FIDELITY BANK

Believe with us.

2012 Annual Report

Financial Highlights

Our 2012 results indicate strong performance on the wings of efficient operations.

Operating Income
GH¢ 140.5m
2011:GH¢ 80.8m / 2010: GH¢ 46.9m

Operating profit
GH¢ 36.5m
2011:GH¢ 14.6m / 2010 GH¢ 7.0m

Total assets
GH¢ 1,349.9m
2011:GH¢ 1,030.8m / 2010: GH¢ 650.9m

Earnings per share
GH¢ 1.68
2011:GH¢ 0.62 / 2010: GH¢ 0.31

Return on equity
31%
2011: 21% / 2009: 14.4%

Dividend per share
GH¢ 0.325
2011:GH¢ 0.25 / 2010: GH¢ 0.10

Non - Financial Highlights

Employees
1489
2011: 1330 / 2010: 961

Branches
45
2011: 40 / 2010: 25

Customers
400,000
2011: 250,000/ 2009: 150,000

ATMs
67
2010: 49 / 2009: 25

Contents

Creating a High Performance Organisation.

Building a showpiece of banking excellence, a legacy of Ghanaian entrepreneurship and a business with national relevance.

We are creating a brand of banking with excellence as the distinctive attribute.

In the highly competitive Ghanaian banking industry, Fidelity Bank is creating a brand that will resonate with the aspirations of the ordinary Ghanaian.

William Panford Bray
Chairman

A proudly Ghanaian Bank.

Profile

Fidelity Bank was issued with its universal banking license on June 28th 2006, making Fidelity Bank Ghana Limited, the 22nd bank to be licensed by the Bank of Ghana under the new Banking Act, 2004 (Act 673). The Bank is owned by Ghanaian individuals and institutional investors including Africa Capital, SIC Life, SSNIT, and also by its senior executives.

The Bank was formerly Fidelity Discount House, the leading discount house in Ghana. After operating profitably for 8 years, the business environment in the country attracted investors to the idea of establishing a bank.

Fidelity Bank has a team of high calibre professionals with diverse skills and experience. The Bank has invested heavily in technology and continues to invest heavily in training to ensure that it is at par with the best in the world. Fidelity Bank offers a comprehensive range of products and services to meet the banking and financial needs of existing and potential customers.

Fidelity Bank has two corporate affiliates: Fidelity Asia Bank Limited (FABL), and Fidelity Securities Limited (FSL).

Fidelity Asia Bank Limited (FABL) was established in July 2012 as a wholly owned Asian subsidiary in Malaysia. FABL carries on the business of offshore banking.

Fidelity Securities Limited (FSL), a fully owned subsidiary of the bank, is the investment banking arm of the bank. Formerly known as Fidelity Asset Management, FSL's business involves providing advisory services, issuing of securities, raising of capital and undertaking portfolio investment management for clients.

Vision

Fidelity Bank's vision is to become a world-class financial institution that provides superior returns for all stakeholders as follows:

Our customers:
The best place to bank

Our shareholders:
The best place to invest

Our employees:
The best place to work

Our regulators:
The best place to benchmark

With strong people, technology and financial capital, Fidelity Bank is looking forward to active participation in the local banking industry.

Mission

To be amongst the top five banks in Ghana by December 2014, based on all key performance indicators: deposits, fees, quality of loan book, cost to income ratio, and anchored on three key pillars -

- our people
- our service and processes, and
- return to stakeholders.

This will be premised on exceptional Corporate Governance Standards', knowledge of the local market, professionalism, proactivity, innovation and above all its customer-centric culture. This will contribute positively to the development of the industry and by extension the Ghanaian economy.

Corporate Information

Directors

Mr William Panford Bray	- Chairman
Mr Edward Effah	- Managing Director
Mr Jim Baiden	- Deputy Managing Director
Mr Kwamina Duker	- Non-Executive Director
Mrs Johanna Svanikier	- Non-Executive Director
Mr Paul Victor Obeng	- Non-Executive Director
Mr. Emmanuel Barima Manu	- Non-Executive Director [Joined 14 / 12 / 2012]

Company Secretary

Ms. H. Essie Humphrey-Ackumey [Resigned 21 / 02 / 2013]

Mr. Anthony Mensah [Acting]
Fidelity Bank Ghana Limited
Ridge Tower
10 Ambassadorial Enclave,
West Ridge, Accra.
Ghana

Registered Office

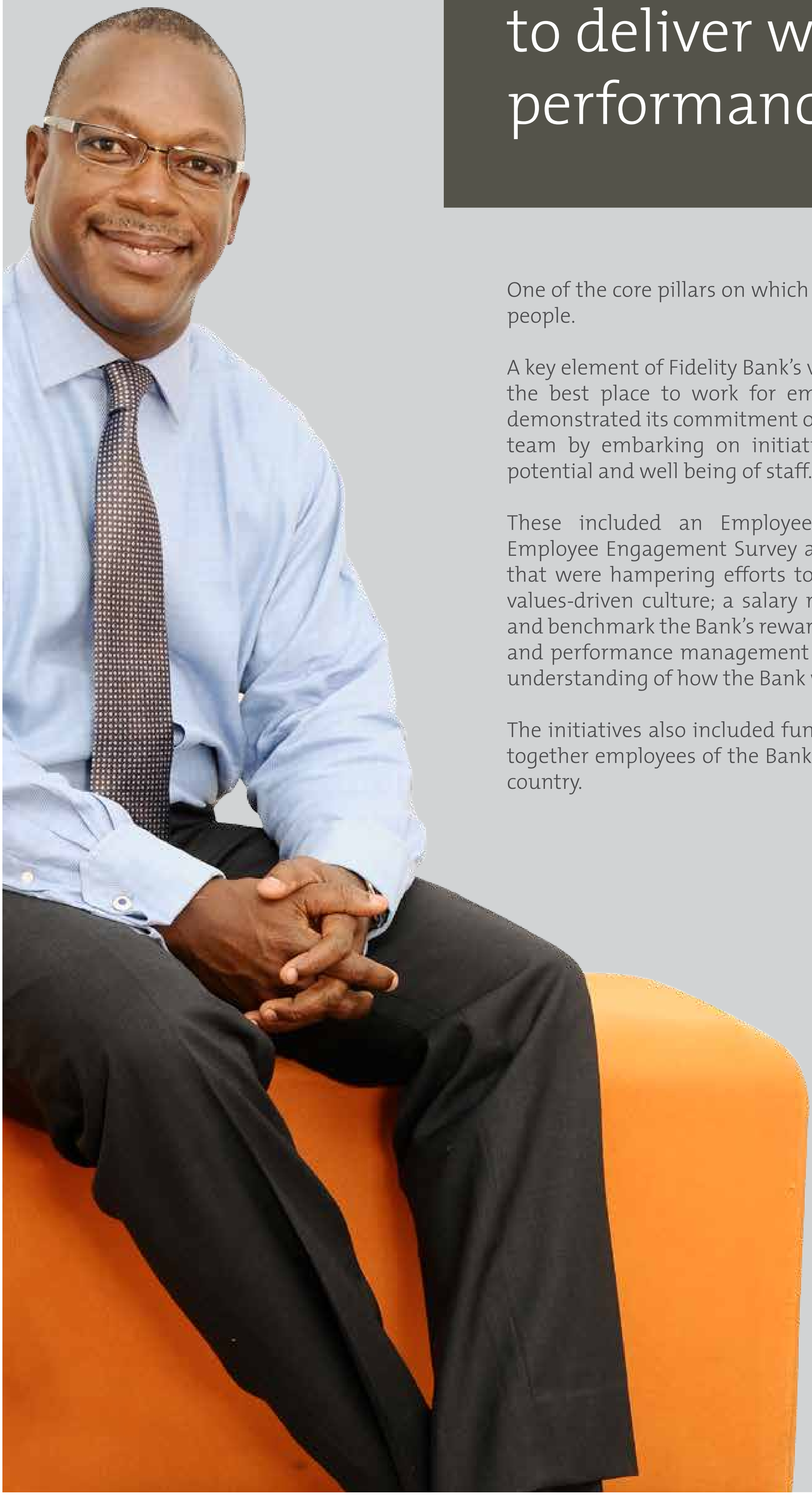
Fidelity Bank Ghana Limited
Ridge Tower
10 Ambassadorial Enclave,
West Ridge, Accra.
Ghana

