised as revenue in the period in which they are earned.

3.12. Cash and cash equivalents

For the purposes of the statement of cashflows, cash equivalents include short term liquid investments which are readily convertible into known amounts of cash and which were within three months of maturity when acquired.

3.13. Financial assets and liabilities

All financial assets and liabilities are initially recognised on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place.

The classification of financial instruments at initial recognition depends on their purpose and characteristics and the management's intention in acquiring them. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial assets and financial liabilities.

On initial recognition, financial assets are classified into fair value through profit or loss, available-for-sale financial assets, held-to-maturity investments or loans and receivables.

Financial liabilities such as customer deposits, due to banks and other financial institutions and long term borrowings are measured at amortised cost, except for trading liabilities designated at fair value through profit or loss on initial recognition which are held at fair value. Purchases and sales of securities and other financial assets and trading liabilities are recognised on trade date, being the date that the Bank is committed to purchase or sell an asset.

Financial assets are derecognised when the contractual right to receive cash flows from those assets has expired or when the Bank has transferred its contractual right to receive the cash flows from the assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired.
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

• the Bank has transferred substantially all the risks and rewards of the asset, or

• the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Bank has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the asset is recognised to the extent of the Bank's continuing involvement in the asset. In that case, the Bank also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay.

Financial liabilities are derecognised when they are extinguished (ie when the obligation is discharged), cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

Financial instruments at fair value through profit or loss

Financial instruments are classified at fair value through profit or loss where they are trading securities or where they are designated at fair value through profit or loss by management.

Trading securities are debt securities and equity shares acquired principally for the purpose of selling in the short term or which are part of a portfolio which is managed for short-term gains. Such securities are classified as trading securities and recognised in the statement of financial position at their fair value. Gains and losses arising from changes in their fair value are recognised in the profit or loss within net operating income in the period in which they occur.

Other financial assets and liabilities at fair value through profit or loss are designated as such by management upon initial recognition. Such assets and liabilities are carried in the statement of financial position at their fair values and gains and losses arising from changes in fair are recognised in the profit or loss in the period in which they occur.

Derivatives recorded at fair value through profit or loss

The Bank uses derivatives such as currency swaps, Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in profit or loss.

Available-for-sale financial assets

Investments in Government Securities that are not classified as trading securities, at fair value through profit or loss, held-to-maturity investments or as loans and receivables are classified as available-for-sale financial assets and are recognised in the statement of financial position at their fair value. Available- for- sale financial assets are those intended to be held for an indeterminate period of time and may be sold in response to needs for liquidity or changes in interest rates or exchange rates. Gains and losses arising from changes in the fair value of investments classified as available -for- sale are recognised directly in other comprehensive income, until the financial asset is either sold, becomes impaired or matures, at which time the cumulative gain or loss previously recognised in other comprehensive income is recognised in profit or loss. Interest calculated using the effective interest method and foreign exchange gains and losses on debt securities denominated in foreign currencies are recognised in profit or loss.

For available-for-sale financial investments, the Bank assesses at each reporting date whether there is objective evidence that an investment is impaired. In the case of debt instruments classified as available-for-sale, the Bank assesses individually whether there is objective evidence of impairment based on the same criteria as financial assets carried at amortised cost.

However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss. Future interest income is based on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

The interest income is recorded as part of Interest income. If, in a subsequent period, the fair value of a debt instrument increases and the increase can be objectively related to a credit event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

Loans and receivables

Loans and receivables include loans and advances to banks and customers and eligible assets including those transferred into this category out of the fair value through profit or loss or available-for-sale financial assets categories. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the EIR method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

The EIR amortisation is included in finance income in profit or loss. Losses arising from impairment are recognised in the profit or loss in impairment losses on loans and advances.

Loans and receivables are initially recognised when cash is advanced to the borrowers at fair value inclusive of transaction costs or, for eligible assets transferred into this category, their fair value at the date of transfer. Financial assets classified as loans and receivables are accounted for at amortised cost using the effective interest method less provision for impairment.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity.

These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost, using the effective interest method, less any provision for impairment.

Deposits and balances due from banking institutions and loans and advances to customers

Financial assets, Deposits and balances due from banking institutions' and 'Loans and advances to customers' include non–derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- Those that the Bank intends to sell immediately or in the near term and those that the Bank, upon initial recognition, designates as at fair value through profit or loss
- Those that the Bank, upon initial recognition, designates as available-for-sale
- Those for which the Bank may not recover substantially all of its initial investment, other than because of credit deterioration.

After initial measurement, Deposits and balances due from banking institutions and Loans and advances to customers are subsequently measured at amortised cost using the EIR, less allowance for impairment.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are an integral part of the EIR. The amortisation is included in Interest income in profit or loss. The losses arising from impairment are recognised in profit or loss in impairment losses on loans and advances. The Bank may enter into certain lending commitments where the loan, on drawdown, is expected to be classified as held for trading because the intent is to sell the loans in the short term. Where the loan, on drawdown, is expected to be retained by the Bank, and not sold in the short term, the commitment is recorded only when it is an onerous contract that is likely to give rise to a loss (e.g., due to a counterparty credit event).

Impairment of financial assets at amortised cost

The Bank assesses at each reporting date, whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an incurred loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will not be able to honour their debt or enter into other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The bank considers evidence of impairment at both a specific asset and collective level. All individually significant financial assets are assessed for specific 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. Assets that are not individually significant are then collectively assessed for impairment together with financial assets with similar risk characteristics. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the profit or loss.

Interest income continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of Interest income.

Loans together with the associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised or has been transferred to the Bank. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write–off is later recovered, the recovery is credited to the 'Credit loss expense'.

The present value of the estimated future cash flows is discounted at the financial asset's original EIR. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current EIR. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purpose of a collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system, that considers credit risk characteristics such as asset type, industry, geographical location, collateral type, past–due status and other relevant factors.

Future cash flows on a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group.

Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Determining fair value

The Bank measures financial instruments, such as, available for sale financial assets at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Bank. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy disclosed in note 43.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, therefore, the related assets and liabilities are presented gross in the Statement of financial position. There has been no offsetting of financial instruments during the year.

3.14. Write offs

A loan or advance is normally written off, either partially or in full, against the related allowance when the proceeds from realising any available security have been received or there is no realistic prospect of recovery and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of impairment losses recorded in profit or loss for both secured and unsecured. Refer to impairment of financial assets for how the amount of impairment loss is measured.

3.15. Renegotiated loans

Loans that are either subject to collective or individual impairment and whose term has been renegotiated are initially put on a watch list for a minimum of six (6) months. Subject to the performance of the facility, it may be reclassified as a performing facility.

Renegotiating of loans involves extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms and the loan is no longer considered past due. Management continually reviews renegotiated loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original EIR.

3.16. Contingent liabilities

Contingent liabilities are possible obligations whose existence depends on the outcome of uncertain future events or those present obligations where the outflows of resources are uncertain or cannot be measured reliably. Contingent liabilities are not recognised in the financial statements but are disclosed unless they are remote.

3.17. Credit risk reserve

IAS 39 requires the Bank to recognise an impairment loss when there is objective evidence that loans and advances are impaired. However, the Bank of Ghana (BoG) prudential guidelines require the Bank to set aside amounts for impairment losses on loans and advances in addition to those losses that have been recognised under IAS 39. Any such amounts set aside represent appropriations of retained earnings and not expenses in determining profit or loss. These amounts are dealt with in the statutory credit reserve. The provision for this additional impairment amounts is to be made only when impairment amounts provided under IFRS rules is lower than the figure to be provided under BOG Prudential Guidelines.

3.18. Statutory reserve

This is an accumulation of transfers from profit for the year in accordance with section 29 of the Banking Act.

3.19. Financial guarantees

In the ordinary course of business, the bank gives financial guarantees, consisting of letters of credit and guarantees. Financial guarantees are initially recognised in the financial statements (within 'Other liabilities') at fair value. Subsequent to initial recognition, the bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in profit or loss, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability relating to financial guarantees is recorded in profit or loss. The premium received is recognised in profit or loss on a straight line basis over the life of the guarantee.

4. Standards Issued but not effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Bank's financial statements are disclosed below. The Bank intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. The Bank plans to adopt the new standard on the required effective date.

(a) Classification and measurement

The Bank does not expect a significant impact on its statement of financial position or equity on applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value. Investments held as available-for-sale with gains and losses recorded in OCI will be measured at fair value through profit or loss instead, which will increase volatility in recorded profit or loss. The AFS reserve currently in accumulated OCI will be reclassified to opening retained earnings. Debt securities are expected to be measured at fair value through OCI under IFRS 9 as the Bank expects not only to hold the assets to collect contractual cash flows but also to sell a significant amount on a relatively frequent basis. The Bank expects to apply the option to present fair value changes in OCI. If the Bank were not to apply that option, the investments would be held at fair value through profit or loss, which would increase the volatility of recorded profit or loss. The Bank is in the process of assessing the potential impact that the adoption of this standard and interpretations may have on its future financial performance or disclosures in the annual financial statements.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Bank expects that these will continue to be measured at amortised cost under IFRS 9. However, the Bank will analyse the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortised cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires the Bank to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Bank expects to apply the expected loss approach model. The Bank is in the process of assessing the potential impact that the adoption of this standard and interpretations may have on its future financial performance or disclosures in the annual financial statements.

(c) Hedge accounting

The Bank currently does not have hedge relationships. The Bank will assess possible changes related to the accounting for the time value of swaps, forward points or the currency basis spread in more detail in the future.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and OCI. The standard requires disclosure of the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. IFRS 14 is effective for annual periods beginning on or after 1 January 2016. Since the Bank is an existing IFRS preparer, this standard would not apply.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 January 2018. Early adoption is permitted. The Bank plans to adopt the new standard on the required effective date using the full retrospective method.

(a) Sale of goods

Contracts with customers in which equipment sale is the only performance obligation are not expected to have any impact on the Bank. The Bank expects the revenue recognition to occur at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) Rendering of services

The Bank receives income from fees and commissions for services rendered to banking clients. The Bank is in the process of assessing the potential impact that the adoption of this Standards and interpretations may have on its future financial performance or disclosures in the annual financial statements.

(c) Equipment received from customers

When an entity receives, or expects to receive, non-cash consideration, IFRS 15 requires that the fair value of the non-cash consideration is included in the transaction price. An entity would have to measure the fair value of the non-cash consideration in accordance with IFRS 13 Fair Value Measurement. This does not apply to the Bank.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation and are prospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bank.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

The amendments are effective prospectively for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Bank given that the Bank has not used a revenue-based method to depreciate its non-current assets.

Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants

The amendments change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government Grants and Disclosure of Government Assistance will apply. The amendments are retrospectively effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact to the Bank as the Bank does not have any bearer plants.

Amendments to IAS 27: Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. For first-time adopters of IFRS electing to use the equity method in its separate financial statements, they will be required to apply this method from the date of transition to IFRS. The amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments will not have any impact on the Bank's financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. These amendments must be applied prospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bank.

Annual Improvements 2012-2014 Cycle

These improvements are effective for annual periods beginning on or after 1 January 2016. They include:

IFRS 5 Non-current Assets Held for Sale and Discontinued Operations

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. The amendment clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5. This amendment must be applied prospectively.

