GHANA

FINANCIAL STATEMENTS AT 31 DECEMBER 2016

BANK OF AFRICA
Groupe BMCE BANK

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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 31/12/2016
Stephan ATA, Chairman
Amine BOUABID
Kobby ANDAH
Patrick ATA
Abdelkabir BENNANI
Vincent de BROUWER
John KLINOGO
Nana OWUSU-AFARI

Auditor
ERNST & YOUNG

Registered office
1st Floor, Block A&B,
The Octagon, Independence Avenue,
P.O Box C1541, Cantonments, Accra, Ghana
Tél : (233) 302 249 690 / 302 249 679
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www.boaghana.com

Principal Shareholders as at 31/12/2016

BOA WEST AFRICA	OTHER SHAREHOLDERS
93,50 %	6,50 %

Key figures of the 2016 (in GHS million)

Activity	2015	2016	Variation
Deposits	626	680	8,7 %
Loans	387	447	15,4 %
Number of branches at the end of the financial year	23	26	13,0 %

Structure			
Total Assets	1 147	1 144	-0,2 %
Shareholders' equity	139	164	18,3 %
Number of employees as at end of year	384	398	3,6 %

Capital Adequacy Ratio	2015	2016
Tier 1	121	127
Tier 2		
Risk Weighted Asset (RWA)	518	716
Tier 1 + Tier 2 / RWA	23,3 %	17,7 %

(*) Including general provision

Income	2015	20016	Variation
Net operating income	131	112	-14,4 %
Operating expenses	62	76	22,4 %
Gross operating profit	69	36	-47,5 %
Cost of risk (in value)*	30	11	-62,3 %
Net income	28	24	-12,2 %
Operating ratio	47,4 %	67,7 %	
Cost of risk	8,1 %	2,7 %	
Return on Assets (ROA)	2,7 %	2,1 %	
Return on Equity (ROE)	30,0 %	21,0 %	

Financial Analysis

Income Statement Analysis

Most of our activities in 2016 were primarily focused on achieving our goal of creating value for all stakeholders. To this end, **we recorded a profit after tax of GH¢ 24.2 million.**

Net interest income for the year stood at GH¢ 112.4 million relative to GH¢ 84.4 million in 2015, **representing a 33% growth.** This achievement was driven by aggressively growing our Public sector loans and maintaining the efficiency of our balance sheet evolution with 80% being earning assets.

Fees and commission went up from GH¢17.5million in 2015 to **GH¢ 20.5 million** representing a 17% growth. Our strategic focus on retail activities brought improvements in Loan fee income, Exchange profit and other charges at the branch level.

Despite unfavorable economic environment experienced in Ghana coupled with significant capital expenditure on our new Head Office – Octagon and 3 additional branches in year 2016, **we managed to hold operating cost** at a 22% increment. It went up from GH¢ 62.2million in 2015 to **GH¢ 76.1million.**

Regardless of uncertainties associated with 2016 as an election year, coupled with a rise in industry default rate, impairment loss on our financial assets dropped from GH¢ 29.6million the previous year to GH¢ 11.1million indicating an improvement in our asset quality.

Balance Sheet Analysis

Total assets size shrunk marginally from GH¢ 1,147million in 2015 to **GH¢ 1,144.5 million.** This was mainly attributable to shortfalls on our Interest bearing liabilities by 1.3%. Nonetheless, **balance sheet structure remains efficient** with earning assets making up 80% of our Total assets. Net loans went by 15.4% to GH¢ 447.1 million, up from prior year value of GH¢ 387.5 million. Our non-performing loans ratio, on an IFRS basis, was about 17% with a risk cover of 63%.

At the end of the year, customer deposits had increased from GH¢ 625.6 million to **GH¢ 680 million**, representing a year on year growth of 8.7%. We improved customer deposits which was consistent with our deposit mobilization strategy.

Our deposit mix improved resulting in a drop in our cost of funds by 29% which impacted favourably on our spread.

The bank continues to focus on sustainable growth through returning value for its shareholders with a return on equity of 21%. We recorded a return on assets of 2.1% indicating **efficient utilization of the bank's assets.** Shareholders' funds went up by GH¢ 25.3million to GHS 163.9 million mainly due to the profit earned in year 2016.

On capital adequacy, we continue to maintain an appreciable capital level as evidenced by a capital adequacy ratio of 17.7% which is well above the regulatory requirement of 10% and provides ample cushion against potential shocks.

Operational performance

Our staff strength rose from 385 in 2015 to 398, this was necessitated by expansion in our branch network by additional 3 in 2016. We continue to increase our presence across the country with our innovative products and position the business for further growth.

We relocated to our new ultra-modern head office complex in the month of December 2016 which is situated in the central business hub of the capital, Accra. This strategic location has **further improved our corporate image** and placed us in a better position to attract a broader and higher value base of customers.

Our core banking software was upgraded during the year to a higher version. This has enhanced our processes, improved our transaction cycle turnaround times, and led to **improved customer service delivery.**

Our customer base improved with number of customers and accounts increasing by **23.8% and 24.8%** to 210,166 and 227,888 respectively. This impacted favourably on customer deposits mobilized for the year.

Conclusion

Overall the environment present opportunities going forward and our bank will position its self to take advantage and consolidate on the performance we have achieved in recent years. I must commend the Board and the Group for their firm oversight and support to Management in the execution of their duties.

Corporate information

Directors

Directors	Position	Remarks
Stephan Ata	**Chairman**	
Nana Owusu-Afari	Member	
Dr. Patrick Ata	Member	
John Klinogo	Member	
Kobby Andah	Member	
Amine 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
Festus Awuah Kwofie	Secretary

Audit committee

John Klinogo	**Chairman**
Vincent De Brouwer	Member
Nana Owusu-Afari	Member
Abdekabir Bennani	Member
Arnold Dabi	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
Abubakar Essuman	Secretary

Company secretary

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

Registered office

The Octagon
First Floor ; Block A & B
Independence Avenue
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

Standard Chartered Bank Ghana Limited

Access Bank, London, UK

BMCE Bank International, Span

BOA-BENIN

BOA-COTE D'IVOIRE

BOA-FRANCE

BOA-KENYA

BOA-MALI

BOA-NIGER

BOA-TANZANIA

BOA-UGANDA

BOA-SENEGAL

BOA-BURKINA FASO

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 2016.

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 2016 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	2016 (IN GH¢)	2015 (IN GH¢)
PROFIT/(LOSS) BEFORE TAXATION	25,115,301	39,541,194
INCOME TAX EXPENSE	(6,008,081)	(3,969,085)
NATIONAL FISCAL STABILIZATION LEVY	(1,255,765)	(1,977,060)
DEFERRED TAX	6,315,787	(6,075,885)
PROFIT/(LOSS) AFTER TAX FOR THE YEAR	24,167,243	27,519,164
OTHER COMPREHENSIVE (LOSS)/INCOME	1,192,856	494,552
TOTAL COMPREHENSIVE INCOME/(LOSS)	25,360,099	28,013,716

The bank made a total comprehensive income after tax of GH¢25,360,099 as compared to GH¢27,519,164 in 2015. The total assets of the bank decreased from GH¢1,146,997,678 in 2015 to GH¢1,144,481,867 in 2016, a decline of about 0.02% as at 31 December 2016.

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, 28th March 2017

Independent auditor's report

To the members of BANK OF AFRICA - GHANA limited

Opinion

We have audited the accompanying financial statements of BANK OF AFRICA - GHANA Limited as set out on pages 12 to 69, which comprise the statement of financial position as at 31 December 2016, 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.

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 2016 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).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of BANK OF AFRICA - GHANA Limited. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of BANK OF AFRICA - GHANA Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the Directors' Report as required by the Companies Act, 1963 (Act 179). The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 28th March, 2017

Financial Statements

For the year ended 31 december 2016

Statement of Comprehensive Income as at 31 December 2016

	NOTE	2016 GH¢	2015 GH¢
INTEREST INCOME	8	134,719,885	115,920,431
INTEREST EXPENSE	9	(22,345,961)	(31,566,986)
NET INTEREST INCOME		112,373,924	84,353,445
FEES AND COMMISSION INCOME	10A	22,443,084	19,081,634
FEES AND COMMISSION EXPENSES	10B	(1,950,784)	(1,625,291)
NET FEE AND COMMISSION INCOME		20,492,300	17,456,343
NET TRADING INCOME	11	21,219,706	39,809,760
NET INCOME FROM OTHER FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	12	(45,866,006)	(12,912,506)
OTHER OPERATING INCOME	13	4,145,795	2,564,600
OTHER INCOME		(20,500,505)	29,461,854
OPERATING INCOME		112,365,719	131,271,642
NET IMPAIRMENT LOSS ON FINANCIAL ASSET	22C	(11,139,701)	(29,554,470)
PERSONNEL EXPENSES	14	(36,805,037)	(28,407,741)
DEPRECIATION AND AMORTISATION	15	(3,936,114)	(4,206,895)
OTHER EXPENSES	16	(35,369,566)	(29,561,342)
PROFIT BEFORE INCOME TAX		25,115,301	39,541,194
INCOME TAX EXPENSE	17A	(948,058)	(12,022,030)
PROFIT FOR THE YEAR		24,167,243	27,519,164
OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX			
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)	18	1,192,856	494,552
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		25,360,099	28,013,716
PROFIT ATTRIBUTABLE TO:			
MAJORITY SHAREHOLDERS OF BANK OF AFRICA		22,592,845	25,726,403
MINORITY SHAREHOLDERS OF BANK OF AFRICA		1,574,398	1,792,761
TOTAL		24,167,243	27,519,164
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
MAJORITY SHAREHOLDERS OF BANK OF AFRICA		23,707,992	26,188,737
MINORITY SHAREHOLDERS OF BANK OF AFRICA		1,652,107	1,824,979
TOTAL		25,360,099	28,013,716
EARNINGS PER SHARE			
BASIC AND DILUTED EARNINGS/(LOSS) PER SHARE	19	0.242	0.276