Solicitors

Bari & Co.
Suite # 1, 5th Floor
Trust Towers, Adabraka
P. O. Box CT 1466
Cantonments, Accra
Ghana

Auditors

Deloitte & Touche
Chartered Accountants
4 Liberation Road
P. O. Box GP 453
Accra
Ghana



We’re persistently developing our people to deliver world class performance.

One of the core pillars on which the Fidelity brand is built is our people.

A key element of Fidelity Bank’s vision is the ambition to become the best place to work for employees. In 2012, management demonstrated its commitment of building a world class financial team by embarking on initiatives aimed at maximizing the potential and well being of staff.

These included an Employee Organizational Climate and Employee Engagement Survey aimed at identifying staff issues that were hampering efforts to build a high-performance and values-driven culture; a salary rationalization exercise, to align and benchmark the Bank’s rewards system to industry standards; and performance management training, to equip staff with an understanding of how the Bank would measure the staff output.

The initiatives also included fun games for staff, which brought together employees of the Bank from all 45 branches across the country.

Edward Effah
Managing Director

The Fidelity Culture

In the year under review, the Bank commissioned an Organizational Climate and Employee Engagement Survey in September 2012, aimed at assessing the Bank's work climate.

Based on the survey report, interventions were designed to raise the level of engagement of both staff and management, aimed at improving staff attitudes.

A Project Team, made up of a cross section of staff, was tasked to implement the proposed Intervention Strategy. Several consultative sessions were held to understand the staff issues and address them appropriately.

The survey and the resulting intervention strategy are testament to the Bank's commitment to support all employees to achieve their aspirations. Fidelity Bank continues to promote meritocratic processes which are being anchored in a robust performance management culture.

OUR VALUES

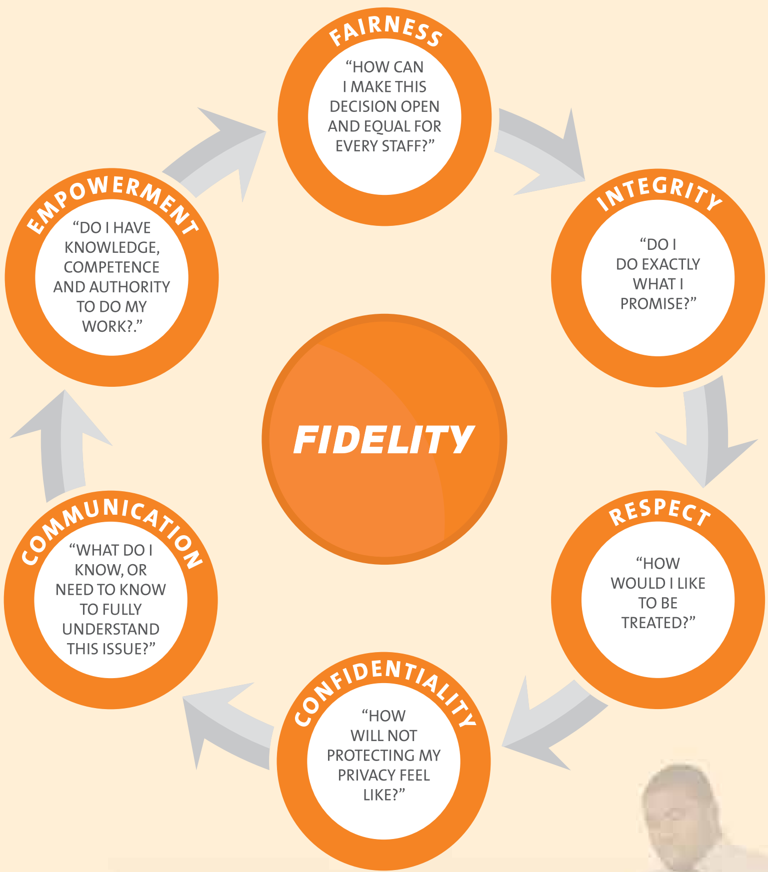
At Fidelity, we believe in the can-do spirit of each employee. At the heart of our approach is the desire to exceed expectations for everything we do. This drive to exceed expectations encourages us to serve passionately, addressing all our stakeholders' interests with diligence. Fidelity is seeking to build a culture of excellence that will make the Bank a high performing organization.

A key part of building the Bank's organisational culture is finding new ways of sustaining relationships with our internal stakeholders. As part of promoting an internal culture within the Bank, Executive Management has demonstrated a commitment to embedding the values across all levels of the organization.

An organization-wide values program is being driven by Human Resources, in collaboration with the Corporate Communications unit of the Bank, to develop a shared understanding of the Bank's required behaviours for all employees.

Apart from focusing on our staff, we also believe that the communities in which we operate play a vital role in our business. We support our communities in areas where our assistance is most needed, so we can touch lives in important ways.

Importantly, we live by our name – 'Fidelity', which propels us to uphold the highest level of integrity in our organization and in our operations.