IFRS 7 Financial Instruments: Disclosures

(i) Servicing contracts

The amendment clarifies that a servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 in order to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.

(ii) Applicability of the amendments to IFRS 7 to condensed interim financial statements

The amendment clarifies that the offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report. This amendment must be applied retrospectively.

IAS 19 Employee Benefits

The amendment clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used. This amendment must be applied prospectively.

IAS 34 Interim Financial Reporting

The amendment clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time. This amendment must be applied retrospectively. These amendments are not expected to have any impact on the Bank.

Amendments to IAS 1 Disclosure Initiative

The amendments to IAS 1 Presentation of Financial Statements clarify, rather than significantly change, existing IAS 1 requirements. The amendments clarify:

- The materiality requirements in IAS 1
- That specific line items in the statement(s) of profit or loss and OCI and the statement of financial position may be disaggregated
- That entities have flexibility as to the order in which they present the notes to financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. These amendments are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any significant impact on the Bank.

Amendments to IFRS 10, IFRS 12 and IAS 28 Investment Entities: Applying the Consolidation Exception

The amendments address issues that have arisen in applying the investment entities exception under IFRS 10. The amendments to IFRS 10 clarify that the exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value. Furthermore, the amendments to IFRS 10 clarify that only a subsidiary of an investment entity that is not an investment entity itself and that provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value. The amendments to IAS 28 allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries. These amendments must be applied retrospectively and are effective for annual periods beginning on or after 1 January 2016, with early adoption permitted. These amendments are not expected to have any impact on the Bank.

IFRS 16 Leases (IFRS 16 or the new standard)

In January 2016, the International Accounting Standards Board (IASB or Board) issued IFRS 16 Leases (IFRS 16 or the new standard), which requires lessees to recognise assets and liabilities for most leases. For lessors, there is little change to the existing accounting in IAS 17 Leases. The IASB issued its standard as part of a joint project with the Financial Accounting Standards Board (FASB). The FASB has not yet issued its new standard, but it is also expected to require lessees to recognise most leases on their balance sheets. However, the IASB and FASB made different decisions during deliberations, and differences between the two standards will exist (e.g., there would be a classification test for lessees under the FASB's standard). The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, IFRS 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as IFRS 16.

The adoption of IFRS 16 will have no effect on the recognition of the Bank's operating leases.

5. New and amended standards and interpretations

The Bank applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2015. The Bank has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The nature and the effect of these changes are disclosed below. Although these new standards and amendments applied for the first time in 2015, they did not have a material impact on the annual financial statements of the Bank. The nature and the impact of each new standard or amendment is described below:

Amendments to IAS 19 Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is effective for annual periods beginning on or after 1 July 2014. This amendment is not relevant to the Bank, since the Bank has no defined benefit plans with contributions from employees or third parties.

Annual Improvements 2010-2012 Cycle

With the exception of the improvement relating to IFRS 2 Share-based Payment applied to share-based payment transactions with a grant date on or after 1 July 2014, all other improvements are effective for accounting periods beginning on or after 1 July 2014. The Bank has applied these improvements for the first time in the financial statements. They include:

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions. The

Bank had not granted any awards. Thus, these amendments did not impact the Bank's financial statements or accounting policies.

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39. This amendment did not impact the Bank's accounting policy.

IFRS 8 Operating Segments

The amendments are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in paragraph 12 of IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities. This has no impact on the Banks financial statements.

IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data by either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying value and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. This amendment did not have any impact to the Bank.

IAS 24 Related Party Disclosures

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. This amendment is not relevant for the Bank as it does not receive any management services from other entities.

Annual Improvements 2011-2013 Cycle

These improvements are effective from 1 July 2014 and the Bank has applied these amendments for the first time in these financial statements. They include:

IFRS 3 Business Combinations

The amendment is applied prospectively and clarifies for the scope exceptions within IFRS 3 that:

- Joint arrangements, not just joint ventures, are outside the scope of IFRS 3
- This scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The Bank is not a joint arrangement, and thus this amendment is not relevant for the Bank.

IFRS 13 Fair Value Measurement

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IAS 39. The Bank does not apply the portfolio exception in IFRS 13.

IAS 40 Investment Property

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or a business combination. This amendment did not impact the accounting policy of the Bank.

6. Risk Management

Introduction and overview

Taking risk is core in the business of Banking. In the performing of its statutory duties, the Bank analyses, evaluates and assumes positions of taking calculated risks. The Bank's aim is therefore to achieve an appropriate balance between risk and return and minimize potential adverse effects on its financial performance. The most important types of risk faced by the Bank include:

- Credit Risk
- Liquidity Risk
- Market Risk (i.e. risk related to currency trading, interest rate and other price risk)
- Operational Risk
- Compliance Risk

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 a Risk and Compliance Committee for the management of risk in the Bank. The arm of the committee within management is the Risk Management Department which assists it in the discharge of this responsibility. 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.

Through the compliance department, the Bank ensures it complies with all prudential and regulatory guidelines in the pursuit of profitable Banking opportunities while avoiding excessive, unnecessary and uncontrollable risk exposures. Being an inherent feature in the business of the Bank, various mitigating measures are put in place to better manage risk.

All risk management policies are formulated at the board level through the Board Committee Risk and Compliance. 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 Risk and Compliance Committee is responsible among other things for authorising the scope of the risk management function and renewing and assessing the integrity of the risk control systems, ensuring that the risk policies and strategies are effectively managed.

Credit Risk

Credit risk is the risk of potential financial loss to the Bank if a customer or counter party 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 as well as investment securities. For risk management reporting purposes, the Bank considers and consolidates all elements of credit risk exposure.

Ageing analysis of past due but not impaired gross financial instruments

The following table provides an analysis of gross loans and advances to customers held at amortised cost which are past due but not considered impaired. There are no other significant balance sheet items where past due balances are not considered impaired.

	UP TO 90-DAYS	UP TO 180-DAYS	TOTAL
AS AT DECEMBER 2015	28,689,947	900,818	29,590,765
AS AT DECEMBER 2014	3,443,305	293,667	3,736,972

Management of Credit Risk

The Board Risk and Compliance Committee manages the risk of the Bank with the assistance of two management committee namely management, Credit Approval Committee and the Management Risk and Compliance Committee. While the Credit Approval Committee manages credit assessments and approvals, the Risk and Compliance Committee oversees the enterprise-wide risk of the Bank.

The Board Risk and Compliance Committee fundamentally:

- Sets out the nature, role, responsibility and authority of the risk management function within the Bank and outlines the scope of the risk
- Reviews and assesses the integrity of the risk control systems and ensures that the risk policies and strategies are effectively managed.
- Provides an independent and objective oversight and reviews the information presented by management and the Audit Committee to the board on financial, business and strategic risk issues.
- Adopts the principles of governance and codes of best practice.
- Reviews the decision of the Management Credit Approval Committee and Asset-Liability Management Committee (ALCO) on a quarterly basis, to determine the maximum mandate levels for the various credit sanctioning bodies.

The Purpose of the Board Risk and Compliance Committee is to:

- Oversee the credit risk function of the Bank to ensure a healthy credit portfolio
- Ensure that the Bank exercise due care in the use of credit authority.
- Approve/decline credit applications above country limit of the Management Credit Approval Committee.
- Sets and determines the Bank's credit policy and general risk climate of the Bank
- Review on regular basis the monitoring of policy compliance, compliance of portfolio against standards and recommend for appropriate action to be taken
- Ensure key triggers are kept under review and stress tests on the portfolio conducted whenever significant changes occur or are anticipated
- Agree portfolio targets, industry and credit grading concentrations
- Determine in tandem with ALCO, market and product pricing based on risk adjusted return
- Ensure compliance with regulatory requirements in credit delivery.

Maximum exposure to credit risk

	2015	2014
	GH¢	GH¢
ON-STATEMENT OF FINANCIAL POSITION ITEMS		
A) GOVERNMENT SECURITIES	439,452,431	197,693,658
B) DEPOSITS DUE FROM BANKING INSTITUTIONS:		
LOCAL	12,042,002	956,190
FOREIGN	101,833,357	232,664,181
TOTAL	113,875,359	233,620,371
C) LOANS AND ADVANCES TO CUSTOMERS:		
INDIVIDUALS:		
OVERDRAFT	4,159,127	4,137,302
TERM LOAN	48,097,890	20,123,801
TOTAL	52,267,017	24,261,103
CORPORATE ENTITIES:		
OVERDRAFT	112,243,596	70,904,315
TERM LOAN	233,374,491	256,475,314
TOTAL	345,618,087	327,379,629
GROSS LOANS AND ADVANCES (EXCLUDING SUSPENDED INTEREST)	397,875,104	351,640,732
D) OTHER ASSETS:		
INTER BANK CLEARING ITEMS	12,392,914	44,048,519
OTHERS	3,672,171	3,718,535
TOTAL	16,065,085	47,767,055
OFF STATEMENT OF FINANCIAL POSITION ITEMS		
LETTERS OF CREDIT	27,551,523	21,406,851
LETTERS OF GUARANTEE	81,602,588	39,661,298
TOTAL	109,154,111	61,068,149

The Bank doesn't perceive any significant credit risk on the following financial assets:

- Investments in Government securities and balances with the Central Bank of Ghana
- Deposits and balances due from banking institutions.
- Off statement of financial position items.

The table below represents the maximum credit risk exposure to the bank at 31 December 2015, and after taking into account provision for impairment.

2015 LOANS AND ADVANCES TO CUSTOMERS	GROSS AMOUNTS (EXCLUDING INTEREST IN SUSPENSE)	IMPAIRMENT ALLOWANCES	NET AMOUNTS	
	GH¢	GH¢	GH¢	%
PAST DUE AND IMPAIRED	60,461,238	10,381,156	50,080,082	15%
PAST DUE BUT NOT IMPAIRED	29,590,765	-	29,590,765	8%
NEITHER PAST DUE NOR IMPAIRED	307,823,101	-	307,823,101	77%
TOTAL	397,875,104	10,381,156	387,493,948	100%

2014 LOANS AND ADVANCES TO CUSTOMERS	GROSS AMOUNTS (EXCLUDING INTEREST IN SUSPENSE)	IMPAIRMENT ALLOWANCES	NET AMOUNTS	
	GH¢	GH¢	GH¢	%
PAST DUE AND IMPAIRED	72,125,451	13,091,291	59,034,160	21%
PAST DUE BUT NOT IMPAIRED	3,950,743		3,950,743	1%
NEITHER PAST DUE NOR IMPAIRED	275,564,538	-	275,564,538	78%
TOTAL	351,640,732	13,091,291	338,549,441	100%

Each business unit is required to implement the Bank's credit policies and procedures, with credit approval authorities delegated from the Board. Each business unit has a Relationship Officer who reports all credit related matters to Management Credit Committee on a monthly basis. There is also a Credit Risk and Monitoring Unit under the Risk department that continuously tracks and monitors the performance of each credit facility and prompts the Relationship Officers and Managers concern on all sticky accounts.