The notes on pages 17 to 69 are an integral part of these financial statements

Statement of Financial Position as at 31 December 2016

	NOTE	2016 GH¢	2015 GH¢
ASSETS			
CASH AND CASH EQUIVALENTS	20	360,011,980	244,396,089
NON-PLEDGED TRADING ASSETS		-	-
PLEDGED TRADING ASSETS		-	-
DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	21	-	8,217,328
INVESTMENTS (OTHER THAN SECURITIES)		-	-
LOANS AND ADVANCES TO CUSTOMERS	22	447,086,581	387,493,948
INVESTMENT SECURITIES	23	196,665,949	439,452,431
DEFERRED TAX ASSETS	17 (C)	2,500,900	-
CURRENT INCOME TAX ASSETS	17 (D)	1,962,548	1,361,769
INTANGIBLE ASSETS	24	934,054	693,904
OTHER ASSETS	25	88,203,036	56,132,296
PROPERTY, PLANT AND EQUIPMENT	26	47,116,819	9,249,912
TOTAL ASSETS		**1,144,481,867**	**1,146,997,678**
LIABILITIES			
TRADING LIABILITIES		-	-
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	21	-	21,129,834
BORROWINGS	27	249,992,506	316,846,508
CUSTOMER DEPOSITS	28	679,980,171	625,592,038
DEFERRED TAX LIABILITIES	17(C)	-	3,417,268
OTHER LIABILITIES	**29**	**50,568,400**	**41,431,338**
TOTAL LIABILITIES		**980,541,077**	**1,008,416,986**
CAPITAL RESOURCES			
STATED CAPITAL	30	100,960,828	100,960,828
RETAINED EARNINGS		(28,924,879)	(29,746,898)
AVAILABLE FOR SALE RESERVE		1,269,082	76,227
REGULATORY CREDIT RISK RESERVE	31	41,658,527	30,396,925
STATUTORY RESERVE		48,977,232	36,893,610
SHAREHOLDERS' FUNDS		163,940,790	138,580,692
TOTAL LIABILITIES AND SHAREHOLDERS' FUNDS		**1,144,481,867**	**1,146,997,678**

The financial statements on pages 1 to 69 were approved by the board of directors on its behalf and were signed on its behalf by:

Kobby Andah
Director
Accra - Ghana, 28th March 2017

Stephan Ata
Director
Accra - Ghana, 28th March 2017

The notes on pages 17 to 69 are an integral part of these financial statements

Statement of Changes in Equity for the year ended 31 December 2016

	STATED CAPITAL	RETAINED EARNINGS	CREDIT RISK RESERVE	STATUTORY RESERVE	AVAILABLE FOR SALE RESERVE	TOTAL	MINORITY SHAREHOLDER OF BANK OF AFRICA
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	
AT 1 JANUARY 2016	100,960,828	(29,746,898)	30,396,925	36,893,610	76,227	138,580,692	9,021,603
PROFIT FOR THE YEAR		24,167,243	-	-	-	24,167,243	-
OTHER COMPREHENSIVE INCOME	-	-	-	-	1,192,856	1,192,856	-
TOTAL COMPREHENSIVE INCOME	-	24,167,243	-	-	1,192,856	25,360,099	1,650,942
TRANSFER FROM CREDIT RESERVE	-	(11,261,602)	11,261,602	-	-	-	-
TRANSFER TO STATUTORY RESERVE	-	(12,083,622)	-	12,083,622	-	-	-
AT 31 DECEMBER 2016	100,960,828	(28,924,879)	41,658,527	48,977,232	1,269,083	163,940,791	10,672,545
2015							
AT 1 JANUARY 2015	100,960,828	(48,570,482)	35,460,927	23,134,028	(418,325)	110,566,976	7,197,910
PROFIT FOR THE YEAR	-	-	-	-	494,552	494,552	-
OTHER COMPREHENSIVE INCOME	-	27,519,164	-	-	494,552	28,013,716	1,823,693
TOTAL COMPREHENSIVE INCOME	-	28,551,271	-	-	(631,070)	27,920,201	
TRANSFER TO 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	9,021,603

The notes on pages 12 to 75 are an integral part of these financial statements

Statement of cash flows for the year ended 31 december 2016

	NOTE	2016 GH¢	2015 GH¢
CASH FLOWS FROM OPERATING ACTIVITIES			
PROFIT BEFORE TAXATION		25,115,301	39,541,194
ADJUSTMENTS FOR:			
DEPRECIATION AND AMORTISATION	15	3,936,114	4,206,895
EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS		(1,973,864)	(1,672,378)
GAIN ON DISPOSAL OF PROPERTY AND EQUIPMENT		(780)	(90,022)
PROFIT BEFORE WORKING CAPITAL CHANGES		27,076,771	41,985,689
CHANGE IN DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	21	8,217,328	14,036,701
CHANGE IN LOANS AND ADVANCES TO CUSTOMERS	22	(59,592,633)	(48,944,507)
CHANGE IN OTHER ASSETS	25	(32,070,741)	9,426,115
CHANGE IN DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	21	(21,129,834)	-
CHANGES IN BORROWINGS	27	(66,854,002)	98,798,956
CHANGE IN DEPOSITS FROM CUSTOMERS	28	54,388,132	77,431,185
CHANGE IN OTHER LIABILITIES AND PROVISIONS	29	9,137,065	(3,639,557)
TOTAL		(80,827,914)	189,094,582
INCOME TAX PAID		(7,864,625)	(6,551,096)
NET CASH USED/GENERATED FROM OPERATING ACTIVITIES		(88,692,539)	182,543,486
CASH FLOWS FROM INVESTING ACTIVITIES			
PURCHASE OF INVESTMENT SECURITIES		(1,242,981,831)	(623,975,048)
PROCEEDS FROM SALE OF INVESTMENT SECURITIES		1,487,358,788	382,317,911
PURCHASE OF PROPERTY AND EQUIPMENT		(41,058,836)	(4,454,840)
PROCEEDS FROM THE SALE OF PROPERTY AND EQUIPMENT		32,710	92,898
PURCHASE OF INTANGIBLE ASSETS		(1,016,265)	(274,923)
NET CASH USED IN INVESTING ACTIVITIES		202,334,566	(246,294,002)
NET CASH FROM FINANCING ACTIVITIES		-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	20	113,642,027	(63,750,517)
CASH AND CASH EQUIVALENTS AT 1 JANUARY		244,396,089	306,474,227
EFFECT OF EXCHANGE RATE FLUCTUATIONS ON CASH HELD		1,973,864	1,672,378
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	20	360,011,980	244,396,089

OPERATIONAL CASH FLOWS FROM INTEREST	2016 GH¢	2015 GH¢
INTEREST RECEIVED	141,093,606	108,970,047
INTEREST PAID	73,806,043	31,406,727

The notes on pages 17 to 69 are an integral part of these financial statements.

Notes to the Financial Statements

For the year ended 31 December 2016

1. Reporting Entity

BANK OF AFRICA - GHANA (BOA-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 SA which is a holding company incorporated in Cote D'Iviore. It's ultimate parent is Banque Maroccaine du Commerce Exterieur (BMCE) a company based in Morocco 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].

2.3. Reclassification of 2015 figures

The Bank in 2016 modified the presentation of its financial statements to align it with the Sector based illustrative financial statements published by the Bank of Ghana in December 2016. The Bank has assessed the impact of the changes in presentation and has concluded that the presentation of the third statement of financial position (i.e. as at 1 January 2015) would not provide users of the financial information with any additional information that is useful or relevant. Based on the assessment of the materiality of the changes to presentation, BANK OF AFRICA - GHANA Limited has presented two statements of financial position. A summary of the key changes that impact the prior year (31 December 2015) are presented below;

Statement of Profit or Loss and Other Comprehensive Income

Net trading income

Income from "foreign exchange dealings" (Note 11) was previously included in "other income" (GH¢39,809,760) in the 2015 annual report. In the current year this has been disaggregated from other income and presented on the face of the statement of profit or loss and other comprehensive income as "net trading income" with a corresponding change in the comparatives.

Personnel expenses

"Personnel expenses" (GH¢28,407,741) (Note 14) was previously included in "operating expenses" and reported as one line item on the face of the statement of profit or loss and other comprehensive income in the 2015 annual report. In the current year, this has been disaggregated and reported on the face of the statement of profit or loss and other comprehensive income.

Depreciation and amortisation

"Depreciation and amortisation" which includes "Depreciation" (GH¢2,746,972), "Amortisation of intangible assets" (GH¢1,419,960) and "Amortisation of long term lease" (GH¢39,962) were reported as part of "operating expenses" on the face of the statement of profit or loss and other comprehensive income in the 2015 annual report. In the current year, these have been aggregated and reported on the face of the statement of profit or loss and other comprehensive income.

Other expenses

In the current year, "other operating expenses" reported for 2015 comparative year represents the balance after disaggregating "personnel expenses" and depreciation and amortisation".

