

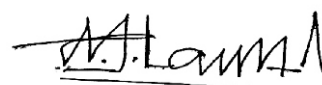
**STATEMENT OF FINANCIAL POSITION  
FOR THE YEAR ENDED 31 DECEMBER 2011**

		The Bank		The Group	
		2011	2010	2011	2010
	Note	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>ASSETS</b>					
Cash and Amounts due from Banks	12	886,444	1,650,021	88,129	1,283,190
Gold	13	680,043	578,356	680,043	578,356
Balances with IMF	14	1,550,897	1,495,006	1,550,897	1,495,006
Securities	16	9,100,014	5,318,689	9,346,070	5,121,302
Loans and Advances	15	1,167,664	1,058,367	2,619,245	2,241,600
Other Assets	17	753,168	842,907	766,029	858,502
Property, Plant and Equipment	18	184,890	167,038	213,594	194,698
Development Loans and Investments	19	157,823	120,346	56,186	54,595
Deferred Tax	11(iii)	-	-	459	178
<b>TOTAL ASSETS</b>		<b><u>14,480,943</u></b>	<b><u>11,230,730</u></b>	<b><u>15,320,652</u></b>	<b><u>11,827,427</u></b>
<b>LIABILITIES</b>					
Currency in Circulation	20	4,244,268	3,262,719	4,244,268	3,262,719
Allocations of Special Drawing Rights		845,003	801,194	845,003	801,194
Deposits	21	4,570,720	3,316,662	5,227,019	3,771,742
Liabilities to IMF	22	1,754,123	1,411,902	1,754,123	1,411,902
Taxation		-	-	4,030	4,031
Liabilities under Money Market Instruments	23	1,134,024	941,879	1,132,478	939,484
Other Liabilities	24	659,509	475,406	694,852	508,272
<b>TOTAL LIABILITIES</b>		<b><u>13,207,648</u></b>	<b><u>10,209,762</u></b>	<b><u>13,901,773</u></b>	<b><u>10,699,344</u></b>
<b>SHAREHOLDERS' FUNDS</b>					
Stated Capital	25	10,000	10,000	10,000	10,000
Asset Revaluation Reserve	26	115,522	115,436	115,522	117,799
Statutory Reserve	27	28,760	28,760	28,760	28,760
Other Reserve	28	1,119,013	866,772	1,151,054	866,764
Retained Earnings		-	-	50,011	46,637
Total Equity Attributable to Equity Holders of the Bank		1,273,295	1,020,968	1,355,347	1,069,960
NON-CONTROLLING INTEREST		-	-	63,532	58,123
<b>TOTAL EQUITY</b>		<b><u>1,273,295</u></b>	<b><u>1,020,968</u></b>	<b><u>1,418,879</u></b>	<b><u>1,128,083</u></b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b><u>14,480,943</u></b>	<b><u>11,230,730</u></b>	<b><u>15,320,652</u></b>	<b><u>11,827,427</u></b>

The attached notes 1 to 34 form an integral part of these financial statements



Chairman (Governor)