Performance Management

Fidelity Bank recognizes that to build a high performance organization, performance must be measured and managed on a consistent basis. The Bank has re-engineered its Performance Management Process to capture the quantitative, qualitative and behavioural aspects of every role within the Bank.

To maximize the potential and contribution of all employees and management, the Bank has trained every member of the organization on the principles and practice of applying the process. Quarterly performance appraisals have been instituted to enable managers and their teams track both individual and team performance.

The purpose of the training was to guide staff to set individual SMART objectives that are aligned to the values of the Bank.

Jim Baiden
Deputy Managing Director

Meet the Board

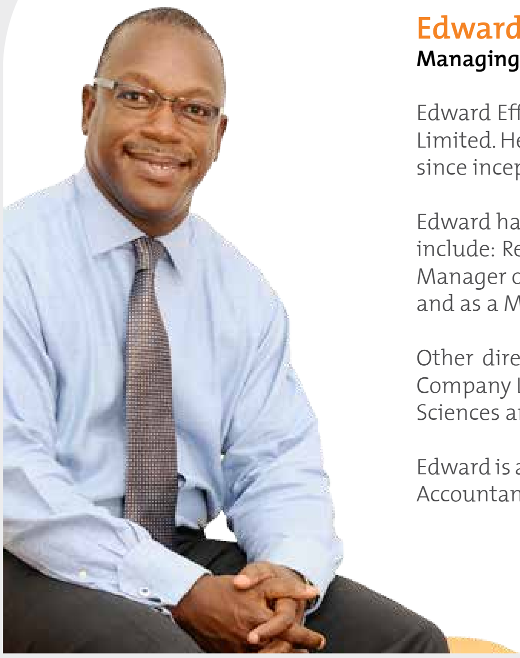
William Panford Bray
Chairman

Mr. William Panford Bray is a former Managing Director of Ghana Commercial Bank; from 1999-2002. He was Acting Chairman/Chief Executive Officer of Ghana Airways between 2002 and 2003. He has over 40 years of working experience in banking and finance including his long service at Barclays Bank of Ghana Ltd where he reached the position of Deputy Managing Director. He is a Fellow of the Chartered Institute of Bankers (FCIB).

Mr. Bray currently serves as the Chairman of Enyan Denkyira Rural Bank Limited and Opportunities Industrialization Centre, Ghana, as Director on the Boards of Unicredit Ghana Ltd, and Oak House Ltd, and as Council Member of the Association of Insolvency and Restructuring Advisors.

Mr. Bray has been honored with various awards including Life Fellow, International Biographical Association (LFIBA), International Man of the Year 2000 - 2001; International Who is Who of Professionals 2000 and as a Paul Harris Fellow.

Mr. Bray is a golfer and enjoys walking and gardening.



Edward Effah
Managing Director

Edward Effah is the Managing Director and Chief Executive Officer of Fidelity Bank Ghana Limited. He is also the founder of the Fidelity Group and has been its Chief Executive Officer since inception (1998).

Edward has over 20 years experience as a Senior Finance Executive. Previous positions held include: Resident Director of Global Emerging Markets Ghana Limited (GEM), Group Risk Manager of Rudolf Wolff, the City of London based derivatives and foreign exchange trader and as a Management Consultant and Audit Manager with Coopers and Lybrand, London.

Other directorships held by Edward are: Jacana Partners Limited; Takoradi International Company Limited; Member of Council , University of Ghana; Chairman of College of Health Sciences and Africa Capital Limited.

Edward is a Chartered Accountant by profession and a member of the Institute of Chartered Accountants in England and Wales.

Meet the Board

Jim Baiden

Deputy Managing Director

Jim Baiden is the Deputy Managing Director and co-founder of Fidelity Bank, with responsibilities for Treasury and Wholesale Banking amongst others. Prior to that Jim served as Executive Director of Fidelity Discount House from 2002 after serving as the General Manager since the company's inception.

He has had an illustrious 20 year career as a leading Treasury Manager and Investment Banker in the Ghanaian money markets. In the mid 1980's Jim worked at National Investment Bank in various capacities including Eastern Regional head, overseeing branch banking and projects.

Jim has also gained extensive international experience as an alumnus of Gerard & National, London and the Darden School of Management, University of Virginia, USA. Jim holds a Masters Degree in Banking & Finance from the Finafrica Foundation, Milan, Italy and a Bachelor's degree in Economics with Statistics from the University of Ghana, Legon.

Mrs Johanna Svanikier

Non Executive Director

Johanna Odonkor Svanikier (LL.B, LL.M (Lond.), B.L., M.P.A. (Harvard), M.Sc (Oxon)) is a Doctoral Candidate in political science at the University of Oxford, United Kingdom and a research associate at the Oxford Centre for International Development. She is also a barrister, university lecturer and legal and development consultant.

She holds Bachelors and Masters Degrees in law from the London School of Economics, UK, a Masters in Public Administration from Harvard University, U.S.A. and a Masters in Political Science from the University of Oxford, U.K. She was a Fulbright Scholar at Harvard University. She has been called to the Bar in England and Wales and in Ghana.

She is the author of several publications including Women's Rights and the Law in Ghana.

Meet the Board

Kwamina Duker
Non Executive Director

Kwamina Duker (K) is the CEO of OANDA Corporation, a leading provider of foreign exchange services. K initially joined OANDA as Managing Director for Asia Pacific and was responsible for overseeing the company's operations in the region.

Prior to joining OANDA, Mr. Duker headed up Deutsche Bank's eFX business in Asia Pacific originating and implementing dbFX — the first retail online forex trading platform from a major bank.

K brings with him over two decades of experience in shaping the global Foreign Exchange industry and leading major foreign exchange technology platforms in Europe, the Americas and Asia Pacific.

Kwamina Duker is chairman of FX Architects. He achieved his MBA from UCLA, Business School.

Paul Victor Obeng
Non Executive Director

Mr. Obeng is the Executive Chairman of O B Associates. He has held various high positions in Ghana's political structure and government. Currently a Senior Presidential Advisor, he is also the Chairman of the National Development Planning Commission (NDPC).

A Board Member of Guinness Ghana Breweries Limited, Paul is a former Chairman of the board of Ghana Investment Promotion Centre.

Emmanuel Barima Manu LLB
Non Executive Director

Emmanuel Barima Manu LLB, is a co-founding member and the Managing Partner of Bari & Co. He has extensive experience in corporate and commercial practice including negotiation of commercial and business contracts and other varied agreements. Mr. Manu was called to the Ghana Bar in October 1989 and has worked with other law firms like Naoferg Chambers and Law Trust Company.