Income tax expenses

Income tax expense being reported in the current financial statement for the 2015 comparative is a sum of what was previously reported separately as being the National stabilisation levy (GH¢1,977,060) and Income tax expense (GH¢10,044,970). These figures were previously reported on separate lines in 2015, but have been aggregated as "Income tax expenses" in the current period with comparatives being restated accordingly.

Statement of Financial Position

Cash and Cash Equivalents

"Cash and Cash Equivalents" in the current financial statement for the 2015 comparative is an aggregation of "Cash and balances with bank of Ghana" GH¢130,520,730, (2014: GH¢72,853,855), and "Deposits and balances due from banking institutions" GH¢113,875,359, (2014: GH¢233,620,371) which were previously presented separately in the 2015 annual report. Mandatory deposits amounting to GH¢86,299,086 (2014: GH¢49,954,422) which was previously excluded from cash and cash equivalent has been now included in the 2015 comparative due to the new bank of Ghana guidelines. Refer to note 20 for the terms of the mandatory deposits with the Bank of Ghana.

Investment securities

The investment securities reported for the 2015 comparative in an aggregation of "Available-for-sale investments" GH¢170,708,861 (2014: GH¢84,647,661), "Held to maturity investments" GH¢173,908,125 (2014: GH¢17,518,128), "Available for sale pledged as collateral" GH¢47,886,595 (2014: GH¢95,527,869) and "Held to maturity pledged as collateral" GH¢46,948,850 (2014: Nil). These were presented separately in the 2015 and 2014 statement of financial position under "Investment in Government securities"

Other assets

Included in other assets for the 2015 comparative is an investment property of GH¢ 6,700,000 (2014: GH¢6,700,000) which was reported on the face of the 2015 and 2014 statement of financial position as "investment property". The investment properties have been reclassified as assets held for sale as they relate to repossessed properties which are to be disposed of within 12 months after the end of the reporting period.

Property, Plant and Equipment

"Property, Plant and Equipment" comparative for 2015 includes Long term lease (Operating Lease Prepaid) of GH¢410,202 which was previously reported separately in the 2015 statement of financial position.

Borrowings

Comparative for 2015 "borrowings" is an aggregation of "Borrowings" (261,098,067) and "Due to banks and other financial institutions" (55,748,441). These were reported separately on the 2015 statement of financial position.

Statement of Cash flows

Cash and cash equivalents

The composition of cash and cash equivalents has changed to include mandatory deposits. Previously the cash and cash equivalents were disclosed as GHS158,097,021 (2015), and the restated amounts to include the mandatory deposits amounts to GHS244,396,089 (2015).

Depreciation and amortisation

"Depreciation (GH¢2,746,972), "amortisation of intangible assets" (GHS 1,419,960), and long term lease amortisation (GH¢39,962) which reported in the 2015 financial statements as separate line items as adjustments to the operating cash flows, has now been merged and reported as a single line item under "depreciation and amortisation".

Change in investment securities

Changes in investment securities were reported in 2015 statement of cash flows under working capital movement. The changes have been reported in current year under "Cash flows from investing activities".

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 22a and 22d.

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 17c 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 24 and 26.

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

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

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 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 45.

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 yet 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

Introduction

In July 2014, the IASB issued IFRS 9 Financial Instruments, the standard that will replace IAS 39 for annual periods on or after 1 January 2018, with early adoption permitted.

IFRS 9 brings together all three aspects of the accounting for the 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. The bank in 2017 will be performing a high-level impact assessment of all three aspects of IFRS 9. The preliminary assessment will be based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Bank in the future. Overall, the Bank expects no significant impact on its balance sheet and equity except for the effect of applying the impairment requirements of IFRS 9. The Bank expects a higher loss allowance resulting in a negative impact on equity and will perform a detailed assessment in the future to determine the extent.

Classification and measurement

From a classification and measurement perspective, the new standard will require all financial assets, except equity instruments and derivatives, to be assessed based on a combination of the entity's business model for managing the assets and the instruments' contractual cash flow characteristics. The IAS 39 measurement categories will be replaced by: fair Value through profit or loss (FVPL), fair value through other comprehensive income (FVOCI), and amortised cost. IFRS 9 will also allow entities to continue to irrevocably designate instruments that qualify for amortised cost or fair value through OCI instruments as FVPL, if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Equity instruments that are not held for trading may be irrevocably designated as FVOCI, with no subsequent reclassification of gains or losses to the income statement.

The accounting for financial liabilities will largely be the same as the requirements of IAS 39, except for the treatment of gains or losses arising from an entity's own credit risk relating to liabilities designated at FVPL. Such movements will be presented in OCI with no subsequent reclassification to the income statement, unless an accounting mismatch in profit or loss would arise.

Having completed its initial assessment, the Bank has concluded that:

- The majority of loans and advances to banks, loans and advances to customers, cash collateral for reverse repo agreements and cash settlement balances with clearing houses that are classified as loans and receivables under IAS 39 are expected to be measured at amortised cost under IFRS 9
- Financial assets and liabilities held for trading and financial assets and liabilities designated at FVPL are expected to be continued to be measured at FVPL
- The majority of the debt securities classified as available for sale under IAS 39 are expected to be measured at amortised cost or FVOCI. Some securities, however, will be classified as FVPL, either because of their contractual cash flow characteristics or the business model within which they are held
- Debt securities classified as held to maturity are expected to continue to be measured at amortised cost.

Impairment of financial assets

Overview

IFRS 9 will also fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach.

The Bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.

The Bank has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

- To calculate ECL, the Bank will estimates the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract, and

- The cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan. In comparison to IAS 39, the Bank expects the impairment charge under IFRS 9 to be more volatile than under IAS 39 and to result in an increase in the total level of current impairment allowances.

Forward looking information

On adoption of the standard, the Bank will incorporate forward-looking information in both the assessment of significant increase in credit risk and the measurement of ECLs. The Bank will consider forward-looking information such as macroeconomic factors (e.g., unemployment, GDP growth, interest rates and economic forecasts. To evaluate a range of possible outcomes, the bank intends to formulate three scenarios: a base case, a worse case and a better case.

The base case scenario represents the more likely outcome resulting from the Bank's normal financial planning and budgeting process, while the better and worse case scenarios represent more optimistic or pessimistic outcomes. For each scenario, the Bank will derive an ECL and apply a probability weighted approach to determine the impairment allowance. The Bank will use internal information coming from internal economic experts, combined with published external information from government and private economic forecasting services such as Good Forecast Agency. Both the Risk and Finance management teams will need to approve the forward-looking assumptions before they are applied for different scenarios.

Hedge accounting

The Bank does not have any.

IFRS 15 Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, effective for periods beginning on 1 January 2018 with early adoption permitted. IFRS 15 defines principles for recognising revenue and will be applicable to all contracts with customers. However, interest and fee income integral to financial instruments and leases will continue to fall outside the scope of IFRS 15 and will be regulated by the other applicable standards (e.g., IFRS 9, and IFRS 16 Leases).

Revenue under IFRS 15 will need to be recognised as goods and services are transferred, to the extent that the transferor anticipates entitlement to goods and services. The standard will also specify a comprehensive set of disclosure requirements regarding the nature, extent and timing as well as any uncertainty of revenue and corresponding cash flows with customers. The Bank does not anticipate early adopting IFRS 15 and is currently evaluating its impact.

IFRS 16 Leases

The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss. IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided the new revenue standard, IFRS 15, is applied on the same date. Lessees must adopt IFRS 16 using either a full retrospective or a modified retrospective approach. The Bank does not anticipate early adopting IFRS 16 and is currently evaluating its impact.

5. New and amendede standards and interpretations

Amendments to IAS 12 Income Taxes

In January 2016, through issuing amendments to IAS 12, the IASB clarified the accounting treatment of deferred tax assets of debt instruments measured at fair value for accounting, but measured at cost for tax purposes. The amendment is effective from 1 January 2017. The Bank is currently evaluating the impact, but does not anticipate that adopting the amendments would have a material impact on its financial statements.

Amendments to IAS 7 statement of Cash Flows

In January 2016, the IASB issued amendments to IAS 7 Statement of Cash Flows with the intention to improve disclosures of financing activities and help users to better understand the reporting entities' liquidity positions. Under the new requirements, entities will need to disclose changes in their financial liabilities as a result of financing activities such as changes from cash flows and non-cash items (e.g., gains and losses due to foreign currency movements). The amendment is effective from 1 January 2017. The Bank is currently evaluating the impact.

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 2016	30,020,770	331,078	30,351,848
AS AT DECEMBER 2015	28,689,947	900,818	29,590,765

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 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

	2016 (GH¢)	2015 (GH¢)
ON-STATEMENT OF FINANCIAL POSITION ITEMS		
A) GOVERNMENT SECURITIES	196,665,949	439,452,431
B) DEPOSITS DUE FROM BANKING INSTITUTIONS:		
LOCAL	36,842,186	12,042,002
FOREIGN	229,542,875	101,833,357
TOTAL	266,385,061	113,875,359
C) LOANS AND ADVANCES TO CUSTOMERS:		
INDIVIDUALS:		
OVERDRAFT	5,737,988	4,159,127
TERM LOAN	109,633,780	48,097,890
TOTAL	115,371,768	52,257,017
CORPORATE ENTITIES:		
OVERDRAFT	112,212,903	112,243,596
TERM LOAN	226,836,101	233,374,491
TOTAL	339,049,004	345,618,087
GROSS LOANS AND ADVANCES (EXCLUDING SUSPENDED INTEREST)	454,420,772	397,875,104
D) OTHER ASSETS:		
INTER BANK CLEARING ITEMS	36,061,462	12,392,914
OTHERS	6,719,045	3,672,171
TOTAL	42,780,507	16,065,085
OFF STATEMENT OF FINANCIAL POSITION ITEMS		
LETTERS OF CREDIT	38,876,593	27,551,523
LETTERS OF GUARANTEE	44,190,543	81,602,588
TOTAL	83,067,136	109,154,111

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

- Investments in 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.