Director

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	The Bank		The Group	
		2011 GH¢'000	2010 GH¢'000	2011 GH¢'000	2010 GH¢'000
<b>Operating Income</b>					
Interest and Similar Income	6(i)	<b>367,324</b>	249,001	<b>380,518</b>	261,086
Fee and Commission Income		<b>40,993</b>	25,644	<b>51,397</b>	34,042
Other Operating Income	6(iii)	<b>18,964</b>	20,443	<b>38,687</b>	45,904
Exchange Differences	6(iv)	<b>320,181</b>	165,592	<b>333,878</b>	165,592
Dividend Income		<u><b>5,267</b></u>	<u>3,673</u>	<u><b>5,267</b></u>	<u>3,673</u>
<b>Total Operating Income</b>		<u><b>752,729</b></u>	<u>464,353</u>	<u><b>809,747</b></u>	<u>510,297</u>
<b>Operating Expenses</b>					
Interest Expense and Similar Charges	6(ii)	<b>(154,487)</b>	(147,959)	<b>(157,009)</b>	(149,873)
Administration	7	<b>(168,744)</b>	(130,198)	<b>(190,422)</b>	(148,414)
Premises and Equipment Expenses	8	<b>(20,793)</b>	(18,676)	<b>(25,957)</b>	(23,030)
Currency and Issue Expenses	9	<b>(27,288)</b>	(60,884)	<b>(27,288)</b>	(60,884)
Direct Expenses		<u>-</u>	<u>-</u>	<u><b>(4,837)</b></u>	<u>(4,146)</u>
<b>Total Operating Expenses</b>		<b>(371,312)</b>	(357,717)	<b>(405,513)</b>	(386,347)
Net Impairment Reversal	10	<u><b>4,960</b></u>	<u>3,326</u>	<u><b>4,307</b></u>	<u>3,283</u>
Profit before Taxation		<b>386,377</b>	109,962	<b>408,541</b>	127,233
Taxation	11(iii)	<u>-</u>	<u>-</u>	<u><b>(8,169)</b></u>	<u>(5,767)</u>
<b>Operating Profit for the Year</b>		<u><b>386,377</b></u>	<u>109,962</u>	<u><b>400,372</b></u>	<u>121,466</u>

The attached notes 1 to 34 form an integral part of these financial statements

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	The Bank		The Group	
	2011	2010	2011	2010
	GH¢'000	GH¢'000	GH¢'000	GH¢'000
<b>Other Comprehensive Income</b>				
Asset Revaluation Reserve	-	56,506	-	58,869
Foreign Currency Translation Reserve	<u>-</u>	<u>-</u>	<u>(462)</u>	<u>793</u>
<b>Other Comprehensive Income for the Year</b>	<u>-</u>	<u>56,506</u>	<u>(462)</u>	<u>59,662</u>
<b>Total Comprehensive Income for the Year net of Tax</b>	<u>-</u>	<u>56,506</u>	<u>(462)</u>	<u>181,128</u>
<b>Surplus attributed to:</b>				
Equity Shareholders of the Bank	<b>386,377</b>	109,962	<b>389,751</b>	112,672
Non-Controlling Interest	<u>-</u>	<u>-</u>	<u>10,621</u>	<u>8,794</u>
	<u><b>386,377</b></u>	<u>109,962</u>	<u><b>400,372</b></u>	<u>121,466</u>
<b>Total Comprehensive Income attributed to:</b>				
Equity Shareholders of the Bank	<u>-</u>	-	<b>(236)</b>	30,428
Non-Controlling Interest	<u>-</u>	<u>-</u>	<u><b>(226)</b></u>	<u>29,234</u>
	<u>-</u>	<u>-</u>	<u><b>(462)</b></u>	<u>59,662</u>

The attached notes 1 to 34 form an integral part of these financial statements

# STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2011

## The Bank 2011

	Stated Capital GH¢'000	Retained Earnings GH¢'000	Asset Revaluation Reserve (note 26) GH¢'000	Statutory Reserve (note 27) GH¢'000	Other Reserve (note 28) GH¢'000	Total GH¢'000
<b>Balance as at 1 January 2011</b>	<b>10,000</b>	-	<b>115,436</b>	<b>28,760</b>	<b>866,772</b>	<b>1,020,968</b>
<b>Retrospective Correction of Error (note 34)</b>	-	-	-	-	<b>(200,000)</b>	<b>(200,000)</b>
<b>Restated Balance as at 1/1/2011</b>	<b>10,000</b>	-	<b>115,436</b>	<b>28,760</b>	<b>666,772</b>	<b>820,968</b>
Profit for the Year	-	<b>386,377</b>	-	-	-	386,377
Other Comprehensive Income	-	-	-	-	-	-
Price/Exchange Movements in Gold & Other Foreign Assets	-	-	-	-	65,950	65,950
Transfer from Other Reserve	-	-	86	-	(86)	-
Transfer to Other Reserve	-	<b>(386,377)</b>	-	-	<b>386,377</b>	-
<b>Balance at 31 December 2011</b>	<b>10,000</b>	-	<b>115,522</b>	<b>28,760</b>	<b>1,119,013</b>	<b>1,273,295</b>