Barry has advised many clients on commercial transactions, contracts, corporate, business and oil and gas law including African Gold Group Inc, Bulk Oil Storage and Transportation Company Ltd, Elmina Beach Resort, Atholl Energy Limited, Allterrain Services Ghana Limited, Coco Palm Limited and ALTROM Ltd, Switzerland. He has also represented Fidelity Bank on numerous occasions as Lead legal adviser.

Executive Committee

Iyer Prabhu
Special Advisor to the MD

Prabhu Iyer was previously the Chief Operating Officer for Fidelity Bank with oversight responsibilities for Banking Operations, Business Solutions, Risk Management, Credit Management, Legal, Corporate Support & Finance functions.

He has had an illustrious career of over 35 years in the banking industry handling various functions ranging from Retail Credit, Retail Operations, Corporate Credit, Trade Finance, Corporate Operations, Treasury Operations, Audit & Branch Control, Information Technology, Merchant Banking & Depositories spread across the continents of Asia and Africa.

Prabhu holds a degree as Bachelor of Commerce from the Mumbai University and is also a Certified Associate of the Indian Institute of Bankers, a Chartered Financial Analyst and an Associate member of the Institute of Company Secretaries of India.

Alex Dodoo
Director, Public Sector Institutions

Alex is one of the pioneers of Fidelity Discount House. He was responsible for the money market desk and the Marketing Department, where he developed various money market products for the Discount House. Alex joined Fidelity from Ecobank Ghana Limited where he worked for two years in the Treasury function.

He has extensive exposure and experience in investments and foreign exchange, with previous work experience in diverse roles in Allied Dunbar, Mercury Funds Management and the National Bank of Greece, all in the UK (London).

Alex is an Economics graduate of the University of Ghana and an associate member of the Chartered Institute of Bankers (ACIB), London.

Daniel Marfo
Director, Corporate Banking

Daniel is a Corporate and Investment Banker with more than ten years of banking experience in corporate banking and corporate finance. Currently, he is the Director, Corporate Banking for Fidelity Bank.

Prior to joining Barclays in June 2006, Daniel worked with Ecobank Ghana Limited as the Regional Executive Assistant to the Regional Director responsible for five countries within the West African Monetary Zone (WAMZ) region of the Ecobank Group. Daniel also worked with Cal Bank as a Senior Corporate Finance Officer prior to joining Ecobank.

Daniel holds a BSc (Hons) and Postgraduate Diploma degrees in Mining Engineering from the University of Science and Technology as well as an MBA from the University of Central Lancashire in the UK.

Executive Committee

Anthony Bennin
Director, Treasury Services

Tony is a young dynamic banker with banking experience in the Treasury function dating back to 2000. He joined Fidelity in September 2006 having previously worked with SG-SSB where he was instrumental in streamlining Treasury processes for value-creation. He was also a member of the pioneering Management Trainee group of SG-SSB. In 2008, Tony became the youngest Director of the bank after prior engagement as the Chief Dealer.

He holds a First degree in Agricultural Economics from the University of Ghana and a Masters Degree in Applied Economics from Youngstown State University, Ohio, USA.

Selom Cofie Atta
Director, Consumer Banking

Selom has over twelve years banking experience. She joined Fidelity Bank from Barclays in June 2006. During her time with Barclays, she was instrumental in the success of their Personal High Value Proposition. She won several Customer Service Excellence Awards and was one of the selected few on their Talent Development Programme, a programme which seeks to develop the next generation of Barclays Bank Leaders.

Since joining as an Executive Relationship Manager with the Private Banking Department, Selom has held various roles – Head, Customer Care, Regional Sales & Service Manager - Southern Sector and currently Director, Consumer Banking. She is credited with setting up the Customer Care Unit which contributed immensely towards the Bank's Customer Care Award in 2010.

Shirley-Ann Awuletey-Williams
Director, Credit Management

Shirley-Ann joined Fidelity in May 2008 as a Corporate Account Manager and was transferred to the Risk Management Department in January 2009. She joined Fidelity Bank from Merchant Bank (Ghana) Limited with thirteen years banking experience in several departments including Operations, SME Banking and Corporate & Institutional Banking. She also managed the Credit Analysts & Corporate Support functions and was a Team Leader responsible for the Light Manufacturing Sector. Her core competencies include Account Relationship Management, Credit appraisal and Credit Risk Management.

Shirley-Ann holds a first degree in Agricultural Economics from the University of Ghana, Legon and an MBA in Finance from the University of Leicester. She is also a Professional Member of the Chartered Institute of Bankers, Ghana.

Executive Committee

Suresh K L
Chief Information Officer

Suresh has lived in 8 and operated in 30+ Countries, bringing 23 years of business & IT experience across developed markets and emerging economies to Fidelity Bank. Originally from India, he's developed multi-cultural capabilities, groomed himself into a professional with strong process, professionalism and dedication, and built a passion to serve humanity.

He's been passionately involved in an IT Enabled business transformation at Fidelity Bank Ghana as CIO driving technology, transformation, banking operations, eBanking to deliver futuristic Multi Channel Multi Payment Architecture, Financial Inclusion for the under banked and maximizing services across every channel contextualizing the unique needs of Ghanaians and touch their lives.

His strengths include good domain expertise in finance and technology, a knack of getting into details to fix the nut and bolts at the same time using technology innovatively for business transformation. He aspires to use technology to solve the larger social issues for societal transformation.

Angela Forson
Director, Institutional Banking

Angela is currently responsible for the Non Banking Financial Instituions and the Parastatals business of the BANK.

She brings to the team, a 15 year track record of financial markets,having been exposed to the equity markets, money market and coporate banking experience.

Having acquired her Undergrade and Masters degrees in Ghana, Angela has a large pool of network she deals with in Industry and Government and was involved in the transition of the Bank from the Discount House to its current status.

Having Risen through the ranks, she has built a strong corporate culture and brings her excellent relationship management skills to the Executive team.

Executive Committee

Edward Opare Donkor
Director, Finance

Edward is a chartered accountant with over 15 years experience in the Financial Services Sector. He oversees Corporate Strategy, Financial /Management reporting of the Group, capital management, regulatory and tax reporting, budgeting and all finance related issues. Prior to joining Fidelity, he worked at Enterprise Insurance Co. Ltd as Technical Trainee and at CDH Insurance Ltd as Senior Accounts Officer. Edward holds an Executive MBA degree from the University of Ghana Business School and a BA (Hons) in Economics from the same University. He is a member of the Institute of Chartered Accountants, Ghana and has participated in various finance-based workshops in both Ghana and overseas including workshops at Harvard and Wharton.