2016

LOANS AND ADVANCES TO CUSTOMERS	GROSS AMOUNTS (EXCLUDING INTEREST IN SUSPENSE)	IMPAIRMENT ALLOWANCES	NET AMOUNTS	
	GH¢	GH¢	GH¢	%
PAST DUE AND IMPAIRED	78,090,266	7,334,191	70,756,075	17%
PAST DUE BUT NOT IMPAIRED	30,351,848	-	30,351,848	7%
NEITHER PAST DUE NOR IMPAIRED	345,978,658	-	345,978,658	76%
TOTAL	454,420,772	7,334,191	447,086,581	100%

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%

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 2016 was 17% (2015:15%)

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 2016 is as follows:

DETAILS	2016 (GH¢)	2015 (GH¢)
STRONG	264,980,552	202,860,629
GOOD	55,787,744	73,403,670
SATISFACTORY	25,210,362	31,558,802
TOTAL	345,978,658	307,823,101

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¢53,940,248.04 (2015: GH¢55,672,998).

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.

	2016 (GH¢)	2015 (GH¢)
AT 31 DECEMBER		
INDIVIDUALLY IMPAIRED LOANS	5,841,158	9,149,247
COLLECTIVELY IMPAIRED LOANS	1,493,033	1,231,909
TOTAL	7,334,191	10,381,156

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:

	AGAINST INDIVIDUALLY IMPAIRED		AGAINST PAST DUE BUT NOT IMPAIRED		AGAINST NEITHER PAST DUE NOR IMPAIRED	
TYPE OF SECURITY	2016	2015	2016	2015	2016	2015
CASH	-	-	-	-	77,285,237	86,849,725
MORTGAGE	97,011,600	32,011,600	13,450,000	12,340,375	258,956,832	279,856,432
INTERIM PAYMENT CERTIFICATES	5,350,000	6,589,500	33,499,400	37,191,034	68,952,586	75,265,893
DEBENTURES	10,778,366	31,497,081	20,850,000	10,450,000	81,568,935	56,487,952
INSURANCE BOND	-	-	10,000,000	9,725,000	58,925,683	48,956,853
GUARANTEES	60,650,132	72,966,327	13,786,607	1,694,083	827,535,275	704,757,252
TOTAL	173,790,098	143,064,508	91,586,007	71,400,492	1,373,224,548	1,252,174,107

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:

Advance to customers

	2016		2015	
	GH¢	%	GH¢	%
AGRICULTURE	1,198,518	0.26%	391,282	0.10%
MANUFACTURING	9,035,040	1.99%	34,143,843	8.58%
COMMERCE & FINANCE	83,755,063	18.43%	55,269,242	13.89%
TRANSPORT & COMMUNICATIONS	9,219,997	2.03%	9,032,264	2.27%
MINING AND QUARRYING	10,076,863	2.22%	11,047,865	2.78%
BUILDING & CONSTRUCTION	96,014,768	21.13%	85,253,399	21.43%
SERVICES	31,189,656	6.86%	41,114,065	10.33%
ELECTRICITY, OIL, GAS, ENERGY AND WATER	99,381,292	21.87%	107,042,794	26.90%
OTHERS	114,549,575	25.21%	54,580,350	13.72%
TOTAL	454,420,772	100%	397,875,104	100%

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

	2016		2015	
	GH¢	%	GH¢	%
SOCIAL COMM. & PERSONAL SERV.	167,792	0.2%	6,611,149	6.1%
BUSINESS SERVICES	23,337,073	28.1%	7,272,455	6.7%
WHOLESALE AND RETAIL	21,657,850	26.1%	27,691,042	25.4%
TRANSPORT & COMMUNICATION	103,767	0.1%	6,584,757	6.0%
OTHER	37,661,451	45.3%	49,631,812	45.5%
MANUFACTURING	139,203	0.2%	11,362,896	10.4%
TOTAL	83,067,136	100.0%	109,154,111	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	2016	2015
AVERAGE FOR THE PERIOD	10.00%	10.00%
MAXIMUM FOR THE PERIOD	10.00%	10.00%
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

2016	CARRYING AMOUNT	UP TO 1 MONTH	1-3 MONTHS	3-12 MONTHS	1-5 YEARS	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	679,980,171	514,199,849	124,618,474	52,912,488	-	691,730,811
BORROWINGS	249,992,506	34,487,330	107,964,754	109,031,665	-	251,483,749
OTHER LIABILITIES	49,866,100	12,256,295	3,474,700	-	39,237,115	54,968,110
TOTAL FINANCIAL LIABILITIES	979,838,777	560,943,474	236,057,928	161,944,153	39,237,115	998,182,670
FINANCIAL ASSETS						
CASH AND CASH EQUIVALENTS	360,011,980	232,674,731	128,354,402	-	-	361,029,133
INVESTMENT SECURITIES	196,665,949	47,402,479	62,905,224	87,700,141	-	198,007,844
LOANS AND ADVANCES TO CUSTOMERS (NET)	447,874,603	202,036,553	11,241,622	36,462,743	215,769,304	465,510,222
OTHER ASSETS	42,780,507	37,714,070	1,402,554	-	3,162,367	42,278,991
TOTAL FINANCIAL ASSETS	1,047,333,039	519,827,833	203,903,802	124,162,884	218,931,671	1,066,826,190
NET LIQUIDITY GAP	67,494,262	(41,115,641)	(32,154,126)	(37,781,269)	179,694,556	68,643,520
OFF BALANCE SHEET						
FINANCIAL GUARANTEE CONTRACT	44,190,543	10,720,303	763,077	15,089,051	19,596,571	46,169,002

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.

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
BORROWINGS	316,846,508	35,866,425	64,147,834	230,253,646	-	330,267,905
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	21,129,834	-	-	25,534,705	-	25,534,705
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 CASH EQUIVALENTS	244,396,089	167,848,923	77,378,651	-	-	245,227,574
INVESTMENT SECURITIES	439,452,431	41,117,432	-	414,811,820	7,422,095	463,351,347
DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	8,217,328	-		9,016,033		9,016,033
LOANS AND ADVANCES TO CUSTOMERS (NET)	387,493,948	192,369,410	22,068,819	33,889,317	188,045,977	436,373,523
OTHER ASSETS	16,065,085	14,376,867	1,751,353	-	-	16,128,220
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

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.

2016

	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 SECURITIES	46,810,510	62,405,962	87,463,377	-	-	196,665,949
LOANS AND ADVANCES TO CUSTOMERS (NET)	190,318,659	10,972,788	18,885,016	16,362,396	210,547,722	447,086,581
TOTAL FINANCIAL ASSETS	237,129,169	72,264,308	106,348,393	16,362,396	210,547,722	643,752,530
FINANCIAL LIABILITIES						
CUSTOMER DEPOSITS	514,199,849	115,387,476	31,519,946	18,872,899	-	679,980,171
TOTAL FINANCIAL LIABILITIES	514,199,849	115,387,476	31,519,946	18,872,899	-	679,980,171
INTEREST RATE SENSITIVITY GAP	(277,070,680)	(42,022,626)	74,828,447	(2,510,503)	210,547,722	(36,227,641)

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 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)

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 2016.

Interest Rate Sensitivity Analysis

2016

			IMPACT ON PROFIT OR LOSS INCREASE/(DECREASE) IN RATES	IMPACT ON EQUITY INCREASE/(DECREASE) IN RATES
	GH¢		GH¢	GH¢
RATE SENSITIVE ASSETS	643,752,530	INCREASE IN	32,187,626	32,187,626
RATE SENSITIVE LIABILITIES	679,980,172	500 BASIS	(33,999,009)	(33,999,009)
TOTAL			(1,811,383)	(1,811,383)
RATE SENSITIVE ASSETS	643,752,530	DECREASE IN	(32,187,626)	(32,187,626)
RATE SENSITIVE LIABILITIES	679,980,171	500 BASIS	33,999,009	33,999,009
TOTAL			1,811,383	1,811,383

2015

	GH¢		GH¢	GH¢
RATE SENSITIVE ASSETS	558,202,809	INCREASE IN	19,374,697	27,910,140
RATE SENSITIVE LIABILITIES	625,592,039	500 BASIS	(31,279,602)	(31,279,602)
TOTAL			(11,904,905)	(3,369,462)
RATE SENSITIVE ASSETS	558,202,809	DECREASE IN	(19,374,697)	(27,910,140)
RATE SENSITIVE LIABILITIES	625,592,039	500 BASIS	31,279,602	31,279,602
TOTAL			31,279,602	31,279,602

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:

	2016 (GH¢)	2015 (GH¢)
US DOLLAR	4.2002	3.7998
GB POUND	5.1965	5.6279
EURO	4.4367	4.1532
NGN	0.0137	0.0190

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.