The non-performing loan (NPL) ratio at the end of year 2015 was 15% (2014:21%)

Impaired loans

Impaired loans and securities are loans and securities for which the Bank determines that it is probable it will be unable to collect all principal and interest due according to the contractual terms of the loan / security agreement(s). These loans are graded "Extreme" which is 9 -10 in the Bank's internal credit risk grading system.

Past due but not impaired loans

Past due but not impaired facilities are loans and advances 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.

Neither past due nor impaired

The Bank uses an internal rating system which contains 9 grades, representing the Bank's best estimate of credit risk for a counterparty based on the probability of default of a customer within the next 12 months in current economic environment or probability of default of a customer within the next 12 months but in a cycle neutral economic environment. The credit quality of neither past due nor impaired loans at 31 December 2015 is as follows:

DETAILS	2015	2014
	GH¢	GH¢
STRONG	202,860,629	183,100,204
GOOD	73,403,670	71,160,129
SATISFACTORY	31,558,802	21,304,205
TOTAL	307,823,101	275,564,538

Financial statement descriptions can be summarised as follows:

Strong – there is a very high likelihood of the asset being recovered in full

Good – whilst there is a high likelihood that the asset will be recovered and therefore, of no cause for concern to the Bank, the asset may not be collateralised, such as unsecured loans, which have been classified as good, regardless of the fact that the output of internal grading models may have indicated a higher classification. At a lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of some deterioration.

Satisfactory – there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. However, the borrower or counterparty is continuing to make payment when due and is expected to settle all outstanding amounts of principal and interest.

Loans with renegotiated terms

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Bank has made concessions that it would not otherwise consider. Once the loan is restructured it remains in this category independent of satisfactory performance after restructuring. Total amount of renegotiated loans during the year amounted to GH¢55,672,998 (2014: GH¢109,128,479).

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. The table shows the individual and collective impairment.

	2015	2014
	GH¢	GH¢
AT 31 DECEMBER		
INDIVIDUALLY IMPAIRED LOANS	9,149,247	12,103,356
COLLECTIVELY IMPAIRED LOANS	1,231,909	987,935
TOTAL	10,381,156	13,091,291

Write-off policy

The Bank writes off a loan / security balance (and any related allowances for impairment losses) when the Credit department determines that the loans are uncollectible. This determination is reached after considering information such as the occurrence of significant changes in the borrower's financial position such that the borrower 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 generally are based on a product specific past due status.

Collateral held

The bank holds collateral against loans and advances to customers in the form of cash, mortgage interests over property, other registered securities over assets, and guarantees. The collateral normally takes the form of a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities incurred by the customer. These collaterals cannot be sold or pledged while there is no default.

Collateral received in the form of securities is not recorded on the statement of financial position. Collateral received in the form of cash is recorded on the statement of financial position with a corresponding liability. These items are assigned to deposits received from banks or other counterparties. Any interest payable or receivable arising is recorded as interest expense or interest or income.

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.

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

LOANS AND ADVANCES TO CUSTOMERS	2015	2014
	GH¢	GH¢
AGAINST INDIVIDUALLY IMPAIRED	143,064,508	99,452,888
AGAINST PAST DUE BUT NOT IMPAIRED	71,400,492	6,925,770
AGAINST NEITHER PAST DUE NOR IMPAIRED	1,252,174,107	799,669,832
TOTAL	1,466,639,107	906,048,490

Concentrations of risk

The Bank monitors concentration of credit risk by sector. An analysis of concentrations of credit risk at the reporting date is shown below:

ADVANCES TO CUSTOMERS- GROSS

	2015		2014	
	GH¢	%	GH¢	%
AGRICULTURE	391,282	0.1%	1,298,518	0.37%
MANUFACTURING	34,143,843	8.58%	23,507,352	6.69%
COMMERCE & FINANCE	55,269,242	13.89%	73,956,868	21.03%
TRANSPORT & COMMUNICATIONS	9,032,264	2.27%	18,111,343	5.15%
MINING AND QUARRYING	11,047,865	2.78%	26,079,242	7.42%
BUILDING & CONSTRUCTION	85,253,399	21.43%	84,375,890	23.99%
SERVICES	41,114,065	10.33%	46,849,689	13.32%
ELECTRICITY, OIL, GAS, ENERGY AND WATER	107,042,794	26.90%	55,788,346	15.87%
OTHERS	54,580,350	13.72%	21,673,484	6.16%
TOTAL	397,875,104	100.00%	351,640,732	100.00%

Off statement of financial position items (letters of credit and guarantees)

	2015		2014	
	GH¢	%	GH¢	%
SOCIAL COMM. & PERSONAL SERV.	6,611,149	6.1%	167,792	0.3%
BUSINESS SERVICES	7,272,455	6.7%	11,429,129	18.7%
WHOLESALE AND RETAIL	27,691,042	25.4%	6,187,953	10.1%
TRANSPORT & COMMUNICATION	6,584,757	6.0%	3,308	0.0%
OTHER	49,631,812	45.5%	41,229,040	67.5%
MANUFACTURING	11,362,896	10.4%	2,050,928	3.4%
TOTAL	109,154,111	100.0%	61,068,150	100.0%

Settlement risk

The Bank's activities may give rise to risk at the time of settlement of transactions and trades. 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 trades requires transaction specific or counterparty specific approvals from the Bank's risk function.

Liquidity risk

Liquidity risk is the risk that the Bank will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset."

"Liquidity risk arises because of the possibility that the bank might be unable to meet its payment obligations when they fall due under both normal and stress circumstances.

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.

To limit this risk, the bank has developed internal control processes through its treasury department which 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 as a whole. The Bank also maintains a statutory deposit with the Central Bank of Ghana which is equal to 10% of customer deposits.

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 investments in government securities for which there is an active and liquid market less any deposits from banks, debt securities issued, other borrowings and commitments maturing within the next month. Details of the reported Bank ratio of net liquid assets to deposits and balances due to banking institutions and customer deposits at the reporting date and during the reporting period were as follows:

AT 31 DECEMBER	2015	2014
AVERAGE FOR THE PERIOD	10.00%	10.50%
MAXIMUM FOR THE PERIOD	10.00%	11.00%
MINIMUM FOR THE PERIOD	10.00%	10.00%
STATUTORY MINIMUM REQUIREMENT	10.00%	10.00%

Residual contractual maturities of financial liabilities

The table below presents the cash flows payable by the Bank under both derivative and non-derivative financial liabilities by the remaining contractual maturities at the statement of financial position date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Bank manages the inherent liquidity risk based on expected undiscounted inflows.

Maturity analysis of financial assets and financial liabilities

2015	CARRYING AMOUNT GH¢	UP TO 1 MONTH GH¢	1-3 MONTHS GH¢	3-12 MONTHS GH¢	1-5 YEARS GH¢	TOTAL GH¢
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	625,592,038	536,046,807	44,720,464	57,359,365	-	638,126,636
DEPOSITS AND BAL. DUE TO BANKING INST.	55,748,441	35,866,425	21,757,798	-	-	57,624,223
FINANCIAL LIABILITIES HELD FOR TRADING	21,129,834	-	-	25,534,705	-	25,534,705
BORROWINGS	261,098,067	-	42,390,036	230,253,646	-	72,643,682
OTHER LIABILITIES	41,431,338	3,742,139	7,998,092	-	31,543,166	43,283,397
TOTAL FINANCIAL LIABILITIES	1,004,999,718	575,655,371	116,866,390	313,147,716	31,543,166	1,037,212,643
FINANCIAL ASSETS						
CASH AND BAL. WITH CENTRAL BANK OF GHANA	130,520,730	130,520,730	-	-	-	30,520,730
INVESTMENT IN GOVERNMENT SECURITIES	439,452,431	41,117,432	-	414,811,820	7,422,095	463,351,347
FINANCIAL ASSETS HELD FOR TRADING	8,217,328			9,016,033		9,016,033
DEPOSITS AND BAL. DUE FROM BANKING INSTITUTIONS	37,328,193	37,328,193	-	-	-	37,328,193
LOANS AND ADVANCES TO CUSTOMERS (NET)	387,493,948	192,369,410	22,068,819	33,889,317	188,045,977	436,373,523
INTER-BANK PLACEMENTS	76,547,166	-	77,378,651	-	-	77,378,651
OTHER ASSETS	16,065,085	14,376,867	1,751,353	-	-	6,128,220
TOTAL FINANCIAL ASSETS	1,095,624,881	415,712,632	101,198,823	457,717,170	195,468,072	1,170,096,697
NET LIQUIDITY GAP	90,625,163	(159,942,739)	(15,667,567)	144,569,454	163,924,906	132,884,054
OFF BALANCE SHEET						
FINANCIAL GUARANTEE CONTRACT	81,602,588	1,193,410	40,117,400	24,488,252	21,055,406	86,854,468

2014

	CARRYING AMOUNT GH¢	UP TO 1 MONTH GH¢	1-3 MONTHS GH¢	3-12 MONTHS GH¢	1-5 YEARS GH¢	TOTAL GH¢
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	548,160,852	487,701,223	19,199,681	52,072,483	330,187	59,303,574
DEPOSITS AND BAL.						
DUE TO BANKING INST.	13,486,910	9,630,782	3,903,706	-	-	3,534,488
BORROWINGS	204,560,642	-	52,591,879	106,190,513	50,503,858	09,286,250
OTHER LIABILITIES	45,621,023	14,815,042	4,703,734	283,659	26,240,820	46,043,256
TOTAL FINANCIAL LIABILITIES	**811,829,427**	**512,147,047**	**80,399,000**	**158,546,655**	**77,074,865**	**828,167,568**
FINANCIAL ASSETS						
CASH AND BAL. WITH CENTRAL BANK OF GHANA	72,853,855	72,853,855	-	-	-	2,853,855
FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	1,124,195	-	3,356,000	-	3,356,000	-
INVESTMENT IN GOVERNMENT SECURITIES	197,693,658	-	73,583,027	128,215,665	19,516,863	221,315,554
DEPOSITS AND BAL. DUE FROM BANKING INSTITUTIONS	66,309,656	29,387,392	-	-	42,793,303	2,180,695
LOANS AND ADVANCES TO CUSTOMERS (NET)	338,549,441	63,794,480	6,274,679	44,339,836	265,079,128	79,488,123
INTER-BANK PLACEMENTS	167,310,715	68,599,075	112,527,266	-	-	181,126,341
OTHER ASSETS	47,767,055	45,446,262	2,368,223	124,364	-	47,938,849
TOTAL FINANCIAL ASSETS	**891,608,575**	**280,081,064**	**194,753,195**	**176,035,865**	**327,389,293**	**978,259,417**
NET LIQUIDITY GAP	**79,779,148**	**(232,065,983)**	**114,354,195**	**17,492,210**	**250,314,428**	**150,091,849**
OFF BALANCE SHEET						
FINANCIAL GUARANTEE CONTRACT	39,661,298	1,424,128	1,325,687	28,664,685	10,229,864	41,644,363

The balances in the above table will not agree directly to the balances in the statement of financial position as the table incorporates all cash flows (both principal and interest), on an undiscounted basis.