John Maxwell Addo Jnr
Director, Human Resources

John is a senior human resources professional with over twelve years generalist and specialist experience gained mostly with top international banks across the Middle East, Africa and the United Kingdom. He has a breadth and depth of experience across Performance and Rewards Management, Talent and Succession Management, Career Development, Employee Engagement, Industrial Relations, Learning Management, Resourcing, Graduate Programmes, Organisational Development and Executive Coaching.

John has recently joined Fidelity Bank as HR Director. His last role with HSBC Bank was Regional Head of Learning, Talent, Resourcing & Organisational Development (LTROD) for HSBC's global businesses (Corporate Banking, Client Coverage and Advisory, Global Markets and Private Banking) in the Middle East and Global Head of LTROD for HSBC Amanah (the Islamic Finance Business of HSBC). He was also part of the Global Leadership team for the HSBC Business School. Prior to HSBC, John held various human resources roles for Standard Chartered in Ghana, the UK and the UAE.

John has a Master of Science degree in Industrial Relations and Human Resources Management from the London School of Economics (LSE), a Bachelor of Law from the University of Ghana and a Qualifying Certificate in Law from the Ghana School of law. He was called to the Ghana Bar in 2001.

Executive Committee

Lawrence Odartey Lamptey
Director, Banking Operations

Lawrence Odartey Lamptey joined Fidelity Bank as the Head of Domestic Operations in 2006 and was elevated to the Director of Banking Operations in 2012. He has 17 years banking experience. Prior to joining Fidelity Bank Limited in 2006, he worked with Merchant Bank Gh. Ltd. for 10years in various capacities. Lawrence holds a first degree in Economics from the University of Ghana, a Post Graduate diploma in Management from the London School of Commerce and a Masters in Business Administration (Finance Option) from the Charles Sturt University (Australia).

Alfred A. Quaye
Director, Internal Control

Alfred joined Fidelity Bank in 2006 from Standard Trust Bank (now UBA), where he was the Head, of the Internal Control Department. Alfred started his career as a bank examiner with Bank of Ghana where he gained extensive experience in audit over his thirteen years stay with the Banking Supervision Department including leading on-site examination teams to examine some major commercial banks in Ghana. He holds a Bachelor of Arts degree in Economics, MBA from the University of Ghana and is a Fellow of the Association of Certified Chartered Accountants (UK).

Partnering The Nation

As an indigenous business, Fidelity Bank is a proud member of the Ghanaian family. The Bank was born in a nation widely recognized as one of the strongest emerging economies in the world. Our phenomenal growth in banking is contributing to the nation's development, and we continue to serve important areas of our economy and country.

Oil & Gas

Fidelity Bank plays a vital part in ensuring that the country is fuelled by financing the importation of refined crude oil. Fidelity currently finances approximately 20% of the downstream sector through the importation of refined petroleum products, with an average transaction size of US$580 Million each year.

In addition to product financing, the Bank continues to support the infrastructural part of the oil & gas value chain. To date, Fidelity Bank has provided financing to the tune of US$45 million in oil storage financing, representing 38% of a $120 million industry size in 2012.

Power Financing

The Bank is supporting the electrification and power generation objectives of the Government through the financing of Independent Power Providers. We remain one of the foremost financiers in the power sector to date. The Bank financed the Unilever Thermal Plant, the Genser re-gasification power project for Kinros Chirano Gold mine, the power plant for Golden Star Resources and also part financed the GBP33 million Tema Thermal Plant for the Volta River Authority. To date, our wallet share of power providers is $84 million, representing 15% of the industry size of $550 million

Cocoa Financing

In 2012, Fidelity Bank participated in the annual global cocoa syndication arrangement for COCBOD. In addition, the Bank arranged financing for the purchasing activities of Local Buying Companies LBCs to the tune of US $50 million in the form of short term loans and Bank Guarantees.

Harnessing Technology

With advanced technologies and enhanced business intelligence tools, IBM is assisting us to optimize our ability to provide a wider range of services to our rapidly growing client base.

Technology is an important driver of Fidelity Bank's business. Fidelity Bank successfully transformed its IT infrastructure in 2012, deploying cutting-edge IBM technology, as the Bank gears up for the next phase of growth. A new state-of-the-art data-centre was built and installed at the Bank, to significantly improve transaction processing and service delivery for customers.

With the increasing demand on its back-end processes and technology systems, Fidelity Bank sought an integrated solution that would enable it to manage future growth, as it steps up its expansion program.

The data centre – the first of its kind in West Africa, will create the needed capacity and IT infrastructure to support a growing and rapidly expanding business.

Building on its ISO certification, Fidelity Bank is centralizing and automating all its processes to achieve better data protection, higher levels of efficiency and better turnaround times.

Through its development of technology-based innovations, Fidelity Bank is gearing up to provide customers with exciting banking services. The deployment of a new e-banking platform in 2012 will set the stage for a game-changing service experience for the Bank's customers in the years ahead.

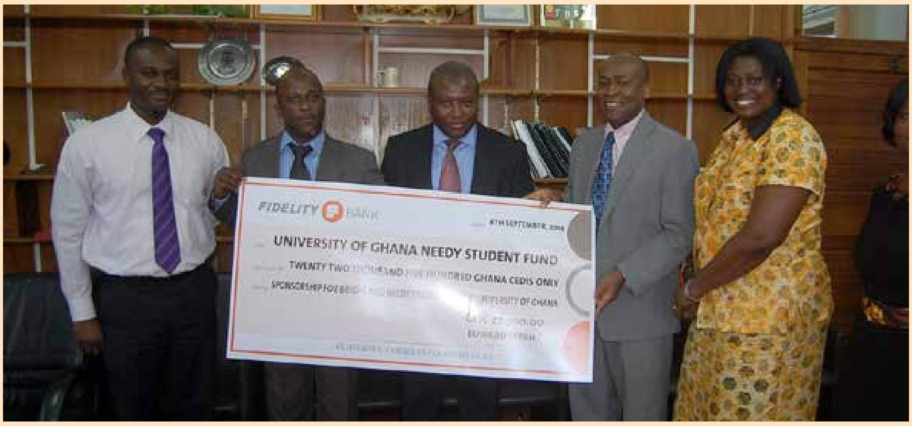
Fidelity Bank is leveraging technology to bank the unbanked. New channels for access are being created and deployed to bring banking services to the doorstep of everyone. These initiatives are in line with the Bank's efforts in the area of financial inclusion in the Ghanaian economy.

Corporate Social Responsibility

At Fidelity Bank, we believe our success must impact the lives of the people. A key component of the Bank's vision is to transform lives and play a role in the social and economic progress of the people of Ghana.