2016

ASSETS	USD GH¢	GBP GH¢	EUR GH¢	OTHER GH¢	TOTAL GH¢
CASH AND CASH EQUIVALENTS	247,721,803	3,093,057	4,327,684	-	255,142,544
LOANS AND ADVANCES TO CUSTOMERS (NET)	118,823,138	1,576	57,798,242	-	176,622,956
OTHER ASSETS	2,260,872	-	266,990	-	2,527,862
TOTAL FINANCIAL ASSETS	368,805,812	3,094,633	62,392,916	-	434,293,361
FINANCIAL LIABILITIES					
CUSTOMER DEPOSITS	180,040,990	4,236,817	39,203,785	-	223,481,592
DEPOSITS FROM BANKS	208,714,775	-	36,272,252	-	244,987,027
OTHER LIABILITIES	35,680,385	9,539	1,168,901	-	36,858,825
TOTAL FINANCIAL LIABILITIES	424,436,150	4,246,355	76,644,939	-	505,327,444
NET STATEMENT OF FINANCIAL POSITION	(55,630,337)	(1,151,722)	(14,252,023)	-	(71,034,082)

2015

ASSETS	USD GH¢	GBP GH¢	EUR GH¢	OTHER GH¢	TOTAL GH¢
CASH AND CASH EQUIVALENTS	112,872,095	3,018,898	2,846,085	-	118,737,078
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
DEPOSITS FROM BANKS	279,285,300	2,251,154	33,225,451	-	314,761,905
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)

		2016 CHANGE IN CURRENCY RATE %	2016 EFFECT ON PROFIT BEFORE TAX			2015 CHANGE IN CURRENCY RATE %	2015 EFFECT ON PROFIT BEFORE TAX
USD	(55,630,337)	10%	(5,563,034)	USD	(299,022,960)	10%	(29,902,296)
GBP	(1,151,722)	10%	(115,172)	GBP	(3,443,681)	10%	(344,368)
EUR	(14,252,023)	10%	(1,425,202)	EUR	25,820,108	10%	2,582,011
			(7,103,408)				(27,664,653)

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

	2016	2015
	GH¢	GH¢
GOVERNMENT SECURITIES - HTM INVESTMENTS	31,510,662	17,757,964
GOVERNMENT SECURITIES - AFS INVESTMENTS	31,990,134	36,404,745
PLACEMENTS	7,852,084	3,007,842
LOANS AND ADVANCES TO CUSTOMERS	63,367,005	58,749,880
TOTAL	134,719,885	115,920,431

9. INTEREST EXPENSE

	2016	2015
A) ON DEPOSITS:	GH¢	GH¢
FIXED /TIME DEPOSITS	5,760,081	9,942,126
SAVINGS DEPOSITS	2,026,715	1,693,018
DEMAND & CALL DEPOSITS	2,874,848	2,664,595
TOTAL	10,661,643	14,299,739
B) ON BORROWED FUNDS:		
INTER-BANK BORROWING	6,296,158	10,770,222
BORROWINGS	5,388,160	6,497,025
TOTAL	11,684,318	17,267,247
TOTAL	22,345,961	31,566,986

10. NET FEES AND COMMISSION INCOME

	2016	2015
A) INCOME	GH¢	GH¢
COMMISSION ON TURNOVER	3,733,062	3,628,218
FEES AND CHARGES	5,524,121	3,662,060
FOREIGN TRADE INCOME	5,808,640	6,531,052
LOAN FEE INCOMES	5,189,810	2,934,250
GUARANTEES CHARGES & COMMISSION	2,187,451	2,326,054
TOTAL	22,443,084	19,081,634
B) EXPENSES		
FEES AND COMMISSIONS EXPENSES	(1,950,784)	(1,625,291)
NET FEE AND COMMISSION INCOME	20,492,300	17,456,343

11. NET TRADING INCOME

FOREIGN EXCHANGE DEALINGS	21,219,706	39,809,760

Gains on foreign currency dealings arose from dealings in foreign currency transactions and also on the translation of foreign currency assets and liabilities.

12. NET INCOME FROM OTHER FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE

12. NET INCOME FROM OTHER FINANCIAL INSTRUMENTS CARRIED AT FAIR VALUE	2016 (GH¢)	2015 (GH¢)
GAINS ON SWAP REVALUATION	-	8,217,328
LOSS ON SWAP REVALUATION	(45,866,006)	(21,129,834)
TOTAL	(45,866,006)	(12,912,506)

13. OTHER OPERATING INCOME	2016 (GH¢)	2015 (GH¢)
BAD DEBTS RECOVERED	4,145,015	2,474,578
GAIN ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT	780	90,022
TOTAL	4,145,795	2,564,600

14. PERSONNEL EXPENSES	2016 (GH¢)	2015 (GH¢)
SALARIES, BONUSES AND STAFF ALLOWANCES	30,248,638	24,113,073
SOCIAL SECURITY FUND CONTRIBUTION	1,476,324	1,195,913
PROVIDENT FUND CONTRIBUTION	1,394,934	920,302
MEDICALS	2,351,761	1,237,197
OTHER STAFF RELATED COSTS	1,333,380	941,256
TOTAL	36,805,037	28,407,741

15. DEPRECIATION AND AMORTISATION		
PROPERTY, PLANT AND EQUIPMENT (25A)	3,148,447	2,746,973
INTANGIBLE ASSETS	776,115	1,419,960
OPERATING LEASE PREPAID	11,552	39,962
TOTAL	3,936,114	4,206,895

16. OTHER EXPENSES	2016 (GH¢)	2015 (GH¢)
DIRECTORS' FEES	609,511	357,660
OCCUPANCY COST	10,668,976	7,522,387
AUDITORS REMUNERATION	324,465	334,857
DONATIONS AND SOCIAL RESPONSIBILITY	225,769	168,324
MOTOR VEHICLE RUNNING	1,709,656	1,992,956
GENERAL & ADMINISTRATIVE	12,680,742	11,119,317
REPAIRS AND MAINTENANCE	891,848	646,615
INSURANCE	539,882	366,028
LEGAL AND OTHER PROFESSIONAL FEES	68,535	616,158
SOFTWARE FEES & MAINTENANCE	4,507,661	3,808,343
TRAINING & RESEARCH	480,980	514,363
SECURITY	1,741,766	1,379,174
TELEPHONE AND POSTAGE	919,775	735,160
TOTAL	35,369,566	29,561,342

17. TAXATION

The major components of income tax expense for the years ended 31 December 2016 and 2015 were:

A) TAX CREDIT/(CHARGED) TO PROFIT OR LOSS	2016 (GH¢)	2015 (GH¢)
CURRENT INCOME TAX	6,008,081	3,969,085
DEFERRED TAX RELATING TO THE ORIGINATION AND REVERSAL OF TEMPORARY DIFFERENCES	(6,315,787)	6,075,885
NATIONAL FISCAL STABILIZATION LEVY	1,255,765	1,977,060
AT 31 DECEMBER	948,058	12,022,030

B) RECONCILIATION OF TAX CHARGE TO THE EXPECTED TAX BASED ON ACCOUNTING PROFIT		
ACCOUNTING PROFIT BEFORE TAXATION	25,115,301	39,541,195
TAX AT THE APPLICABLE RATE OF 25%	6,278,825	9,885,299
TAX ON NON-DEDUCTIBLE EXPENSES	382,880	171,576
INCOME NOT SUBJECT TO TAX	(1,418,912)	(11,905)
DEFERRED TAX ADJUSTMENT	(5,550,500)	-
NATIONAL FISCAL STABILIZATION LEVY	1,255,765	1,977,060
TOTAL	948,058	12,022,030

Deferred tax adjustment is in respect of prior year deferred tax liability relating to exchange gains no longer taxable.

The effective income tax rate for year 2016 is 4% (2015 was 25.4%)

C) DEFERRED TAX ASSET	2016 (GH¢)	2015 (GH¢)
DEFERRED TAX RELATES TO THE FOLLOWING:		
DEFERRED TAX LIABILITIES		
PROPERTY, PLANT AND EQUIPMENT	-	(305,097)
UNREALISED EXCHANGE GAIN	-	(5,550,500)
AVAILABLE FOR THE SALE INVESTMENTS	(423,028)	(25,406)
DEFERRED TAX ASSETS		
PROPERTY, PLANT AND EQUIPMENT	139,003	
PROVISION FOR IMPAIRMENT OF LOANS	2,784,925	2,463,738
NET DEFERRED TAX ASSET/(LIABILITY)	2,500,900	(3,417,265)

CHARGES IN DEFERRED TAX ASSETS AND LIABILITIES	2016 (GH¢)	2015 (GH¢)	IMPAT OF CHANGE ON PROFIT AND LOSS
	GH¢		
PROPERTY, PLANT AND EQUIPMENT	139,003	(305,097)	444,100
UNREALISED EXCHANGE GAIN	-	(5,550,500)	5,550,500
PROVISION FOR IMPAIRMENT OF LOANS	2,784,925	2,463,738	321,187
TOTAL	2,923,928	(3,391,859)	6,315,787

The Bank has recognised deferred tax assets. In 2016 the deferred tax assets is attributable mainly to provision on impaired loans. In 2015 the deferred tax liabilities was attributed to unrealised exchange gains.