## The Bank 2010

	Stated Capital GH¢'000	Retained Earnings GH¢'000	Asset Revaluation Reserve GH¢'000	General Reserve GH¢'000	Other Reserve GH¢'000	Total GH¢'000
<b>Balance at 1 January 2010</b>	<b>10,000</b>	-	<b>58,930</b>	<b>28,760</b>	<b>653,465</b>	<b>751,155</b>
Retrospective Correction of Error (note 34)	-	-	-	-	<b>(25,000)</b>	<b>(25,000)</b>
<b>Restated Balance at 1 January 2010</b>	<b>10,000</b>	-	<b>58,930</b>	<b>28,760</b>	<b>628,465</b>	<b>726,155</b>
Profit for the Year	-	<b>109,962</b>	-	-	-	109,962
Other Comprehensive Income	-	-	56,506	-	-	56,506
Price/Exchange Movements In Gold & Other Foreign Assets	-	-	-	-	128,345	128,345
Transfer to Other Reserve	-	<b>(109,962)</b>	-	-	<b>109,962</b>	-
<b>Balance at 31 December 2010</b>	<b>10,000</b>	-	<b>115,436</b>	<b>28,760</b>	<b>866,772</b>	<b>1,020,968</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2011**

**The Group 2011**

	Stated Capital GH¢'000	Retained Earnings GH¢'000	Asset Revaluation Reserve (note 26) GH¢'000	Statutory Reserve GH¢'000	Other Reserve GH¢'000	Foreign Currency Translation Reserve GH¢'000	Total GH¢'000	Non- controlling interest GH¢'000	Total GH¢'000
<b>Balance at 11 January 2011</b>	<b>10,000</b>	<b>46,637</b>	<b>117,799</b>	<b>28,760</b>	<b>834,349</b>	<b>32,415</b>	<b>1,069,960</b>	<b>58,123</b>	<b>1,128,083</b>
<b>Retrospective Correction of Error (note 34)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>	<b>(200,000)</b>	<b>-</b>	<b>(200,000)</b>
<b>Restated Balance as at 1/1/2011</b>	<b>10,000</b>	<b>46,637</b>	<b>117,799</b>	<b>28,760</b>	<b>634,349</b>	<b>32,415</b>	<b>869,960</b>	<b>58,123</b>	<b>928,083</b>
Profit for the Year	-	389,751	-	-	-	-	389,751	10,621	400,372
Other Comprehensive Income	-	-	-	-	-	-	-	-	-
Dividend Paid	-	-	-	-	-	-	-	(5,212)	(5,212)
Foreign Currency Translation Reserve	-	-	-	-	-	(462)	(462)	-	(462)
Price & Exchange Movement in Gold, and Other Foreign Assets <sup>2(j)</sup>	-	-	-	-	98,375	-	98,375	-	98,375
Transfer to Other Reserve	-	(386,377)	(2,277)	-	386,377	-	(2,277)	-	(2,277)
<b>Balance at 31 December 2011</b>	<b>10,000</b>	<b>50,011</b>	<b>115,522</b>	<b>28,760</b>	<b>1,119,101</b>	<b>31,953</b>	<b>1,355,347</b>	<b>63,532</b>	<b>1,418,879</b>