In order to deepen our contribution to the Ghanaian society, Fidelity Bank is working to establish the Fidelity Bank Foundation, to champion the Bank's social responsibility initiatives in the future. We believe the Foundation will be an active organ in helping the Bank structure its program of social investment.

In 2012, the Bank supported a number of initiatives in Health and Education.



New Horizon Special School

Fidelity Bank believes in supporting the underprivileged and raising the awareness of people with disabilities. In 2012, the Bank continued its support for the New Horizon Special School (NHSS) for the disabled during their annual Health Walk. Staff of the Bank joined teachers and children from the school to walk through some streets in the Ridge and Osu areas of Accra. In addition to the financial contribution to the School, Fidelity Bank catered for all costs and logistics of the health walk. Our support of NHSS demonstrates the Bank's commitment to supporting education and health, not only for regular educational institutions, but also for those providing special education and training to the disabled.

Scholarships

Fidelity Bank recognizes that education plays a vital role in the transformation of the Ghanaian economy and society. In 2012, the Bank continued its assistance to the Action Chapel International Scholarship Foundation. The Foundation supports bright but needy students with scholarships to enable them complete their secondary and tertiary education.

Fidelity Bank also assisted needy students through the Financial Aid Office of the University of Ghana in 2012, to enable the University support needy students. The Bank provided financial assistance to medical students to enable them undertake exchange programs abroad, through the University of Ghana Medical Students Association.

A number of individual students in tertiary institutions also benefited from the Bank's financial assistance in 2012. Fidelity Bank provided financial support to enable them further their education in the field of social sciences.

In the years to come, Fidelity Bank will structure and increase its investment in education through the Fidelity Bank Foundation, to create broader access to funding for needy students.

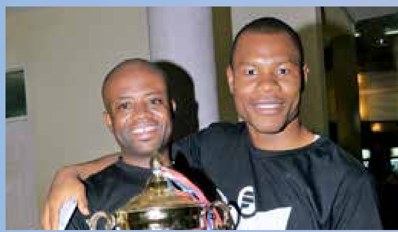
Fidelity Fun Games & Fidelity De-Stress

Fidelity recognizes the importance of staff wellbeing in achieving high performance. As part of efforts in this regard, the Bank organised a Fun Games event to encourage employee interaction and physical activity among staff of the Bank in 2012.

The event brought together over eight hundred regular and contract staff at the Burma Camp Sports Complex in Accra. Staff participated in a wide range of sporting activities, including aerobics, swimming, basketball, table tennis, volley and football, in addition to other board games such as Scrabble, checkers and chess, with very attractive cash prizes being awarded to both individual and team winners.

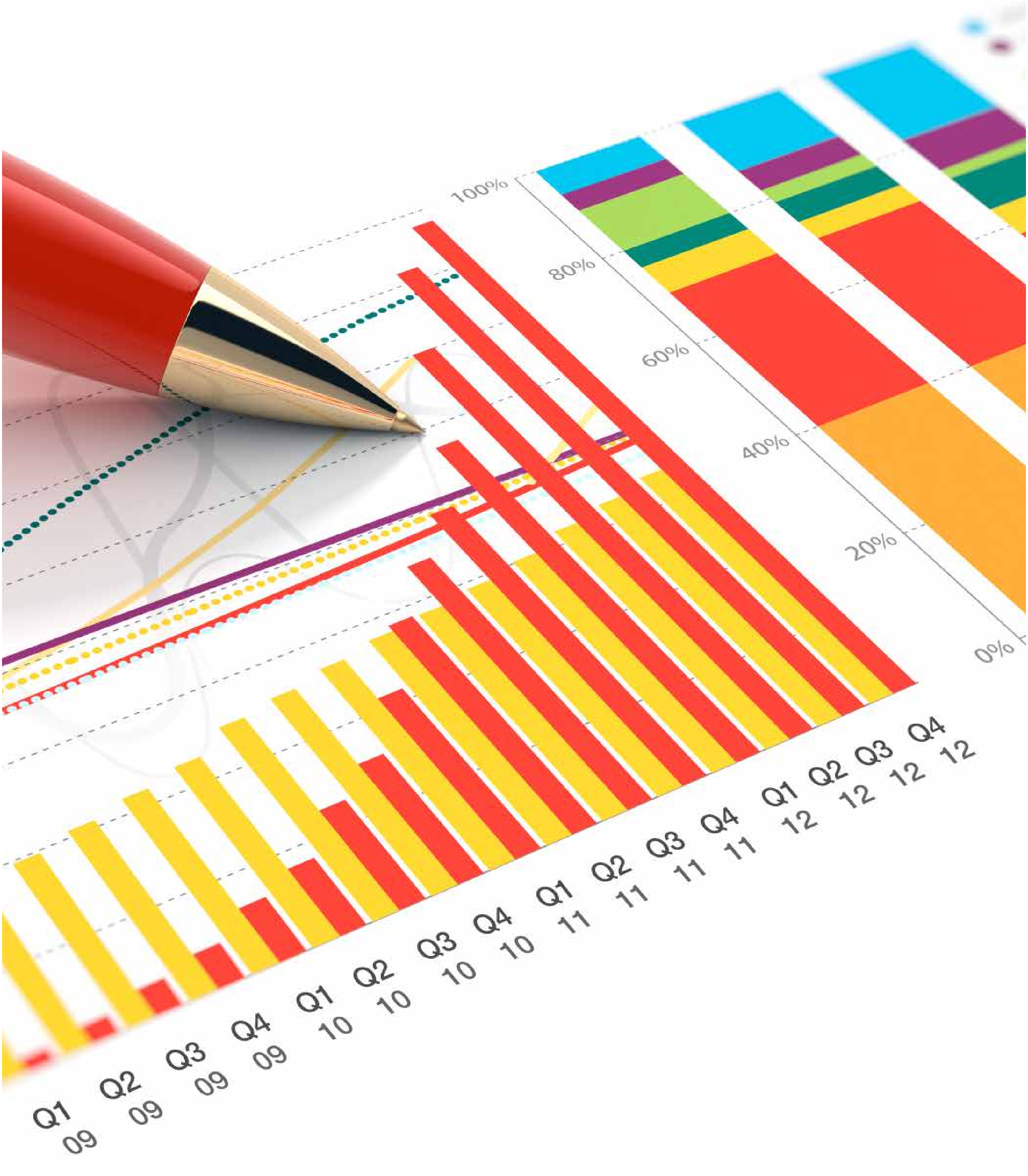
The Fun Games also featured a health session, during which a resource person educated staff on how to live a healthy life. Employees were advised on diet, regular exercise and the management of stress.

The Bank believes that activities such as the Fun Games will continue to foster employee interaction and create a more active workforce that can deliver.