The previous table shows the undiscounted cash flows on the Bank's financial liabilities and unrecognised loan commitments on the basis of their earliest possible contractual maturity. The Bank's expected cash flows on these instruments vary significantly from this analysis. For example, demand deposits from customers are expected to maintain a stable or increasing balance; and unrecognised loan commitments are not all expected to be drawn down immediately. The gross nominal inflow/(outflow) disclosed in the previous table is the contractual, undiscounted cash flow on the financial liability or commitment.

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.

Management of market risks

Overall responsibility for management of market risk rests with Assets and Liabilities Committee (ALCO). The risk department is responsible for the development of detailed market risk management policies (subject to review and approval by ALCO) and for the day to day implementation of those policies.

(i) Interest rate risk

The Bank is exposed to the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The maturities of asset and liabilities and the ability to replace at an acceptable cost, interest-bearing liabilities as they mature, are important factors in assessing the Bank's exposure to changes in interest rates and liquidity.

Interest rates on advances to customers and other risk assets are pegged to the Bank's base lending rate. The base rate is adjusted from time to time to reflect the cost of funds.

The Assets and Liability Committee closely monitors the interest rate trends to minimize the potential adverse impact of interest rate changes.

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Bank. The Board sets limits on the level of mismatch of interest rate repricing and value at risk that may be undertaken, which is monitored daily by the Bank's Treasury.

The interest rate risks sensitivity analysis is based on the following assumptions.

- Changes in the market interest rates affect the interest income or expenses of variable interest financial instruments.
- Changes in market interest rates only affect interest income or expenses in relation to financial instruments with fixed interest rates if these are recognized at their fair value.
- The interest rate changes will have a significant effect on interest sensitive assets and liabilities and hence simulation modelling is applied to net interest margins.
- The interest rates of all maturities move by the same amount and, therefore, do not reflect the potential impact on net interest income of some rates changing while others remain unchanged.
- The projections make other assumptions including that all positions run to maturity.

The table below summarises the exposure to interest rate risks. Included in the table are the bank's assets and liabilities at carrying amounts, categorised by the earlier of contractual re pricing or maturity dates. The Bank does not bear an interest rate risk on off statement of financial position items.

2015

	LESS THAN 1 MONTH	1 MONTH LESS THAN 3 MONTHS	3 MONTHS LESS THAN 6 MONTHS	6 MONTHS LESS THAN 1 YEAR	1 YEAR LESS THAN 5 YEARS	TOTAL
FINANCIAL ASSETS						
INVESTMENT IN GOVERNMENT SECURITIES	40,257,143	-	3,336,129	127,115,589	-	170,708,861
LOANS AND ADVANCES TO CUSTOMERS (NET)	177,903,506	21,332,413	15,015,603	17,187,674	156,054,752	387,493,948
TOTAL FINANCIAL ASSETS	218,160,649	21,332,413	18,351,732	144,303,263	156,054,752	558,202,809
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	535,954,458	41,027,949	19,541,458	29,068,174	-	625,592,039
INTEREST RATE SENSITIVITY GAP	(317,793,809)	(19,695,536)	(1,189,726)	115,235,089	156,054,752	(67,389,230)

2014

	LESS THAN 1 MONTH	1 MONTH LESS THAN 3 MONTHS	3 MONTHS LESS THAN 6 MONTHS	6 MONTHS LESS THAN 1 YEAR	1 YEAR LESS THAN 5 YEARS	TOTAL
FINANCIAL ASSETS						
INVESTMENT IN GOVERNMENT SECURITIES	-	65,699,132	-	18,858,046	-	84,557,178
LOANS AND ADVANCES TO CUSTOMERS (NET)	65,175,943	8,912,845	15,158,918	22,738,378	226,563,357	338,549,441
TOTAL FINANCIAL ASSETS	65,175,943	74,611,977	15,158,918	41,596,424	226,563,357	423,106,619
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	487,701,223	17,454,256	31,349,214	11,656,159	-	548,160,852
INTEREST RATE SENSITIVITY GAP	(422,525,280)	57,157,721	(16,190,296)	29,940,265	226,563,357	(125,054,233)

The following table demonstrates the sensitivity to a reasonably possible change in interest rates (all other variables being held constant) of the Bank's profit or loss. The sensitivity of the profit or loss is the effect of the assumed changes in interest rates on the profit or loss for a year, based on the floating rate non–trading financial assets and financial liabilities held at 31 December 2015.

Interest Rate Sensitivity Analysis

2015

		IMPACT PROFIT OR LOSS INCREASE/(DECREASE) IN RATES	IMPACT ON EQUITY INCREASE/(DECREASE) IN RATES
	GH¢	GH¢	GH¢
RATE SENSITIVE ASSETS	558,202,809	19,374,697	27,910,140
RATE SENSITIVE LIABILITIES	625,592,039	(31,279,602)	(31,279,602)
TOTAL		(11,904,905)	(3,369,462)

2014

		PROFIT OR LOSS IMPACT INCREASE/(DECREASE) IN RATES	IMPACT ON EQUITY INCREASE/(DECREASE) IN RATES
	GH¢	GH¢	GH¢
RATE SENSITIVE ASSETS	423,106,619	16,927,472	21,155,331
RATE SENSITIVE LIABILITIES	548,160,852	(27,408,043)	(27,408,043)
TOTAL		(10,480,571)	(6,252,712)

Interest rate risk and foreign currency risk

The Bank has in place Reuters System to monitor live interest and exchange rates to facilitate trading by the treasury department. This helps the Bank know what is happening at any moment in time on the markets and where opportunities are present.

b. Foreign exchange risk

The Bank operates wholly within Ghana and its assets and liabilities are carried in local currency. The Bank maintains trade with correspondent banks and takes deposits and lends in foreign currencies. The Bank is exposed to the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Bank's currency position and exposure are managed within the exposure guideline stipulated by the Bank of Ghana. This position is reviewed and monitored on a daily basis and hedging strategies such as currency swaps are used to ensure positions are maintained within established limits.

The exchange rates used for translating the major foreign currency balances at the year-end were as follows:

	2015	2014
	GH¢	GH¢
US DOLLAR	3.7998	3.2001
GB POUND	5.6279	4.9893
EURO	4.1532	3.8814
NGN	0.0190	0.0176

Foreign exchange risk represents Appreciation/depreciation of the GH¢ against other currencies. The Foreign exchange risks sensitivity analysis is based on the following assumptions:

- Foreign exchange exposures represent net currency positions of all currencies other than Ghana Cedi (GHc).
- The currency risk sensitivity analysis is based on the assumption that all net currency positions are highly effective.

• The base currency in which the Bank's business is transacted is Ghana Cedis (GH¢).

ii. Foreign exchange risk

The table below summarises the Bank's exposure to foreign currency exchange rate risk as at reporting date (all figures are in thousand Ghana Cedis.

2015

ASSETS	USD	GBP	EUR	OTHER	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
CASH & BAL. WITH CENTRAL BANK OF GHANA	11,038,738	3,018,898	2,846,085	-	16,903,721
DEPOSITS AND BAL. DUE FROM BANKING INST.	101,833,357	-	-	-	101,833,357
LOANS AND ADVANCES TO CUSTOMERS (NET)	100,693,389	15,726	67,158,181		167,867,296
OTHER ASSETS	748,729	-	516,511	-	1,265,239
TOTAL FINANCIAL ASSETS	214,314,213	3,034,624	70,520,777	-	287,869,613
FINANCIAL LIABILITIES					
CUSTOMER DEPOSITS	203,278,053	4,227,151	11,475,217	-	218,980,421
DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	53,197,200	2,251,154	-	-	55,448,354
BORROWINGS	226,088,100	-	33,225,451	-	259,313,551
OTHER LIABILITIES	30,773,820	-	-	-	30,773,820
TOTAL FINANCIAL LIABILITIES	513,337,173	6,478,305	44,700,669	-	564,516,146
NET STATEMENT OF FINANCIAL POSITION	(299,022,960)	(3,443,681)	25,820,108	-	(276,646,533)

2014

ASSETS	USD	GBP	EUR	OTHER	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
CASH & BAL. WITH CENTRAL BANK OF GHANA	6,507,011	1,992,422	2,826,567	-	11,326,001
DEPOSITS AND BAL. DUE FROM BANKING INST.	188,069,914	1,157,883	42,848,781	587,603	232,664,181
LOANS AND ADVANCES TO CUSTOMERS (NET)	130,020,836	1,112	32,085,756	-	162,107,703
OTHER ASSETS	1,428,360	-	238,470	-	1,666,829
TOTAL FINANCIAL ASSETS	326,026,121	3,151,417	77,999,574	587,603	407,764,714
FINANCIAL LIABILITIES					
CUSTOMER DEPOSITS	168,227,677	3,456,976	30,751,957	-	202,436,610
DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	9,605,509	-	3,881,401		13,486,910
BORROWINGS	168,815,849	-	35,744,794	-	204,560,643
OTHER LIABILITIES	31,240,861	20,421	7,490,702	-	38,751,984
TOTAL FINANCIAL LIABILITIES	377,889,896	3,477,397	77,868,854	-	459,236,147
NET STATEMENT OF FINANCIAL POSITION	(51,863,775)	(325,980)	130,719	587,603	(51,471,433)

		2015 CHANGE IN CURRENCY RATE %	2015 EFFECT ON PROFIT BEFORE TAX			2014 CHANGE IN CURRENCY RATE %	2014 EFFECT ON PROFIT BEFORE TAX
USD	(299,022,960)	10%	(29,902,296)	USD	(51,863,775)	10%	(5,186,378)
GBP	(3,443,681)	10%	(344,368)	GBP	(325,980)	10%	(32,598)
EUR	25,820,108	10%	2,582,011	EUR	130,719	10%	13,072
OTHER	-	10%	-	OTHER	587,603	10%	58,760
			(27,664,653)				(5,145,130)

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.

Operational risks relate to the risk that the Bank's operations may be halted temporarily or permanently by inadequate internal and/or systems controls, allowing for people to take advantage to commit fraud.

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 \ 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 bank standards for the management of operational risk in the following areas:

- requirements for appropriate segregation of duties, including the independent authorization 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.
- requirements for the reporting of operational losses and proposed remedial action
- development of contingency plan
- 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 continuous reviews by the bank's Branch Operations and periodic reviews by the Internal audit Department. The reports on these reviews are discussed at the Management Risk and Compliance Committee with issues being escalated to the Board Risk and Compliance Committee when necessary.

Compliance Risk

Compliance risk, sometimes also referred to as integrity risk because a Bank's reputation is closely connected with its adherence to principles of integrity and fair dealing, is defined as the risk of legal or regulatory sanctions, financial loss, or loss to reputation a bank may suffer as a result of its failure to comply with all applicable laws, regulations, codes of conduct and standards of good practice (together "laws, rules and standards").

As part of its efforts to address supervisory issues and enhance sound practices in the Bank, the Board, through its Risk and Compliance Committee and the Compliance Department of the Bank manages compliance related risk of the Bank.

Compliance with laws, rules and standards helps to maintain the Bank's reputation with, and thus meet the expectations of, its customers, the markets and society as a whole. Although compliance with laws, rules and standards has always been important, compliance risk management has become more formalised within the past few years and has emerged as a distinct risk management discipline.