**The Group 2010**

	Stated Capital GH¢'000	Retained Earnings GH¢'000	Asset Revaluation Reserve GH¢'000	General Reserve GH¢'000	Other Reserve GH¢'000	Translation Reserve GH¢'000	Total GH¢'000	Non- controlling interest GH¢'000	Total GH¢'000
<b>Balance at 1 January 2010</b>	<b>10,000</b>	<b>38,093</b>	<b>58,930</b>	<b>28,760</b>	<b>636,880</b>	<b>33,120</b>	<b>805,783</b>	<b>52,822</b>	<b>858,605</b>
Retrospective Correction of Error (Pension Fund) note 34(a)	-	-	-	-	(25,000)	-	(25,000)	-	(25,000)
Retrospective Correction of Error note 34 (b)	-	5,041	-	-	-	-	5,041	-	5,041
<b>Restated balance as at 1/1/2010</b>	<b>10,000</b>	<b>43,134</b>	<b>58,930</b>	<b>28,760</b>	<b>611,880</b>	<b>33,120</b>	<b>785,824</b>	<b>52,822</b>	<b>838,646</b>
Profit for the Year	-	112,672	-	-	-	-	112,672	8,794	121,466
Other Comprehensive Income	-	793	58,869	-	-	(705)	58,957	-	58,957
Dividend Paid	-	-	-	-	-	-	-	(3,406)	(3,406)
Price & Exchange Movement in Gold, and Other Foreign Assets	-	-	-	-	112,507	-	112,507	(87)	112,420
Transfer to Other Reserve	-	(109,962)	-	-	109,962	-	-	-	-
<b>Balance at 31 December 2010</b>	<b>10,000</b>	<b>46,637</b>	<b>117,799</b>	<b>28,760</b>	<b>834,349</b>	<b>32,415</b>	<b>1,069,960</b>	<b>58,123</b>	<b>1,128,083</b>

**STATEMENT OF CASHFLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2011**

	Note	The Bank		The Group	
		2011 GH¢'000	2010 GH¢'000	2011 GH¢'000	2010 GH¢'000
<b>Cash Outflows from Operating Activities</b>	32	<b><u>(2,177,323)</u></b>	<b><u>(19,435)</u></b>	<b><u>(2,627,689)</u></b>	<b><u>(412,012)</u></b>
<b>Cash Flows from Investing Activities</b>					
Increase in Development Loans and Investments		<b>(37,476)</b>	(12,083)	<b>(1,591)</b>	(4,432)
Proceeds from Disposal of PPE		<b>23</b>	-	<b>102</b>	-
Property, Plant & Equipment Purchased	18	<b><u>(30,593)</u></b>	<b><u>(6,909)</u></b>	<b><u>(35,274)</u></b>	<b><u>(12,302)</u></b>
<b>Net Cash Used in Investing Activities</b>		<b><u>(68,046)</u></b>	<b><u>(18,992)</u></b>	<b><u>(36,763)</u></b>	<b><u>(16,734)</u></b>
<b>Tax Paid</b>		<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(8,915)</u></b>	<b><u>(3,933)</u></b>
<b>Cash Flows from Financing Activities</b>					
Dividend Paid to Non-controlling Interest		-	-	<b>(5,212)</b>	(3,406)
Change in Bank of Ghana Instruments		<b>192,145</b>	151,642	<b>192,995</b>	149,247
Change in Currency in Circulation		<b>981,549</b>	918,921	<b>981,549</b>	918,920
Change in Allocation of SDRs		<b>43,809</b>	4,141	<b>43,809</b>	4,140
Change in Enhanced Structural Adjustment Facility		<b><u>(55,892)</u></b>	<b><u>209,700</u></b>	<b><u>(55,891)</u></b>	<b><u>209,700</u></b>
<b>Net Cash from Financing Activities</b>		<b><u>1,161,611</u></b>	<b><u>1,284,404</u></b>	<b><u>1,157,250</u></b>	<b><u>1,278,601</u></b>
<b>Net Change in Cash and Cash Equivalents</b>		<b><u>(1,083,758)</u></b>	<b><u>1,245,977</u></b>	<b><u>(1,516,117)</u></b>	<b><u>845,922</u></b>
<b>Analysis of Changes in Cash and Cash Equivalents during the Year</b>					
Balance at 1 January		<b>1,650,021</b>	257,200	<b>1,283,190</b>	281,676
Net Foreign Exchange Difference		<b>320,181</b>	146,844	<b>321,056</b>	<b>155,592</b>
Net Cash Inflow		<b><u>(1,083,758)</u></b>	<b><u>1,245,977</u></b>	<b><u>(1,516,117)</u></b>	<b><u>845,922</u></b>
<b>Balance at 31 December</b>	12	<b><u>886,444</u></b>	<b><u>1,650,021</u></b>	<b><u>88,129</u></b>	<b><u>1,283,190</u></b>