FIDELITY BANK

2012 Financial Statement



Chairman's Statement

Distinguished Shareholders,

I am delighted to present to you another year of outstanding performance by Fidelity Bank. The year 2012 was particularly challenging; being a typical election year filled with economic uncertainty and general business sluggishness. Against this backdrop, the bank had to meet Bank of Ghana's minimum capital requirement of GH¢60 million by the end of the year, while still focusing on achieving the targeted growth that will propel it into a Top 5 bank.

Nonetheless, your Bank executed its mandates excellently; raised the requisite capital in time to meet BOG's deadline, deepened relationships with our clients and extended our reach significantly across the country.

Operating Environment

In 2012, the Eurozone crisis persisted, though EU leaders held many rounds of negotiations to find a solution to restore the region to normalcy. In the US, the threat of a double recession and the imminence of a looming "fiscal cliff", established a trend of uncertainty in the global financial market. Other emerging economic powers such as China, India and Brazil also experienced economic slowdown as a result of the spill-over effects of the Eurozone crises and the uncertainty of the US market.

Locally, we expected to witness some disruptions in macro-economic conditions arising from Government's 2012 political activities; though the envisaged trend of increased government spending and its attendant impact was experienced much earlier in the year than anticipated. The Cedi therefore started depreciating against the Dollar and other international currencies from the second quarter of the year, and this persisted until stringent central bank actions were taken to halt the rate of depreciation in the last quarter of 2012. This affected the Bank's dollar deposit business, culminating in increases in our dollar interest rates and transfer charges.
In an attempt to stabilize the market and diffuse inflationary pressures, the BOG increased its policy rate from 12.5% at the end of 2011 to 15% through the second half of 2012. Consequently, our prime lending rate for 2012 was quoted at 25.53%.

Within the banking sector, competition remained fierce as banks sought to consolidate their capital base and expand their reach. Capitalization to meet BOG's new capital requirement of GH¢60 million was a key activity that characterized the industry during the year. Contrary to expectations, the need to raise capital did not result in a significant number of bank mergers. The most significant merger was the acquisition of The Trust Bank by Ecobank. The industry however saw one new entrant, The Royal Bank, and 2 provisional banking licenses given to First Capital Plus and First National Bank.

2012 Financial Performance

Our goal of creating value for all our stakeholders was the focus of our activities during 2012 through the addition of some high yielding assets thus increasing total assets from GH¢1.03 billion to GH¢1.331 billion, representing a modest growth of 29% for 2012. Total operating income for the year stood at GH¢138.8million, compared to GH¢79.6million the previous year, representing a 75% increase.

Starting the year with 250,000 customers, the Bank's customer base increased to 400,000 by year-end. This increase was driven by a number of customer loyalty reward strategies, and the efforts of our Fidelity Sales Ambassadors (FSAs) in attracting and winning customers to the Bank. This resulted in an increase in deposits to GH¢1.08 billion, representing a 21% increase over 2011.

All these developments in the balance sheet culminated in a Profit Before Tax (PBT) of GH¢36.6 million and Profit After Tax (PAT) of GH¢27.7 million, representing a year-on-year growth of 157% in PBT and 185% in PAT.

Dividends

In furtherance of our objective of continuously delivering value to our shareholders, the Board of Directors is recommending a dividend of GH¢0.325 per ordinary share, representing a payout ratio of 21% representing an increase of 30% over the previous year's dividend of GH¢0.25 per ordinary share.

Chairman's Statement

continued

Strategy

As our business has grown based on our belief that there is the need to reach out to all our customers wherever they are located in the country, we have gained more confidence in our age-long strategy of setting up more retail outlets in areas where we have little representation. Our branch roll-out strategy thus continued throughout 2012 and we ended the year with 45 branches in total. As we seek to mobilise more deposits, our strategy will continue to converge around the concept of agency banking to ensure we gain a significant share of the market.

Capital

In October of 2012, AIAK Capital, the investment arm of AIAK (Arab Investment for Asia and Kuwait) Group, invested an amount of US$20 million (GH¢38 million) in preference shares of the Bank. Over the last 3-4 years, Fidelity has leveraged on AIAK's network and experience to facilitate our Asian strategy, including obtaining a license to operate Fidelity Asia Bank Limited in Labuan, Malaysia.

In November 2012, shareholders who had still not exercised their right to convert their warrants to shares, all did so by the deadline of 24th November, 2012. This activity raised an amount of GH¢2.9million. Additionally, by a Board resolution passed at the 2012 AGM, a total of GH¢4million was transferred from income surplus to stated capital. All these activities resulted in an increase in stated capital, to a total of GH¢83.1 million.

To support our growth and ensure that we participate significantly in the big transactions we lead, the Directors plan to undertake a renounceable rights issue and a private placement, to raise up to US$50million in both common equity and Tier II capital.

I entreat shareholders to continue their support for the Bank's growth and sustainability by voting favourably when the resolutions for additional capital are presented at the shareholders' meeting.

Corporate Governance

In line with our efforts to be a bank of choice not only for our shareholders, customers and staff but also as the benchmark for regulators, we exhibited exemplary corporate governance standards, consistent with the mandatory legal and ethical provisions. Through the Board's Credit and Audit sub-committees, we continued to ensure compliance with regulatory requirements. In addition to these committees, there were other management committees which assisted the Board to execute its responsibilities and ensure sound business practice throughout the Bank.

Directors

We maintained the full complement of the Board's membership throughout 2012. We thank them all for their tireless efforts and commitment to directing this Bank to achieve a Top-5 bank status. We look forward to their unflinching support throughout this year.

In line with the Bank's Regulations, Africa Capital LLC nominated Mr. Emmanuel Barima Manu, a lawyer, well-known to most shareholders, to serve as a non-executive director of the Board. His appointment has been approved by Bank of Ghana. I would like to take this opportunity to welcome "Lawyer Barima Manu" to the Board of Fidelity Bank. We look forward to working with him to build a first class financial institution. In line with the Bank's regulations, the Board of Directors urge all shareholders to approve his appointment.

In accordance with the regulations of the Bank and the Companies Code, Kwamina Duker is due for retirement and has offered himself for re-election.

Conclusion and Outlook for 2012

I am proud to say that your Bank is on course to becoming a Top-5 bank in Ghana. I would like to take this opportunity to acknowledge the contributions of all our shareholders, directors, management, staff and our cherished customers for their contributions during the 2012 financial year. We ask for your continued support as we continue to set the new standard in our industry!

Thank you.

Managing Director's Report

Distinguished Shareholders,

Dear Shareholders, it is my pleasure once again to present to you the performance of your Bank for the financial year ended, December 2012. As I recall the events of the past year, I am pleased with the successes we have achieved with our dedicated staff who are ever so ready to work long hours to get the job done.