Management of Compliance Risk

The Board, through its Sub-Committee on Credit and Risk, oversees the compliance functions of the Bank. The Compliance department of the Bank, on monthly basis, updates the Management Risk and Compliance Committee on critical compliance issues within the period pertaining to statutory regulations, the BANK OF AFRICA GROUP policies and BANK OF AFRICA - GHANA policies. Management of issues related to anti-money laundering is of core importance to the committee. The issues are aggregated and reported to the Board Credit and Risk Committee on a quarterly basis.

The Compliance department has standard procedural and policy checklist for every department of the Bank. This checklist ensures compliance on all regulatory and statutory issues. The department has also instituted a system to ensure that proper Know-Your-Customer (i.e. KYC) and Customer Due Diligence (i.e. CDD) procedures are followed in line with Bank of Ghana and Financial Intelligence Centre (i.e. FIC). This is achieved through a developed culture of respecting the standard account opening procedure religiously and a system that fosters a continuous update of our customer data base.

7. Capital Management

Regulatory capital

The Bank of Ghana sets and monitors capital requirements for the Bank. The Bank's objectives when managing capital are:

- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for the other stakeholders.
- To maintain a strong capital base to support the current and future development needs of the business.
- To comply with the capital requirements set by the Bank of Ghana.
- Capital adequacy and use of regulatory capital are monitored by management employing techniques based on the guidelines developed by the Bank of Ghana for supervisory purposes. The required information is filed with the Central Bank of Ghana on a monthly basis.

The Bank of Ghana requires each bank to

a) Hold the minimum level of regulatory capital of GHC100million by year end 2016.

b) Maintain a ratio of total regulatory capital: to risk weighted assets plus risk weighted off balance assets at above the required minimum of 10%.

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

- Tier 1 capital, which includes ordinary share capital, retained earnings, after deductions for intangible assets (excluding computer software), investments in equity instruments of other institutions and other regulatory adjustments relating to items that are included in equity but are treated differently for capital adequacy purposes.
- Tier 2 capital, which includes Capitalised Revaluations Reserves; Latent Revaluation Reserves; Undisclosed Reserves; Revaluation Sub-ordinated Loans and Hybrid Capital subject to a limit of 100% of Tier 1 Capital. Refer to note 43 for the summary of the quantitative data about what it manages as capital.

The Bank's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future (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 relationship between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

Capital allocation

The allocation of capital between specific operations and activities is, to a large extent, driven by optimisation of the return achieved in the capital allocated. The amount of capital allocated to each operation or activity is based primarily upon the regulatory capital, but in certain• cases, the regulatory requirements do not reflect fully the varying degree of risk associated with different activities. In such cases the capital 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 independence of those responsible for the operation, by Bank Risk and Bank's capex committee, Risk management 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 objective. The Bank's policies in respect of capital management and allocation are reviewed regularly by the Board of Directors.

8. INTEREST INCOME

	2015	2014
	GH¢	GH¢
GOVERNMENT SECURITIES - (AFS & HTM INVESTMENTS)	54,162,709	29,527,987
PLACEMENTS	3,007,842	7,401,739
LOANS AND ADVANCES	58,749,880	51,100,415
TOTAL	115,920,431	88,030,141

9. INTEREST EXPENSE

	2015	2014
A) ON DEPOSITS:	GH¢	GH¢
FIXED /TIME DEPOSITS	9,942,126	16,676,276
SAVINGS DEPOSITS	1,693,018	2,029,828
DEMAND AND CALL DEPOSITS	2,664,595	1,940,266
TOTAL	14,299,739	20,646,369
B) ON BORROWED FUNDS:		
INTER-BANK BORROWING	10,770,222	3,955,978
BORROWINGS	6,497,025	6,110,815
	17,267,247	10,066,793
TOTAL	31,566,986	30,713,163

10 NET FEES AND COMMISSION INCOME

	2015	2014
A) INCOME	GH¢	GH¢
COMMISSION ON TURNOVER	3,628,218	2,770,452
FEES AND CHARGES	3,662,060	2,941,306
FOREIGN TRADE INCOME	6,531,052	4,802,328
LOAN FEE INCOME	2,934,250	2,843,526
GUARANTEES CHARGES AND COMMISSION	2,326,054	1,537,595
TOTAL	19,081,634	14,895,207
B) EXPENSES		
FEES AND COMMISSION EXPENSES	(1,625,291)	(979,123)
TOTAL	17,456,343	13,916,084

11. GAINS ON FOREIGN EXCHANGE DEALINGS

Net gains on foreign currency dealings arose from dealings in foreign currency transactions and also on the translation of foreign currency assets and liabilities. The gains have been recorded in other income (note 12).

12.	OTHER INCOME	2015	2014
		GH¢	GH¢
	BAD DEBTS RECOVERED	2,474,578	538,311
	FOREIGN EXCHANGE GAINS	39,809,760	17,810,069
	GAIN ON DISPOSAL OF OPERATING LEASE PREPAID		1,192,933
	GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	90,022	-
	TOTAL	42,374,360	19,541,313

13.	OPERATING EXPENSES	2015	2014
		GH¢	GH¢
	STAFF COSTS (NOTE 14)	28,407,741	22,669,517
	DIRECTORS' FEES	357,660	520,387
	DIRECTORS EMOLUMENT	-	34,000
	DEPRECIATION	2,746,972	2,351,343
	OCCUPANCY COST	7,522,387	5,384,650
	OPERATING LEASE EXPENSE (NOTE 26)	39,962	8,314
	AMORTISATION OF INTANGIBLE ASSETS	1,419,960	1,423,804
	AUDITORS REMUNERATION	334,857	252,992
	DONATIONS AND SOCIAL RESPONSIBILITY	168,324	118,026
	MOTOR VEHICLE RUNNING	1,992,956	1,007,436
	GENERAL AND ADMINISTRATIVE	11,119,317	10,870,315
	REPAIRS AND MAINTENANCE	646,615	494,712
	INSURANCE	366,028	301,299
	LEGAL AND OTHER PROFESSIONAL FEES	616,158	934,530
	SOFTWARE FEES AND MAINTENANCE	3,808,343	2,300,477
	TRAINING AND RESEARCH	514,363	582,635
	SECURITY	1,379,175	1,176,311
	TELEPHONE AND POSTAGE	735,160	591,006
	TOTAL	62,175,978	51,021,754

14.	STAFF COSTS	2015	2014
		GH¢	GH¢
	SALARIES AND WAGES	23,011,595	18,608,577
	PENSION COSTS	1,195,913	936,298
	OTHER STAFF RELATED COSTS	4,200,233	3,124,642
	REFER TO NOTE 13		
	TOTAL	28,407,741	22,669,517

15. TAXATION

The major components of income tax expense for the years ended 31 December 2015 and 2014 were:

A) TAX CREDIT/(CHARGED) TO PROFIT OR LOSS

	2015	2014
	GH¢	GH¢
CURRENT INCOME TAX	(3,969,085)	(441,454)
DEFERRED TAX RELATING TO THE ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	(6,075,885)	2,580,091
TOTAL	(10,044,970)	2,138,637

B) RECONCILIATION OF TAX CHARGE TO THE EXPECTED TAX BASED ON ACCOUNTING PROFIT

ACCOUNTING PROFIT BEFORE TAXATION	39,541,194	27,802,772
TAX AT THE APPLICABLE RATE OF 25%	9,885,299	6,950,693
TAX ON NON-DEDUCTIBLE EXPENSES	171,576	79,457
INCOME NOT SUBJECT TO TAX	(11,905)	(298,232)
PRIOR YEAR ADJUSTMENTS–DEBTS WRITTEN OFF	-	(9,105,977)
UNUTILISED CAPITAL ALLOWANCE	-	235,422
TOTAL	10,044,970	(2,138,637)

The effective income tax rate for year 2015 is 25.4% (2014 1.59%)

C) DEFERRED TAX ASSET/(LIABILITIES)

DEFERRED TAX LIABILITIES	2015	2014
	GH¢	GH¢
PROPERTY, PLANT AND EQUIPMENT	305,097	584,484
UNREALISED EXCHANGE GAIN	5,550,500	-
AVAILABLE FOR SALE INVESTMENTS	25,409	-
DEFERRED TAX ASSETS	-	-
PROVISION FOR IMPAIRMENT OF LOANS	(2,463,738)	(3,268,510)
AVAILABLE FOR SALE INVESTMENTS	-	(131,806)
TOTAL	3,417,268	(2,815,832)

CHANGES IN DEFERRED TAX ASSETS AND LIABILITIES	2015	2014	IMPACT OF CHANGE
	GH¢	GH¢	ON PROFIT OR LOSS
PROPERTY, PLANT AND EQUIPMENT	305,097	584,484	279,387
UNREALISED EXCHANGE GAIN	5,550,500	-	(5,550,50)
PROVISION FOR IMPAIRMENT OF LOANS	(2,463,738)	(3,268,510)	(804,772)
TOTAL	3,391,859	(2,684,026)	(6,075,885)

The Bank has recognised deferred tax liabilities. In 2015 the deferred tax liabilities is attributable mainly to unrealised exchange gains. In 2014 the deferred tax assets was attributed to provision for impairment of loans.

Movement on deferred tax account as shown in profit or loss and other comprehensive income is as follows;

	2015	2014
	GH¢	GH¢
OPENING BALANCE (ASSETS) / LIABILITIES	(2,684,026)	(103,935)
TAX EXPENSE/(RECOVERED) TO PROFIT OR LOSS	6,075,885	(2,580,091)
TOTAL	3,391,859	(2,684,026)
OPENING BALANCE (ASSETS) / LIABILITIES	(131,806)	78,551
TAX EXPENSE/(RECOVERED) TO OCI	157,215	(210,357)
TOTAL	25,409	(131,806)
TOTAL DEFERRED TAX (ASSET) / LIABILITY	3,417,268	(2,815,832)

D) CORPORATE TAXATION (PAYABLE)/RECOVERABLE

CORPORATE TAX AND NATIONAL STABILISATION LEVY

	1 JAN	PAID DURING THE YEAR	CHARGED DURING THE YEAR	ADJUSTMENT	31 DEC
	GH¢	GH¢	GH¢	GH¢	GH¢
CORPORATE TAX					
2012	(1,561,705)	-	-	-	(1,561,705)
2013	601,402	-	-	-	601,402
2014	145,260	-	-	-	145,260
2015	-	(5,179,347)	3,969,085	-	(1,210,262)
TOTAL	(815,043)	(5,179,347)	3,969,085	-	(2,025,306)

NATIONAL FISCAL STABILISATION LEVY

	GH¢	GH¢	GH¢	GH¢	GH¢
2014	58,225	-	-	-	58,225
2015	-	(1,371,749)	1,977,060	-	605,311
	58,225	(1,371,749)	1,977,060	-	663,536
TOTAL	(756,818)	(6,551,096)	5,946,144	-	(1,361,769)

16. NET GAIN/(LOSS) ON AVAILABLE FOR SALE

	2015	2014
	GH¢	GH¢
GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENTS	101,636	(557,767)
AVAILABLE FOR SALE RECLASSIFIED TO PROFIT AND LOSS	557,767	(283,660)
TOTAL	659,403	(841,427)
DEFERRED TAX (LIABILITIES)/ASSETS	(164,851)	210,357
TOTAL	494,552	(631,070)

17. EARNINGS PER SHARE

Earnings/(loss) per share is calculated by dividing the net profit/(loss) attributable to shareholders by the weighted average number of ordinary shares in issue during the year.