Movement on deferred tax account as shown in the profit or loss is as follows

	2016 (GH¢)	2015 (GH¢)
OPENING BALANCE (ASSETS) / LIABILITIES	3,391,859	(2,684,026)
TAX (RECOVERED)/ EXPENSE TO PROFIT OR LOSS	(6,315,787)	6,075,885
TOTAL	(2,923,928)	3,391,859

Movement on deferred tax account as shown in the OCI is as follows;

OPENING BALANCE (ASSETS) / LIABILITIES	25,409	(131,806)
TAX (RECOVERED)/ EXPENSE TO OCI	397,619	157,215
TOTAL	423,028	25,409
TOTAL DEFERRED TAX (ASSET) / LIABILITY	(2,500,900)	3,417,268

D) CORPORATE TAXATION (PAYABLE)/RECOVERABLE

CORPORATE TAX AND NATIONAL STABILISATION LEVY

	1/1 GH¢	PAID DURING THE YEAR GH¢	PAID DURING THE YEAR GH¢	31/12 GH¢
2012	(1,561,705)	-	-	(1,561,705)
2013	601,402	-	-	601,402
2014	145,259	-	-	145,259
2015	(1,210,262)			(1,210,262)
2016	-	(6,554,195)	6,008,081	(546,114)
TOTAL	(2,025,306)	(6,554,195)	6,008,081	(2,571,420)

	1/1 GH¢	PAID DURING THE YEAR GH¢	PAID DURING THE YEAR GH¢	31/12 GH¢
2014	58,226			58,226
2015	605,311			605,311
2016	-	(1,310,430)	1,255,765	(54,665)
	663,536	(1,310,430)	1,290,880	608,872
TOTAL	(1,361,769)	(7,864,625)	7,263,846	(1,962,548)

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

	2016 (GH¢)	2015 (GH¢)
GAIN/(LOSS) ON AVAILABLE FOR SALE INVESTMENTS	1,692,110	101,636
AVAILABLE FOR SALE RECLASSIFIED TO PROFIT AND LOSS	(101,636)	557,767
TOTAL	1,590,474	659,403
DEFERRED TAX (LIABILITIES) / ASSETS	(397,619)	(164,851)
TOTAL	1,192,856	494,552

19. EARNINGS PER SHARE

Earnings per share is calculated by dividing the net profit attributable to shareholders by the number of ordinary shares in issue during the year.

	2016 GH¢	2015 GH¢
EARNINGS ATTRIBUTABLE TO ORDINARY SHAREHOLDERS	24,167,243	27,519,164
WEIGHTED AVERAGE NUMBER OF SHARES		
NUMBER OF ORDINARY SHARES ISSUED	99,683,823	99,683,823
EARNINGS PER SHARE - BASIC (GH¢)	0.242	0.276

There were no potentially dilutive instruments outstanding at balance sheet date.

20. CASH AND CASH EQUIVALENTS	2016 GH¢	2015 GH¢
CASH ON HAND AND CASH BALANCES WITH BANK OF GHANA (20A)	93,626,919	130,520,730
DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS (20B)	266,385,061	113,875,359
TOTAL	360,011,980	244,396,089

The balances with Bank of Ghana represent a mandatory reserve and represents at least 10% of total customer liability that are required to be held with the Central Bank.

20.A. CASH ON HAND AND CASH BALANCES WITH BANK OF GHANA	2016 GH¢	2015 GH¢
CASH ON HAND	52,276,500	44,221,662
BALANCES WITH BANK OF GHANA	41,350,419	86,299,068
TOTAL	93,626,919	130,520,730

20.B. DEPOSITS AND BALANCES DUE FROM BANKING INSTITUTIONS	2016 GH¢	2015 GH¢
NOSTRO BALANCES		
LOCAL CURRENCY	1,823,823	2,019,043
FOREIGN CURRENCY	28,594,596	35,309,150
INTERBANK PLACEMENT		
LOCAL CURRENCY	35,018,363	10,022,959
FOREIGN CURRENCY	200,948,279	66,524,207
TOTAL	266,385,061	113,875,359

21. DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT

The Bank did not hold any derivative assets or liabilities at the end of 2016. The derivative assets and liabilities held as at 31 December 2015 below were settled in 2016. The Swap arose out of transactions with BOG, GT Bank and Fidelity Bank in the normal course of business.

2015	NATIONAL 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

22. LOANS AND ADVANCES TO CUSTOMERS

		2016 (GH¢)	2015 (GH¢)
A)	OVERDRAFTS	99,707,272	121,226,833
	MORTGAGES	1,954,916	998,757
	LOANS	352,758,584	275,649,515
	GROSS LOANS AND ADVANCES	454,420,772	397,875,104
	ALLOWANCE FOR IMPAIRED LOANS AND ADVANCES:		
	ALLOWANCE FOR IMPAIRMENT LOSSES	(7,334,191)	(10,381,156)
	TOTAL	447,086,581	387,493,948

Included in loans and advances to customers are staff loans amounting to GH¢11,736,889) (2015 - GH¢9,150,476). The effective interest rate on loans and advances at 31 December 2016 was 29.5% (2015 - 28%).

		2016 (GH¢)	2015 (GH¢)
B)	BY MATURITY		
	MATURING:		
	WITHIN ONE YEAR	236,538,860	231,439,195
	ONE TO THREE YEARS	210,547,721	156,054,753
	TOTAL	447,086,581	387,493,948

C)	NET IMPAIRMENT LOSS ON FINANCIAL ASSET	2016 (GH¢)	2015 (GH¢)
	COLLECTIVE IMPAIRMENT	1,493,033	1,099,074
	INDIVIDUAL IMPAIRMENT	9,646,668	28,455,396
	TOTAL	11,139,701	29,554,470

LOANS AND ADVANCES TO CUSTOMERS PROVISION FOR LOANS AND ADVANCES	2016 (GH¢)	2015 (GH¢)
COLLECTIVE IMPAIRMENT LOSS		
OVERDRAFTS	970,471	758,361
MORTGAGES	-	-
LOANS	522,561	340,713
TOTAL	1,493,033	1,099,074
INDIVIDUAL IMPAIRMENT		
OVERDRAFTS	5,691,534	14,480,058
MORTGAGES	-	-
LOANS	3,955,134	13,975,338
TOTAL	9,646,668	28,455,396
TOTAL CHARGED FOR THE YEAR	11,139,701	29,554,470

D)	RECONCILIATION OF IMPAIRMENT CHARGES	2016 (GH¢)	2015 (GH¢)
	OPENING BALANCE	10,381,156	13,091,291
	CHARGE FOR THE YEAR	11,139,701	29,554,470
	WRITE-OFFS	(14,186,666)	(32,264,605)
	AT 31 DECEMBER	7,334,191	10,381,156

23. INVESTMENT SECURITIES

	2016 (GH¢)	2015 (GH¢)
AVAILABLE-FOR-SALE INVESTMENT SECURITIES	83,854,482	170,708,861
HELD-TO-MATURITY INVESTMENT SECURITIES	91,355,232	173,908,125
AVAILABLE-FOR-SALE INVESTMENT SECURITIES PLEDGED AS COLLATERAL	5,012,000	47,886,595
HELD-TO-MATURITY INVESTMENT SECURITIES PLEDGED AS COLLATERAL	16,444,235	46,948,850
TOTAL	196,665,949	439,452,431

A)	AVAILABLE FOR SALE INVESTMENTS	2016 (GH¢)	2015 (GH¢)
	28-DAY BILL	5,016,021	40,257,143
	91-DAY TREASURY BILL	4,407,031	3,336,129
	182-DAY TREASURY BILL	74,431,430	127,115,589
	TOTAL	83,854,482	170,708,861

B)	HELD TO MATURITY INVESTMENT	2016 (GH¢)	2015 (GH¢)
	1 YEAR TREASURY NOTES	110,376	167,129,956
	2-YEAR FIXED RATE NOTE	90,114,856	2,850,986
	5-YEAR TREASURY BONDS	1,130,000	3,927,182
	TOTAL	91,355,232	173,908,125

C)	AVAILABLE FOR SALE INVESTMENTS PLEDGED AS COLLATERAL	2016 (GH¢)	2015 (GH¢)
	28-DAY BILL	5,012,000	-
	182-DAY TREASURY BILL	-	47,886,595
	TOTAL	5,012,000	47,886,595

D)	HELD TO MATURITY INVESTMENTS PLEDGED AS COLLATERAL	2016 (GH¢)	2015 (GH¢)
	1 YEAR TREASURY NOTES	-	46,948,850
	2-YEAR FIXED RATE NOTE	16,444,235	-
	TOTAL	16,444,235	46,948,850
	TOTAL INVESTMENTS IN SECURITIES	196,665,949	439,452,431

The interest rates on the treasury bills are between 15% to 27% and that of the treasury notes/bonds are 8% -10% and are fixed.

24.	INTANGIBLE ASSETS - SOFTWARE	2016 (GH¢)	2015 (GH¢)
	AS AT 1 JANUARY	693,904	1,838,941
	ADDITIONS	1,016,265	274,923
	AMORTISATION	(776,115)	(1,419,960)
	TOTAL	934,054	693,904

The intangible assets represent computer software costs.

25. OTHER ASSETS		2016 (GH¢)	2015 (GH¢)
	PREPAYMENTS	29,374,858	32,731,140
	STATIONERY STOCKS	1,147,673	636,070
	LOCAL CHEQUES ON COLLECTION	36,061,462	12,392,915
	FOREIGN BILLS ON COLLECTION	1,358,669	1,688,218
	REPOSSESSED COLLATERALS HELD FOR SALE (25B)	14,900,000	6,700,000
	PREPAID STAFF COST	3,162,367	1,152,662
	SETTLEMENT ON MONEY TRANSFER	1,547,488	-
	E-ZWICH CASH ACCOUNT	-	224,961
	VAT/NHIL	-	256,786
	OTHERS	650,519	349,544
	TOTAL	88,203,036	56,132,296

Other assets include VISA settlement account, MTN mobile money holding account and Interbranch account.