The attached notes 1 to 35 form an integral part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2011

### 1. STATUTE AND PRINCIPAL ACTIVITIES

Bank of Ghana (the Bank) is wholly owned by the Government of Ghana, and operates as Ghana's central bank. Its operations are governed by the Bank of Ghana Act, 2002 (Act 612).

#### The principal objectives and functions of the Bank are:

- › To maintain stability in the general level of prices; and
- › Without prejudice to the above, to support the general economic policy of the Government and promote economic growth and effective and efficient operation of the banking and credit systems in the country, independent of instructions from the Government or any other authority.

#### In order to meet the above objectives the Bank shall, in summary:

- › Formulate and implement monetary policy;
- › Promote stabilisation of the currency by monetary measures, and institute measures favourable to the balance of payments, state of public finance and general national economic development;
- › Undertake prudential supervision of the banking sector and ensure smooth operation of the financial sector;
- › Promote, regulate and supervise the payments system;
- › Issue and redeem currency notes and coins;
- › Ensure effective maintenance and management of Ghana's external financial relations;
- › License, regulate, promote and supervise non-bank financial intermediaries;
- › Act as banker and financial adviser to the Government;
- › Promote and maintain relations with international banking and financial institutions and perform all other functions incidental or conducive to the functions under the Bank of Ghana Act or any other enactment.

The consolidated financial statements of the Bank for the year ended 31 December 2011 comprise the Bank and its subsidiaries, together referred to as "The Group".

### 2. BASIS OF PREPARATION

#### a. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Bank of Ghana Act 2002 (Act 612), the Financial Administration Act, 2003 (Act 654) and the International Financial Reporting Standards (IFRS) and its interpretations adopted by the International

Accounting Standards Board (IASB) except where the application of the Act leads to non-compliance with IFRS. Material departures in the financial statements from the provisions of IFRS as a result of compliance with the provisions of the Act have been disclosed under note 33.

#### b. Changes In Accounting Policy and Disclosures

##### New and Amended Standards and Interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following new and amended IFRS and IFRIC interpretations effective as of 1 January 2011:

*IAS 24 Related Party Disclosures (Amendment) effective 1 January 2011*

*IAS 32 Financial Instruments: Presentation (Amendment) effective 1 February 2010*

*IFRIC 14 Prepayments of a Minimum Funding Requirement (Amendment) effective 1 January 2011*

*Improvements to IFRSs (May 2010).*

The adoption of the standards or interpretations is described below:

##### IAS 24 Related Party Transactions (Amendment)

The IASB issued an amendment to IAS 24 that clarifies the definitions of a related party. The new definitions emphasise a symmetrical view of related party relationships and clarifies the circumstances in which persons and key management personnel affect related party relationships of an entity. In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity. The adoption of the amendment did not have any impact on the financial position or performance of the Group.

##### IAS 32 Financial Instruments: Presentation (Amendment)

The IASB issued an amendment that alters the definition of a financial liability in IAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency. The amendment has had no effect on the financial position or performance of the Group because the Group does not have these types of instruments.