	2015	2014
EARNINGS (GH¢)	GH¢	GH¢
EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	27,519,164	28,240,630
WEIGHTED AVERAGE NUMBER OF SHARES		
NUMBER OF ORDINARY SHARES ISSUED (NOTE 33)	99,683,823	99,683,823
EARNINGS PER SHARE - BASIC (GH¢)	0.276	0.283

There were no potentially dilutive instruments outstanding at the reporting date.

18. CASH AND BALANCES WITH BANK OF GHANA

	2015	2014
	GH¢	GH¢
CASH ON HAND	44,221,662	16,555,238
BALANCES WITH BANK OF GHANA	86,299,068	49,954,423
TOTAL	130,520,730	72,853,855

Cash on hand and balances with Bank of Ghana are non-interest-bearing.

19. INVESTMENT IN GOVERNMENT SECURITIES

	2015	2014
	GH¢	GH¢
A) AVAILABLE FOR SALE INVESTMENTS:		
28-DAY BILL	40,257,143	-
56-DAY BILL	-	51,063,148
91-DAY TREASURY BILL	3,336,129	14,726,467
182-DAY TREASURY BILL	127,115,589	18,858,046
TOTAL	170,708,861	84,647,661
B) HELD-TO-MATURITY INVESTMENTS		
1 YEAR TREASURY NOTES	167,129,956	92,358
2-YEAR FIXED RATE NOTE	2,850,986	2,667,927
3-YEAR NOTES	-	11,017,993
5-YEAR TREASURY BONDS	3,927,182	3,739,850
TOTAL	173,908,124	17,518,128

C) AVAILABLE FOR SALE PLEDGED AS COLLATERAL

182-DAY TREASURY BILL	47,886,595	95,527,869

Once a security is pledged as collateral, the Bank will not be able to dispose-off the security until our liability to the customer has been discharged and the security released in full to the Bank.

D)	HELD TO MATURITY INVESTMENTS PLEDGED AS COLLATERAL		-
	1-YEAR TREASURY NOTES	46,948,850	-
	TOTAL INVESTMENT IN GOVERNMENT SECURITIES	439,452,430	197,693,658

E)	BY MATURITY		
	MATURING:		
	WITHIN ONE YEAR	432,674,262	180,177,404
	ONE TO THREE YEARS	6,778,168	17,516,253
	TOTAL	439,452,430	197,693,657

The interest rates on the treasury bills are between 22% to 25% and that of the treasury notes/bonds are 8% -10% and are fixed.

20.	DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS	2015	2014
		GH¢	GH¢
	LOCAL CURRENCY	2,019,043	956,190
	FOREIGN CURRENCY	35,309,150	28,431,202
	INTERBANK PLACEMENT		
	LOCAL CURRENCY	10,022,959	-
	FOREIGN CURRENCY	66,524,207	167,310,715
	COMMERCIAL PAPER	-	36,922,264
	TOTAL	113,875,359	233,620,371

NOSTROS BALANCES		
BY MATURITY		
WITHIN 90 DAYS	37,328,193	29,387,392
AFTER 90 DAYS	-	-
TOTAL	37,328,193	29,387,392

INTERBANK PLACEMENT		
BY MATURITY		
WITHIN 90 DAYS	76,547,166	167,310,715
AFTER 90 DAYS	-	-
TOTAL	76,547,166	167,310,715

COMMERCIAL PAPER		
MATURING:		
WITHIN 90 DAYS	-	36,922,264
AFTER 90 DAYS	-	-
TOTAL	-	36,922,264

The average interest rates are between 22% -24% are fixed.

21.	LOANS AND ADVANCES TO CUSTOMERS	2015	2014
		GH¢	GH¢
A)	OVERDRAFTS	121,226,833	75,041,617
	MORTGAGES	998,757	386,652
	LOANS	275,649,515	276,212,463
	GROSS LOANS AND ADVANCES	397,875,104	351,640,732
	ALLOWANCE FOR IMPAIRED LOANS AND ADVANCES:		
	ALLOWANCE FOR IMPAIRMENT LOSSES.	(10,381,156)	(13,091,291)
	TOTAL	387,493,948	338,549,441

Included in loans and advances to customers are staff loans amounting to GH¢9,150,476 (2014 - to GH¢6,245,253). The weighted average effective interest rate on loans and advances at 31 December 2015 was 28% (2014 - 28.5%).

B)	BY MATURITY		
	WITHIN ONE YEAR	231,439195	111,986,084
	ONE TO THREE YEARS	156,054,753	171,218,009
	TOTAL	387,493,948	338,549,441

C)	LOANS AND ADVANCES TO CUSTOMERS		
	ALLOWANCE FOR IMPAIRMENT ON LOANS AND ADVANCES	2015	2014
		GH¢	GH¢
	COLLECTIVE IMPAIRMENT	1,099,074	987,935
	INDIVIDUAL IMPAIRMENT	28,455,396	12,086,108
	TOTAL	29,554,470	13,074,043
	LOANS AND ADVANCES TO CUSTOMERS		
	PROVISION FOR LOANS AND ADVANCES		
	COLLECTIVE IMPAIRMENT LOSS		
	OVERDRAFTS	758,361	750,831
	MORTGAGES	-	-
	LOANS	340,713	237,105
	TOTAL	1,099,074	987,936
	INDIVIDUAL IMPAIRMENT LOSS		
	OVERDRAFTS	14,480,058	2,900,666
	MORTGAGES	-	-
	LOANS	13,975,338	9,185,441
	TOTAL	28,455,396	12,086,107
	TOTAL CHARGED FOR THE YEAR	29,554,470	13,074,043

D) RECONCILIATION OF IMPAIRMENT CHARGES

AT 1 JANUARY	13,091,291	37,765,127
CHARGE FOR THE YEAR	29,554,470	13,074,043
WRITE-OFFS	(32,264,605)	(37,747,879)
AT 31 DECEMBER	10,381,156	13,091,291

22. OTHER ASSETS

	2015	2014
	GH¢	GH¢
PREPAYMENTS	32,731,140	10,804,844
STATIONERY STOCKS	636,070	286,511
LOCAL CHEQUES ON COLLECTION	12,392,914	44,048,519
FOREIGN BILLS ON COLLECTION	1,688,218	2,320,793
OTHERS	1,983,953	1,397,743
TOTAL	49,432,296	58,858,410
BY MATURITY		
WITHIN ONE YEAR	33,066,726	53,455,988
ONE TO THREE YEARS	16,365,570	5,402,422
TOTAL	49,432,296	58,858,410

23. DERIVATIVE FINANCIAL ASSETS/LIABILITES HELD FOR TRADING

The followings derivative assets and liabilities arose out of transactions with BOG, GT Bank and Fidelity Bank in the normal course of business.

2015	NOTIONAL AMOUNT	ASSETS	LIABILITIES
	GH¢	GH¢	GH¢
SWAP WITH BOG	402,182,000	-	21,129,834
GT BANK	39,797,000	4,159,731	-
FIDELITY BANK	39,797,000	4,057,597	-
TOTAL	481,776,000	8,217,328	21,129,834

2014	NOTIONAL AMOUNT	ASSETS	LIABILITIES
	GH¢	GH¢	GH¢
SWAP WITH BOG	57,500,500	1,124,194	-
TOTAL	57,500,500	1,124,194	-

The Bank uses foreign currency-denominated borrowings and foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to 24 months. These are foreign exchange forward contracts to buy/sell USD.

24.A PROPERTY, PLANT & EQUIPMENT

	BUILDINGS ON SHORT LEASEHOLD LANDS GH¢	OFFICE EQUIPMENT GH¢	FURNITURE & FITTINGS GH¢	MOTOR VEHICLES GH¢	COMPUTERS HARDWARE GH¢	TOTAL GH¢
COST/VALUATION						
AT 1 JANUARY 2015	2,058,260	8,013,244	1,478,782	2,836,276	3,773,819	18,685,371
ADDITIONS		2,254,877	216,641	1,717,211	266,110	4,454,840
TRANSFERS/DISPOSALS	-	(249,725)	-	(257,965)	-	(507,691)
AT 31 DEC. 2015	2,058,260	10,018,396	1,695,423	4,295,522	4,039,929	22,632,520
DEPRECIATION						
AT 1 JAN. 2015	506,862	5,383,592	1,088,321	1,642,587	2,404,298	11,025,660
CHARGE FOR THE YEAR	21,886	1,126,889	145,900	839,382	612,916	2,746,973
RELEASED ON DISPOSAL	-	(246,854)	-	(257,960)	-	(504,814)
AT 31 DEC. 2015	528,748	6,263,627	1,234,221	2,224,009	3,017,214	13,267,819
NET BOOK VALUE						
AT 31 DEC. 2015	1,529,512	3,754,769	461,202	2,071,513	1,022,715	8,839,711
COST						
AT 1 JANUARY 2014	2,058,260	7,040,478	1,358,530	2,254,574	3,003,358	15,715,200
ADDITIONS	-	972,766	120,252	581,702	770,461	2,445,181
AT 31 DEC. 2014	2,058,260	8,013,244	1,478,782	2,836,276	3,773,819	18,160,381
DEPRECIATION						
AT 1 JANUARY 2014	439,220	4,383,422	944,984	1,160,895	1,745,797	8,674,318
CHARGE FOR THE YEAR	67,642	1,000,170	143,337	481,693	658,501	2,351,343
AT 31 DEC. 2014	506,862	5,383,592	1,088,321	1,642,588	2,404,298	11,025,661
NET BOOK VALUE						
AT 31 DECEMBER 2014	1,551,398	2,629,652	390,461	1,193,688	1,369,521	7,134,720

24.B DISPOSAL OF PPROPERTY, PLANT AND EQUIMENT

COST		ACCUM. DEPRN.	NBV	DISPOSAL VALUE	PROFIT/ LOSS
GH¢	GH¢	GH¢	GH¢	GH¢	
MOTOR VEHICLE	257,965	257,960	5	12,898	12,893
OFFICE EQUIPMENT	249,725	246,854	2,872	80,000	77,128
TOTAL	507,690	504,814	2,877	92,898	90,021

24.C DISPOSAL OF OPERATING LEASE PREPAID

	ACCUM. DEPRN. GH¢	NBV GH¢	DISPOSAL VALUE GH¢	PROFIT/ LOSS GH¢
LEASEHOLD LAND	22,498	694,892	1,887,825	1,192,933
TOTAL	22,498	694,892	1,887,825	1,192,933

25. INTANGIBLE ASSETS - SOFTWARE

	2015	2014
	GH¢	GH¢
AS AT 1 JANUARY	1,838,941	2,091,542
ADDITIONS	274,923	1,171,203
AMORTISATION	(1,419,960)	(1,423,804)
TOTAL	693,904	1,838,941

The intangible assets represent computer software costs.