	BY MATURITY		
	WITHIN ONE YEAR	65,690,812	39,766,726
	ONE TO THREE YEARS	22,512,224	16,365,570
	TOTAL	88,203,036	56,132,296

25.B.	REPOSSESED COLLATERALS HELD FOR SALE	2016 (GH¢)	2015 (GH¢)
	AS AT 1 JANUARY	6,700,000	6,700,000
	ADDITION	8,200,000	-
	FAIR VALUE CHANGES	-	-
	TOTAL	14,900,000	6,700,000

The Bank in its normal course of business took possession of commercial property at Accra in addition to the one it took possession of in prior years. These assets are included in other assets as repossessed collaterals held for sale.

26. PROPERTY, PLANT AND EQUIPMENT	2016 (GH¢)	2015 (GH¢)
LONG TERM LEASE PREPAID (26A)	398,649	410,201
PROPERTY, PLANT AND EQUIPMENT (26B)	46,718,170	8,839,711
TOTAL	47,116,819	9,249,912

26.A LONG TERM LEASE PREPAID	2016 (GH¢)	2015 (GH¢)
LONG TERM LEASE PREPAID	410,202	450,163
AMORTISATION IN CURRENT YEAR	(11,552)	(39,962)
BALANCE AT 31 DECEMBER	398,649	410,201
MATURITY ANALYSIS OF OPERATING LEASE PREPAID;		
NOT LATER THAN ONE YEAR	11,552	39,962
LATER THAN ONE YEAR BUT NOT LATER THAN FIVE YEARS	46,209	159,847
LATER THAN FIVE YEARS	340,888	210,392
TOTAL	398,649	410,201

Long term lease prepaid refers to advance payment for made office premises. These are being amortised over the period of the lease.

26.B. PROPERTY, PLANT & EQUIPMENT

2016	BUILDINGS ON SHORT LEASEHOLD LANDS GH¢	OFFICE EQUIPMENT GH¢	FURNITURE & FITTINGS GH¢	MOTOR VEHICLES GH¢	COMPUTERS HARDWARE GH¢	WORK IN PROGRESS GH¢	TOTAL GH¢
COST							
AT 1 JANUARY 2016	2,058,260	10,018,396	1,695,423	4,295,522	4,039,929	-	22,107,530
ADDITIONS		3,621,108	347,709	17,052	302,015	36,770,952	41,058,836
TRANSFERS/DISPOSALS	-	-	-	(102,174)	-	-	(102,174)
AT 31 DEC. 2016	2,058,260	13,639,504	2,043,132	4,210,400	4,341,944	36,770,952	63,064,192
DEPRECIATION							
AT 1 JAN. 2016	528,748	6,263,627	1,234,221	2,224,009	3,017,214	-	13,267,819
CHARGE FOR THE YEAR	66,077	1,579,831	204,300	825,828	472,411	-	3,148,447
RELEASED ON DISPOSAL	-	-	-	(70,244)	-	-	(70,244)
AT 31 DEC. 2016	594,825	7,843,458	1,438,521	2,979,593	3,489,625	-	16,346,022
NET BOOK VALUE							
AT 31 DEC. 2016	1,463,435	5,796,046	604,611	1,230,807	852,319	36,770,952	46,718,170

26.C. PROPERTY, PLANT & EQUIPMENT

2015	BUILDINGS ON SHORT LEASEHOLD LANDS GH¢	OFFICE EQUIPMENT GH¢	FURNITURE & FITTINGS GH¢	MOTOR VEHICLES GH¢	COMPUTERS HARDWARE GH¢	WORK IN PROGRESS GH¢	TOTAL GH¢
COST							
AT 1 JANUARY 2015	2,058,260	8,013,244	1,478,782	2,836,276	3,773,819		18,160,381
ADDITIONS		2,254,877	216,641	1,717,211	266,110		4,454,839
TRANSFERS/DISPOSALS	-	(249,725)	-	(257,965)	-		(507,690)
AT 31 DEC. 2015	2,058,260	10,018,396	1,695,423	4,295,522	4,039,929		22,107,530
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

26.D DISPOSAL OF PPROPERTY, PLANT AND EQUIMENT

	COST GH¢	ACCUM. DEPRN. GH¢	NBV GH¢	DISPOSAL VALUE GH¢	PROFIT/ LOSS GH¢
MOTOR VEHICLE	102,174	70,244	31,930	32,710	780
TOTAL	102,174	70,244	31,930	32,710	780

27. BORROWINGS

	2016 (GH¢)	2015 (GH¢)
LOCAL BANKS	30,235,217	55,748,441
FOREIGN BANKS (27B)	219,757,289	261,098,067
TOTAL	249,992,506	316,846,508
BY MATURITY		
MATURING:		
WITHIN ONE YEAR	249,992,506	316,846,508
AFTER ONE YEAR	-	-
TOTAL	249,992,506	316,846,508

The average interest rates for local banks ranges between 18% and 24% and are fixed.

27.B FOREIGN BANKS

	2016 (GH¢)	2015 (GH¢)
SHORT TERM LOANS AND BORROWING		
BANK OF AFRICA – DJIBOUTI	142,019,404	110,867,459
BANK OF AFRICA – KENYA	73,536,168	104,538,039
BANK OF AFRICA-UGANDA	4,201,717	19,060,351
BMCE	-	26,632,218
TOTAL	219,757,289	261,098,067

The average interest rate ranges between 3% and 4% and are

28. CUSTOMER DEPOSITS

	2016 (GH¢)	2015 (GH¢)
SAVINGS DEPOSITS	115,117,236	91,793,871
DEMAND AND CALL DEPOSITS	412,837,667	443,723,338
FIXED/TIME DEPOSITS	152,025,268	90,074,829
TOTAL	679,980,171	625,592,038

CUSTOMER DEPOSITS	2016 (GH¢)	2015 (GH¢)
MATURITY ANALYSIS OF CUSTOMER DEPOSITS		
FROM GOVERNMENT AND PARA-STATALS:		
PAYABLE WITHIN 90 DAYS	23,925,687	23,289,828
PAYABLE AFTER 90 DAYS AND WITHIN ONE YEAR	10,623,505	10,623,505
TOTAL	34,549,192	33,913,333
FROM PRIVATE SECTOR AND INDIVIDUALS:		
PAYABLE WITHIN 90 DAYS	605,661,638	553,692,578
PAYABLE AFTER 90 DAYS AND WITHIN ONE YEAR	39,769,340	37,986,127
TOTAL	645,430,978	591,678,705
AT 31 DECEMBER	679,980,171	625,592,038

The weighted average effective interest rate on interest bearing customer deposits was 10.5% (2015: 8.21%).

29. OTHER LIABILITIES	2016 (GH¢)	2015 (GH¢)
ACCRUALS	982,751	3,870,392
SUNDRY CREDITORS	2,438,905	3,044,986
BRIDGE CAPITAL	33,601,600	30,398,400
OTHER LIABILITIES	13,545,144	4,117,560
TOTAL	50,568,400	41,431,338
BY MATURITY		
MATURING:		
WITHIN ONE YEAR	15,333,692	11,032,938
AFTER ONE YEAR	35,234,708	30,398,400
TOTAL	50,568,400	41,431,338

The bridge capital represents a funding of USD 8.0 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.

30. STATED CAPITAL	2016 (GH¢)	2015 (GH¢)
AUTHORISED		
NUMBER OF ORDINARY SHARES OF NO PAR VALUE	100,000,000	100,000,000

2016	NUMBER OF SHARES	AMOUNT (GH¢)
ISSUED AND FULLY PAID		
1 JANUARY	99,683,823	100,960,828
ISSUED FOR CASH	-	-
31 DECEMBER	99,683,823	100,960,828

2015	NUMBER OF SHARES	AMOUNT (GH¢)
ISSUED AND FULLY PAID		
1 JANUARY	99,683,823	100,960,828
ISSUED FOR CASH	-	-
31 DECEMBER	99,683,823	100,960,828

31. 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.

	2016 (GH¢)	2015 (GH¢)
1 JANUARY	30,396,925	35,460,927
TRANSFER (TO)/FROM RETAINED EARNINGS	11,261,602	(5,064,002)
31 DECEMBER	41,658,527	30,396,925

31.A	MOVEMENT ON REGULATORY RISK RESERVE	GAAP GH¢	IFRS GH¢	TRS TO CREDIT RISK RESERVE GH¢
	2016 LOAN PROVISION	22,401,302	11,139,701	11,261,602
	2015 LOAN PROVISION	24,490,468	29,554,470	(5,064,002)

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

32. STATUTORY RESERVE

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

	2016 GH¢	2015 GH¢
1 JANUARY	36,893,610	23,134,028
TRANSFER FROM RETAINED EARNINGS	12,083,622	13,759,582
31 DECEMBER	48,977,232	36,893,610

33. VALUE ADDED STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 BANK GH¢	2015 BANK GH¢
INTEREST EARNED AND OTHER OPERATING INCOME	155,212,185	133,376,774
DIRECT COST OF SERVICES	(68,211,967)	(31,566,986)
VALUE ADDED BY BANKING SERVICES	87,000,218	101,809,788
NON-BANKING INCOME	25,365,501	29,461,854
IMPAIRMENTS	(11,139,701)	(29,554,470)
VALUE ADDED	112,365,719	131,271,642
DISTRIBUTED AS FOLLOWS:		
TO EMPLOYEES:		
DIRECTORS (WITHOUT EXECUTIVES)	609,511	357,660
EXECUTIVE DIRECTORS	3,625,341	3,256,700
OTHER EMPLOYEES	33,179,696	25,151,041

	2016 BANK GH¢	2015 BANK GH¢
TO GOVERNMENT:		
INCOME TAX	7,864,625	6,551,096
TO PROVIDERS OF CAPITAL		
DIVIDENDS TO SHAREHOLDERS		
TO EXPANSION AND GROWTH:		
DEPRECIATION	3,148,448	2,746,972
AMORTISATION	787,666	1,459,923
RETAINED EARNINGS	25,360,099	28,013,716

34. 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.