26. OPERATING LEASE PREPAID

	2015	2014
	GH¢	GH¢
OPERATING LEASE PREPAID	450,163	1,153,369
DISPOSAL - COST	-	(717,390)
DISPOSAL – AMORTISED COST	-	22,498
AMORTISATION IN CURRENT YEAR	(39,962)	(8,314)
BALANCE AT 31 DECEMBER	410,201	450,613

Maturity analysis of operating lease prepaid;

NOT LATER THAN ONE YEAR	39,962	8,314
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	159,847	41,570
LATER THAN FIVE YEARS	210,392	400,279
TOTAL	410,201	450,163

27. INVESTMENT PROPERTY

	2015	2014
	GH¢	GH¢
INVESTMENT PROPERTY	6,700,000	6,700,000
TOTAL	6,700,000	6,700,000

The Bank's investment properties consist of a commercial property at Accra. As at 31 December 2015, the fair values of the properties are based on valuations performed by Property Solution Models an accredited independent valuer. Property Solution Models is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied. The Bank has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements. Fair value hierarchy disclosures for investment properties are in Note 45.

28. CUSTOMER DEPOSITS

	2015	2014
	GH¢	GH¢
SAVINGS DEPOSITS	91,793,871	57,854,891
DEMAND AND CALL DEPOSITS	443,723,338	338,728,724
FIXED/TIME DEPOSITS	90,074,829	151,577,237
TOTAL	625,592,038	548,160,852

CUSTOMER DEPOSITS	2015	2014
MATURITY ANALYSIS OF CUSTOMER DEPOSITS	GH¢	GH¢

From Government and para-statals:

PAYABLE WITHIN 90 DAYS	23,289,828	17,318,487
PAYABLE AFTER 90 DAYS AND WITHIN ONE YEAR	10,623,505	20,165,645
TOTAL	33,913,333	37,484,132

From Private Sector and individuals:

PAYABLE WITHIN 90 DAYS	553,692,578	487,836,991
PAYABLE AFTER 90 DAYS AND WITHIN ONE YEAR	37,986,127	22,839,729
TOTAL	591,678,705	510,676,720
AT 31 DECEMBER	625,592,038	548,160,852

The weighted average effective interest rate on interest bearing customer deposits was 8.21% (2014: 4.75%).

29. DUE TO BANKS AND OTHER FINANCIAL	2015	2014
INSTITUTIONS	GH¢	GH¢
LOCAL BANKS	55,748,441	13,486,910
TOTAL	55,748,441	13,486,910
BY MATURITY		
MATURING:		
WITHIN ONE YEAR	55,748,441	13,486,910
AFTER ONE YEAR	-	-
TOTAL	55,748,441	13,486,910

The average interest rate ranges between 18 to 22% and are fixed.

30. ACCOUNTS PAYABLE & OTHER LIABILITIES	2015	2014
	GH¢	GH¢
ACCRUALS	3,870,392	10,788,198
SUNDRY CREDITORS	3,044,986	3,715,435
BRIDGE CAPITAL	30,398,400	25,600,800
OTHER LIABILITIES	4,117,560	5,516,590
TOTAL	41,431,338	45,621,023
BY MATURITY		
MATURING:		
WITHIN ONE YEAR	11,032,938	20,020,223
AFTER ONE YEAR	30,398,400	25,600,800
TOTAL	41,431,338	45,621,023

The bridge capital represents a funding of USD8.0 million from BOA West Africa which carries a fixed interest rate of 2.5%. It is a temporary bridge finance which can only be repaid after the investment of similar amount in Equity. Currently, there are several multinational financial institutions that have conducted due diligence into the bank and are finalising arrangements to invest in the equity of the bank.

31. BORROWINGS

	2015	2014
	GH¢	GH¢
SHORT TERM LOANS AND BORROWING		
BANK OF AFRICA – DJIBOUTI	110,867,459	148,534,332
BANK OF AFRICA – KENYA	104,538,039	56,026,310
BANK OF AFRICA-UGANDA	19,060,351	-
BMCE	26,632,218	-
TOTAL	261,098,067	204,560,642
BY MATURITY		
MATURING:		
WITHIN ONE YEAR	261,098,067	156,538,461
AFTER ONE YEAR	-	48,022,181
TOTAL	261,098,067	204,560,642

The average interest rate ranges between 3% and 4% and are floating based on the LIBOR.

32. STATED CAPITAL

	2015	2014
AUTHORISED		
NUMBER OF ORDINARY SHARES OF NO PAR VALUE	100,000,000	100,000,000
2015	NUMBER OF SHARES	GH¢
ISSUED AND FULLY PAID		
1 JANUARY	99,683,823	100,960,828
ISSUED FOR CASH	-	-
31 DECEMBER	99,683,823	100,960,828
2014	NUMBER OF SHARES	GH¢
ISSUED AND FULLY PAID		
1 JANUARY	99,683,823	100,960,828
ISSUED FOR CASH	-	-
31 DECEMBER	99,683,823	100,960,828

33. REGULATORY CREDIT RISK RESERVE

Regulatory credit risk reserve represents cumulative amounts required to meet the Bank of Ghana guidelines for loan impairment allowances. The Bank's regulator (Bank of Ghana) requires a transfer from retained earnings to regulatory credit risk reserve account when the impairment allowance per IFRS is lesser than the impairment allowance per Bank of Ghana's guideless.

	2015	2014
	GH¢	GH¢
1 JANUARY	35,460,927	27,661,656
TRANSFER (TO)/FROM RETAINED EARNINGS	(5,064,002)	7,799,271
31 DECEMBER	30,396,925	35,460,927

34. STATUTORY RESERVE

This is an accumulation of transfers from profit for the year in accordance with section 29 of the Banking Act.

	2015	2014
	GH¢	GH¢
1 JANUARY	23,134,028	8,858,392
TRANSFER FROM RETAINED EARNINGS	13,759,582	14,275,636
31 DECEMBER	36,893,610	23,134,028

35. NOTES TO THE STATEMENT OF CASH FLOWS

	2015	2014
	GH¢	GH¢
A) RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
PROFIT BEFORE TAXATION	39,541,194	27,802,772
ADJUSTMENTS FOR:		
DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT	2,746,972	2,351,343
AMORTISATION OF INTANGIBLE ASSETS	1,419,960	1,423,804
AMORTISATION OF LEASE HOLD LAND	39,962	8,314
FAIR VALUE LOSS/(GAIN) IN DERIVATIVE FINANCIAL ASSETS	14,036,700	(1,124,194)
EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS	(76,714,664)	(47,935,996)
GAIN ON DISPOSAL OF OPERATING LEASE PREPAID	-	(1,192,933)
GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT	(90,022)	-
PROFIT BEFORE WORKING CAPITAL CHANGES	(19,019,898)	(18,666,890)
(INCREASE)/DECREASE IN LOANS AND ADVANCES	(48,944,507)	183,109
DECREASE/(INCREASE) IN OTHER ASSETS	9,426,116	(35,641,402)
(INCREASE)/DECREASE IN GOVERNMENT SECURITIES	(241,657,137)	(58,548,198)
INCREASE IN CUSTOMER DEPOSITS	77,431,186	142,009,610
INCREASE/(DECREASE) BALANCES DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	42,261,531	7,505,630
INCREASE IN ACCOUNTS PAYABLE AND OTHER LIABILITIES	(3,639,556)	12,089,184
INCREASE IN MANDATORY DEPOSIT WITH BANK OF GHANA	(36,344,646)	(5,620,960)
NET CASH FLOWS FROM/(USED IN) OPERATING ACTIVITIES	(220,486,911)	43,310,083

B) ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
CASH AND BALANCES WITH BANK OF GHANA	130,520,730	72,853,855
DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS	113,875,359	233,620,371
LESS MANDATORY DEPOSITS WITH BANK OF GHANA	(86,299,068)	(49,954,422)
TOTAL	158,097,021	256,519,804

For the purposes of the statement of cash flows, cash equivalents include short term liquid investments with maturities less than three months. It does not include mandatory deposits with the bank of Ghana.

36. CONTINGENCIES AND COMMITMENTS INCLUDING OFF BALANCE SHEET ITEMS

CONTINGENT LIABILITIES

In common with other banks, the bank conducts business involving acceptances, guarantees, performances and indemnities. The majority of these facilities are offset by corresponding obligations of third parties.

	2015	2014
	GH¢	GH¢
LETTERS OF CREDIT	27,551,523	21,406,851
GUARANTEES AND INDEMNITIES	81,602,588	39,661,298
TOTAL	109,154,111	61,068,149

Letters of credit commit the bank to make payments to third parties, on production of documents, which are subsequently reimbursed by customers.

Concentrations of contingent liabilities are covered under note 3.

PENDING LEGAL CLAIMS

As at the year end, there were some cases pending against the bank. Should judgement go in favour of the plaintiffs, the likely claims against the bank have been estimated at GH¢700,000. (2014: GH¢782,500). No provisions have been made in the financial statements in respect of these amounts as the possibility of the liability is remote.

CAPITAL EXPENDITURE

There is no capital expenditure commitment as at 31 December 2015 was nil (2014: nil)

37. RELATED PARTY TRANSACTIONS

Parties are considered to be related through common directorship or subsidiaries of the BOA Group.

Advances to customers at 31 December 2015 included advances and loans to companies associated to directors and banking transactions with BOA Ghana. All transactions with related parties are done at arm's length in the normal course of business, and on terms and conditions similar to those applicable to other customers.

A) DETAILS OF RELATED PARTY TRANSACTIONS ARE AS FOLLOWS:

	2015	2014
	GH¢	GH¢
ADVANCES TO CUSTOMERS:		
ATLANTIC CLIMATE CONTROL LIMITED	3,627,654	2,042,504
ATLANTIC INTERNATIONAL HOLDINGS	1,677,574	2,816,930
ATLANTIC COMPUTERS & ELECTRONICS	27,452	1,027,414
TOTAL	5,332,680	5,886,848
INTEREST INCOME AND COMMISSION CHARGED		
ATLANTIC CLIMATE CONTROL LIMITED	46,873	13,671
ATLANTIC INTERNATIONAL HOLDINGS	59,454	33,935
ATLANTIC COMPUTERS & ELECTRONICS	39,841	15,151
TOTAL	146,168	62,757

Balances on these related parties have been included in the loans and advances balances.

B) TRANSACTIONS WITH CORRESPONDING BANKS IN THE BOA GROUP WHICH RESULTS IN AMOUNTS DUE TO OR DUE FROM OTHER BANKS;

BOA-TANZANIA	196,861	173,631
BOA-KENYA	116,264	105,252
BOA-FRANCE	1,458,811	592,549
BOA- MALI	68,585	3,492
BOA-BENIN	226,247	165,708
BOA-COTE D'IVOIRE	16,126	8,149
BOA-NIGER	5,768	5,067
BOA-SENEGAL	-	236,679
BOA-BURKINA FASO	255	5,508
BMCE BANK INTL, SPAIN	94,267	517,222
TOTAL	2,183,184	1,813,257

C) KEY MANAGEMENT COMPENSATION

The remuneration of directors and other members of key management during the year were as follows:

	2015	2014
	GH¢	GH¢
SALARIES AND OTHER SHORT-TERM EMPLOYMENT BENEFITS	3,060,702	1,972,554
DEFINED CONTRIBUTION	195,999	122,624
TOTAL	3,256,701	2,095,178
KEY MANAGEMENT STAFF CONSTITUTES STAFF WITH GRADES FROM ASSISTANT GENERAL MANAGER.		
DIRECTORS' REMUNERATION		
FEES FOR SERVICES AS A DIRECTOR	357,660	520,387
OTHER EMOLUMENTS	-	34,000
TOTAL	357,660	554,387

38. RETIREMENT BENEFIT OBLIGATIONS

The bank makes contributions to a statutory pension scheme and a defined contribution to a provident fund for eligible employees. Contributions by the Bank to the mandatory pension scheme are determined by law. Total contributions to the scheme in Year 2015 was GH¢1,195,913. Total contributions towards employees Provident Fund was GH¢920,302. The bank's liability in both schemes is limited to its unpaid contributions to the scheme.