	2016 GH¢	2015 GH¢
LETTERS OF CREDIT	38,876,593	27,551,523
GUARANTEES AND INDEMNITIES	44,190,543	81,602,588
TOTAL	83,067,136	109,154,111

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¢ 2,707,000 (2015: GH¢700,000). 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 2016 was nil (2015: nil)

35. RELATED PARTY TRANSACTIONS

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

Advances to customers at 31 December 2016 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:

	2016 (GH¢)	2015 (GH¢)
ADVANCES TO CUSTOMERS:		
ATLANTIC CLIMATE CONTROL LIMITED	3,412,160	3,627,654
ATLANTIC INTERNATIONAL HOLDINGS	813,872	1,677,574
ATLANTIC COMPUTERS & ELECTRONICS	109,327	27,452
THE OFFICE FURNITURE	54,512	-
TOTAL	4,389,871	5,332,680

INTEREST INCOME AND COMMISSION CHARGED		
ATLANTIC CLIMATE CONTROL LIMITED	32,297	46,873
ATLANTIC INTERNATIONAL HOLDINGS	36,127	59,454
ATLANTIC COMPUTERS & ELECTRONICS	44,303	39,841
THE OFFICE FURNITURE	39,713	-
TOTAL	152,440	146,168

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	214,739	196,861
BOA-KENYA	125,692	116,264
BOA-FRANCE	1,288,141	1,458,811
BOA- MALI	73,141	68,585
BOA-BENIN	577,850	226,247
BOA-COTE D'IVOIRE	19,556	16,126
BOA-NIGER	6,241	5,768
BOA-BURKINA FASO	285	255
BMCE BANK INTL, SPAIN	156,760	94,267
TOTAL	2,462,405	2,183,184

36. RELATED PARTY TRANSACTIONS

A) KEY MANAGEMENT COMPENSATION

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

	2016 (GH¢)	2015 (GH¢)
SALARIES AND OTHER SHORT-TERM EMPLOYMENT BENEFITS	3,366,012	3,060,702
DEFINED CONTRIBUTION	259,329	195,999
TOTAL	3,625,341	3,256,701

Key management staff constitutes staff with grades from Assistant General Manager.

DIRECTORS' REMUNERATION		
FEES FOR SERVICES AS A DIRECTOR	609,511	357,660
FEES FOR SERVICES AS A DIRECTOR	-	-
TOTAL	609,511	357,660

37. 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 2016 was GH¢1,476,324. Total contributions towards employees Provident Fund was GH¢1,394,934. The bank's liability in both schemes is limited to its unpaid contributions to the scheme.

	2016 (GH¢)	2015 (GH¢)
CONTRIBUTIONS TO THE STATUTORY DEFINED PENSION SCHEME (SSNIT)	1,476,324	1,195,913
CONTRIBUTIONS TO STAFF PROVIDENT FUND	1,394,934	920,302
TOTAL	2,871,258	2,116,215

38. GOVERNMENT RELATED TRANSACTIONS

	2016 (GH¢)	2015 (GH¢)
GOVERNMENT SECURITIES		

The movement in Government related advances is as follows:

	2016 (GH¢)	2015 (GH¢)
AT 1 JANUARY	439,452,430	197,603,174
FAIR VALUE GAIN/(LOSS)	1,692,110	101,636
NET ACQUISITIONS/(DISPOSAL) IN THE YEAR	(244,478,591)	241,747,620
AT 31 DECEMBER	196,665,949	439,452,430

The balance due from Government is categorised under investment securities (Note 23).

39. ASSETS PLEDGED AS SECURITY

As at 31 December 2016, a total of GH¢21,456,235 (2015: GH¢94,835,445) 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.

40. 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).

41. CURRENCY

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

42. CAPITAL ADEQUACY RATIO

The capital adequacy ratio as at 31 December 2016 was 17.67%.

	2016 (GH¢)	2015 (GH¢)
PAID-UP CAPITAL	100,961	100,961
DEPOSIT FOR SHARES	33,602	30,398
DISCLOSED RESERVES	62,980	37,202
TIER 1 CAPITAL	197,542	168,561
LESS		
GOODWILL/INTANGIBLES	(71,033)	(47,938)
ADJUSTED CAPITAL BASE	126,509	120,623
TOTAL ASSETS (LESS CONTRA ITEMS)	**1,144,140**	**1,138,780**
LESS		
CASH AT BANK OF GHANA	(93,627)	(130,521)
CLAIMS OF FINANCIAL & GUARANTEED LOANS	(513,376)	(641,088)
ADJUSTED TOTAL ASSETS	**537,479**	**367,172**
ADD		
NET CONTINGENT LIABILITIES	83,067	81,603
50% OF NET OPEN POSITION	2,088	2,098
100% OF 3YEARS AVERAGE ANNUAL GROSS INCOME	93,470	66,949
ADJUSTED ASSET BASE	**716,104**	**517,822**
CAPITAL ADEQUACY RATIO (%)	17.67	23.29
CAPITAL SURPLUS/(DEFICIT)	54,899	68,841

43. BREACHES IN STATUTORY LIQUIDITY

There were no breaches to BoG's prudential guidelines in year 2016.

44. 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 2016 and 31 December 2015, the Bank did held repossessed collaterals 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 repossessed collaterals held for sale, 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
REPOSSESSED COLLATERALS HELD FOR SALE	14,900,000	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

2016

	VALUATIONS BASED ON OBSERVABLE INPUTS (THIS MEASUREMENTS ARE RECURRING)			
	(LEVEL 1)	(LEVEL 2)	(LEVEL 3)	TOTAL
ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS				
INVESTMENT SECURITIES AVAILABLE-FOR-SALE	-	88,866,482	-	88,866,482
ASSETS MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS				
REPOSSESSED COLLATERALS HELD FOR SALE	-	-	14,900,000	14,900,000
TOTAL ASSETS	-	88,866,482	14,900,000	88,866,482
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	-	-	-	-
TOTAL LIABILITIES	-	-	-	-

2015

	VALUATIONS BASED ON OBSERVABLE INPUTS (THIS MEASUREMENTS ARE RECURRING)			
	(LEVEL 1)	(LEVEL 2)	(LEVEL 3)	TOTAL
ASSETS MEASURED AT FAIR VALUE ON A RECURRING BASIS				
INVESTMENT SECURITIES AVAILABLE-FOR-SALE	-	226,812,784	-	226,812,784
DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	-	8,217,328	-	8,217,328
ASSETS MEASURED AT FAIR VALUE ON A NON-RECURRING BASIS				
REPOSSESSED COLLATERALS HELD FOR SALE	-	-	6,700,000	6,700,000
TOTAL ASSETS	-	235,030,112	6,700,000	241,730,112
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	-	21,129,834	-	21,129,834
TOTAL LIABILITIES	-	21,129,834	-	21,129,834

b. 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.

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.

Other liabilities

The fair values of other financial liabilities approximates their carrying amounts.

c. Financial instruments by category

2016	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 CASH EQUIVALENTS	360,011,980	-	-	-	360,011,980
INVESTMENT SECURITIES	-	88,866,482	107,799,467	-	196,665,949
DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	-	-	-	-	-
OTHER ASSETS (EXCLUDING PREPAYMENTS AND STATIONERY STOCK)	39,072,740	-	-		39,072,740
LOANS AND ADVANCES TO CUSTOMERS	447,874,603	-	-	-	447,874,603
TOTAL	847,504,723	88,866,482	107,799,467	-	1,044,170,672

FINANCIAL LIABILITIES

			FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT AND LOSS	OTHER FINANCIAL LIABILITIES AT AMORTISED COST	TOTAL
				GH¢	GH¢
BORROWINGS				249,992,506	249,992,506
CUSTOMER DEPOSITS	-	-	-	679,980,171	679,980,171
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT	-	-	-	-	-
OTHER LIABILITIES	-	-	-	50,654,122	50,654,122
TOTAL	-	-	-	980,626,799	980,626,799

FINANCIAL ASSETS

2015	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	HELD TO MATURITY	FINANCIAL ASSETS FAIR VALUE THROUGH PROFIT AND LOSS	TOTAL
	GH¢	GH¢	GH¢	GH¢	GH¢
FINANCIAL ASSETS					
CASH AND CASH EQUIVALENTS	244,396,089	-	-	-	244,396,089
INVESTMENT SECURITIES	-	218,595,456	220,856,975	-	439,452,431
DERIVATIVE ASSETS HELD FOR RISK MANAGEMENT	-	-	-	8,217,328	8,217,328
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				OTHER FINANCIAL LIABILITIES AT AMORTISED COST GH¢	TOTAL GH¢
CUSTOMER DEPOSITS	-	-	-	625,592,038	625,592,038
BORROWINGS	-	-	-	316,846,508	316,846,508
DERIVATIVE LIABILITIES HELD FOR RISK MANAGEMENT			21,129,834	-	21,129,834
OTHER LIABILITIES	-	-	-	41,981,466	41,981,466
TOTAL	-	-	21,129,834	984,420,012	1,005,549,846

45. EVENTS AFTER REPORTING DATE

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