	2015	2014
	GH¢	GH¢
CONTRIBUTIONS TO THE STATUTORY DEFINED PENSION SCHEME (SSNIT)	1,195,913	936,298
CONTRIBUTIONS TO STAFF PROVIDENT FUND	920,302	667,996
TOTAL	2,116,215	1,604,294

39. GOVERNMENT RELATED TRANSACTIONS

	2015	2014
	GH¢	GH¢
GOVERNMENT SECURITIES		

The movement in Government related advances is as follows:

AT 1 JANUARY	197,603,174	139,986,889
FAIR VALUE GAIN/(LOSS)	101,636	(557,767)
NET ACQUISITIONS/(DISPOSAL) IN THE YEAR	241,747,620	58,174,052
AT 31 DECEMBER	439,452,430	197,603,174

The balance due from Government is categorised under Available for Sale and held to maturity Government Securities (Note 19).

40. ASSETS PLEDGED AS SECURITY

As at 31 December 2015, a total of GH¢94,835,445 (2014: GH¢95,527,868) of the Bank's investment in Government of Ghana securities were pledged as security for liabilities from other financial institutions. These assets cannot be sold or pledged as security whilst there is no default on the liability.

41. INCORPORATION

The bank is incorporated in Ghana under the Companies Code, Act 179 and the Banking Act, Act 673 and the Banking (Amendment) Act, 2008 (Act 738).

42. CURRENCY

These financial statements are presented in Ghana Cedis (GH¢).

43. CAPITAL ADEQUACY RATIO

	2015	2014
	GH¢	GH¢
PAID-UP CAPITAL	100,961	100,961
DEPOSIT FOR SHARES	30,398	25,601
DISCLOSED RESERVES	37,202	9,606
TIER 1 CAPITAL	168,561	136,168
LESS		
INTANGIBLES	(47,938)	(46,266)
ADJUSTED CAPITAL BASE	120,623	89,902
TOTAL ASSETS (LESS CONTRA ITEMS)	1,138,780	922,396
LESS		
CASH AT BANK OF GHANA	(130,521)	60,889
CLAIMS OF FINANCIAL AND GUARANTEED LOANS	(641,088)	(411,693)
ADJUSTED TOTAL ASSETS	367,172	437,849

ADD

NET CONTINGENT LIABILITIES	81,603	39,153
50% OF NET OPEN POSITION	2,098	1,206
100% OF 3YEARS AVERAGE ANNUAL GROSS INCOME	66,949	39,162
ADJUSTED ASSET BASE	517,822	525,954
CAPITAL ADEQUACY RATIO (%)	23.29	17.09
CAPITAL SURPLUS/DEFICIT	68,841	37,307

44. BREACHES IN STATUTORY LIQUIDITY

There were no breaches to BoG's prudential guidelines in year 2015.

45. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

a. Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges (for example, The Ghana Stock Exchange).
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices). This level includes available for sale financial assets which are Bank of Ghana's securities which are valued by reference to Bank or Ghana market rates and financial assets held for trading which are valued based on forward rates from Reuters and spot rates from Bank of Ghana.
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. As at 31 December 2015 and 31 December 2014, the Bank did held investment properties in this category.

This hierarchy requires the use of observable market data when available. The Bank considers relevant observable market prices in its valuation where possible. In assessing the value of the property, the valuer adopted the market approach. The market approach involves comparing properties to be valued with similar properties, which have recently been sold. The prices obtained for the comparable properties are analysed and allowing for differences between the subject property and the comparable properties, appropriate adjustments are made to give a price that reflects the value of the subject property. Below is the quantitative information of significant unobservable inputs.

DESCRIPTION	VALUE GH¢	VALUATION TECHNIQUE	UNOBSERVABLE INPUT	DISCOUNT RATE USED
INVESTMENT PROPERTY	6,700,000	ADJUSTED COMPARABLE MARKET PRICE	SALES PRICES OF COMPARABLE PROPERTIES	20%

An increase of 5% in the discount rate resulted in a decrease in value of GH¢418,750 and a reduction of 5% in the discount rate will result in an increase of GH¢418,750

Financial instruments measured at fair value at 31 December 2015 and 31 December 2014 were classified as follows:

2015

	VALUATIONS BASED ON OBSERVABLE INPUTS (THIS MEASUREMENTS ARE RECURRING)			
	(LEVEL 1)	(LEVEL 2)	(LEVEL 3)	TOTAL
AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	170,708,861	-	84,557,177
INVESTMENT PROPERTIES		-	6,700,000	6,700,000
FINANCIAL ASSETS HELD FOR TRADING		8,217,328	-	8,217,328
AVAILABLE FOR SALE PLEDGED AS COLLATERAL	-	47,886,595	-	95,527,869
TOTAL ASSETS	-	226,812,784	6,700,000	195,002,374
FINANCIAL LIABILITIES HELD FOR TRADING	-	21,129,834	-	21,129,834
TOTAL LIABILITIES	-	21,129,834	-	21,129,834

2014

	VALUATIONS BASED ON OBSERVABLE INPUTS (THIS MEASUREMENTS ARE RECURRING)			
	(LEVEL 1)	(LEVEL 2)	(LEVEL 3)	TOTAL
AVAILABLE-FOR-SALE FINANCIAL ASSETS	-	84,557,177	-	84,557,177
FINANCIAL ASSETS HELD FOR TRADING	-	1,124,194	-	1,124,194
INVESTMENT PROPERTIES			6,700,000	6,700,000
AVAILABLE FOR SALE PLEDGED AS COLLATERAL	-	95,527,869	-	95,527,869
TOTAL ASSETS	-	181,209,240	6,700,000	187,909,240
TOTAL LIABILITIES	-	-	-	-

Financial instruments not measured at fair value

Deposits and balances due from banking institutions

Deposits and balances due from banking institutions include inter-bank placements. The carrying amount of floating rate placements and overnight deposits is a reasonable approximation of fair value. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. The carrying amount approximates their fair values.

Held to maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Bank's management has the positive intention and ability to hold to maturity. These are initially recognised at fair value including direct and incremental transaction costs and measured subsequently at amortised cost. Expected cash flows are discounted at current market rates to determine fair value using the effective interest method, less any provision for impairment.

Loans and advances to customers

Loans and advances are net of charges 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.

Due to banks and other financial institution and customer deposits

The estimated fair value of deposits with no stated maturity, which includes non-interest bearing deposits, is the amount repayable on demand. The estimated fair value of fixed interest-bearing deposits not quoted in an active market is based on discounted cash flows using interest rates for new debts with similar remaining maturity. The carrying amount approximates their fair value.

Borrowings

The aggregate fair values are calculated based on a discounted cash flow model using observable market rate appropriate for the remaining term to maturity of the debt securities.

Other assets (excluding prepayments and stationery stocks)

The estimated fair value of other assets excluding prepayments and stationery stocks represents the discounted amount of estimated future cash flows expected to be received. The carrying amount approximates their fair value.

Cash and bank balances with bank of Ghana

The management assessed that cash and bank balances with bank of Ghana approximate their carrying amounts largely due to the short-term nature.

Off-statement of financial position financial instruments

The estimated fair values of the off-statement of financial position financial instruments are based on market prices for similar facilities. When this information is not available, fair value is estimated using discounted cash flow analysis.

b. Financial instruments by category

2015

	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	HELD TO MATURITY	FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS	TOTAL
FINANCIAL ASSETS	GH¢	GH¢	GH¢	GH¢	GH¢
CASH AND BALANCES WITH BANK OF GHANA	130,520,730	-	-	-	130,520,730
GOVERNMENT SECURITIES	-	218,595,456	220,856,975	-	439,452,431
FINANCIAL ASSETS HELD FOR TRADING	-	-	-	8,217,328	8,217,328
DUE FROM BANKS AND OTHER FINANCIAL INSTITUTIONS	113,875,359	-	-	-	113,875,359
OTHER ASSETS EXCLUDING PREPAYMENTS AND STATIONERY	16,065,085	-	-	16,065,085	
LOANS AND ADVANCES TO CUSTOMERS	387,493,948	-	-	-	387,493,948
TOTAL	647,955,122	218,595,456	220,856,975	8,217,328	1,095,624,881

FINANCIAL LIABILITIES

			FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	OTHER FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
				GH¢	GH¢
CUSTOMER DEPOSITS	-	-	-	625,592,038	625,592,038
DUE TO BANKS AND OTHER FINANCIAL INSTITUTIONS	-	-	-	55,748,441	55,748,441
BORROWINGS	-	-	-	261,098,067	261,098,067
FINANCIAL LIABILITIES HELD FOR TRADING			21,129,834	-	21,129,834
ACCOUNTS PAYABLE AND OTHER LIABILITIES	-	-	-	41,981,466	41,981,466
TOTAL	-	-	21,129,834	984,420,012	1,005,549,846

FINANCIAL ASSETS

2014

	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	HELD TO MATURITY	FINANCIAL ASSETS FAIR VALUE THROUGH PROFIT AND LOSS	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
CASH AND BALANCES					
WITH BANK OF GHANA	72,853,855	-	-	-	72,853,855
GOVERNMENT SECURITIES	-	180,175,530	17,518,128	-	197,693,658
FINANCIAL ASSETS HELD FOR TRADING	-	-	-	1,124,194	1,124,194
DUE FROM BANKS AND OTHER					
FINANCIAL INSTITUTIONS	233,620,371	-	-	-	233,620,371
OTHER ASSETS EXCLUDING PREPAYMENTS					
AND STATIONERY	47,767,055	-	-		47,767,055
LOANS AND ADVANCES TO CUSTOMERS	338,549,441	-	-	-	338,549,441
TOTAL	692,790,722	180,175,530	17,518,128	1,124,194	891,608,574

FINANCIAL LIABILITIES

				OTHER FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
				GH¢	GH¢
CUSTOMER DEPOSITS	-	-	-	548,160,852	548,160,852
DUE TO BANKS AND OTHER					
FINANCIAL INSTITUTIONS	-	-	-	13,486,910	13,486,910
BORROWINGS	-	-	-	204,560,642	204,560,642
ACCOUNTS PAYABLE AND OTHER LIABILITIES	-	-	-	45,621,023	45,621,023
TOTAL	-	-	-	811,829,427	811,829,427

46. EVENTS AFTER REPORTING DATE

There have been no events after the reporting date requiring adjustment or disclosure in the financial statement.