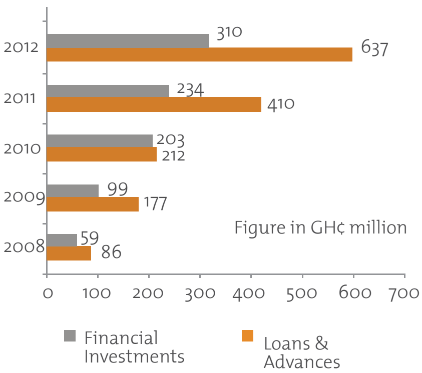
Introduction

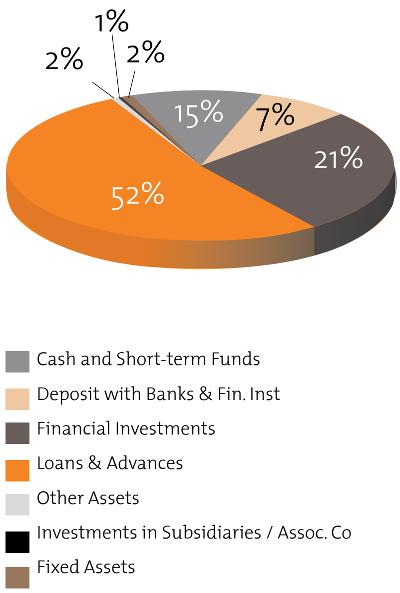
The business environment in 2012 was characterized by high interest rates on both asset and liability products. The exchange rate regime was also challenging with constant pressure on the Cedi, pushing it very close to GH¢2 to the Dollar. The market liquidity however was adequate, even though more expensive compared to the previous year.

2011 Financial Performance

Balance Sheet Analysis

At the close of 2012, the size of the Bank's balance sheet stood at GH¢1.331million, an increase of 29% over the previous year's total assets of GH¢1,030million. This growth was mainly due to an increase in earning assets with loans and advances growing by 55% to GH¢637million, and financial investments contributing GH¢310million; representing an increase of 32% from the previous year.

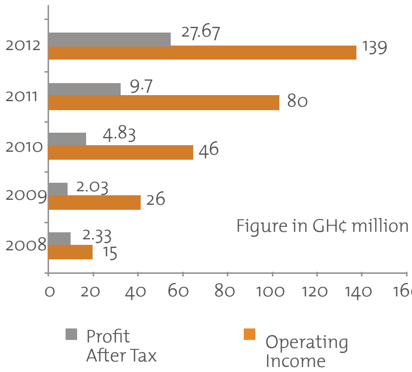




The total assets of the bank were financed by liabilities and shareholders' funds totaling GH¢1.212billion and GH¢121million respectively, representing growth of 21% in deposits and 113% in shareholders' funds. The deposit growth was mainly driven by a 49% growth in current accounts and a 74% growth in savings accounts. Shareholders' funds increased from GH¢56 million at the end of 2011 to GH¢121 million at the end of 2012

Income Statement Analysis

For the year under review, your Bank earned a total of GH¢27.6million in Net Profit after tax; representing 185% increase over 2011. Total interest income for the year amounted to GH¢174m, compared to GH¢103m in 2011. This 69% increase in interest income is mainly attributable to the growth in loans and advances during the year. Fees and commissions also more than doubled to GH¢39m; resulting in a 75% increase in total operating income; from approximately GH¢80million in 2011 to GH¢139million in 2012. Operating expenses totaled GH¢86million in 2012 compared to total operating income of GH¢139m. The resulting cost-to-income ratio of about 62%, though higher than our targeted 60% ratio for 2012, indicates an encouraging downtrend from the previous year's cost-to-income ratio of 68%.



Managing Director's Report

continued

Impairment charges increased from GH¢11.6m in 2011 to GH¢16.4m in 2012. This increase is partly attributable to the increase in loans and advances made to customers.

Staff Membership

In the year under review, our growth as a bank was reflected in our staff strength. We started the year with staff strength of 1330 and ended with 1489 employees. Our Sales Ambassadors team which contributes 545 members to the total workforce, continues to work tirelessly to mobilize low cost funds for the Bank.

Conclusion

After only six years in operation as a Bank, Fidelity has emerged as a major player in the local banking landscape, and is gaining recognition in the international investor community. We have made strides in terms of businesses growth and outreach and are well on our way to becoming a Top 5 bank in Ghana. Our dedicated Board and supportive shareholders have been a pillar of strength; our management team has proven its expertise and continues to provide professional direction in steering the Bank's affairs.

Above all our committed staff have been exceptional with the passion and enthusiasm with which they carry out their functions. To all these people, we express our profound gratitude and pledge our support for the current year.

With a new year and the promise of new opportunities; I wish to assure you that your Bank is well positioned to take advantage of emerging opportunities, and to continue its strong growth.

Thank you.

Edward Effah

Directors' Report

In accordance with the requirements of Section 132 of the Companies Code, 1963 (Act 179), the Directors have the pleasure in presenting the annual report for the twelve months ended 31 December, 2012.

Principal activities

The company carries on the business of financiers, bankers and banking. The company operates as a bank under the Banking Act, 2004, Act 673. The Bank is regulated by the Central Bank of Ghana, Bank of Ghana.

Nature of business

The bank is permitted by its regulations to carry on inter alia, the business of banking in all aspects and other businesses and agencies incidental thereto. There have been no changes in the nature of business of the Bank during the year under review. The main activities are as follows:

- To carry on the business of banking

- To undertake loan syndications and mobilise deposits;

- To carry on the business of acceptance of bills of exchange and export trade financing and development; and

- To engage in the business of financing the operations of leasing companies.

Subsidiaries and Associate

Fidelity Securities Ltd (FSL), is a fully owned subsidiary of the bank and is the investment banking arm of the bank. FSL's business involves providing advisory services, issuance of securities and capital raising for clients.

In July 2012, the bank established a wholly owned Asian subsidiary in Malaysia, Fidelity Asia Bank Limited (FABL). FABL carries on the business of offshore banking.

In July 2012, Jacana Partners (formerly Fidelity Capital Partners Limited), formerly an associate company of the Bank, during the year under review maintained its licensed business as Investment Advisors and Managers of Venture Capital Funds. The nature of the business of Jacana Partners did not change. However, due to a dilution in shares as a result of a share issue, Fidelity bank's interest in Jacana Partners (formerly Fidelity Capital Partners Limited) reduced to 18.67% (December 2011; 31%)

Review of the business

The company traded well during the period and the directors are satisfied that the underlying quality of the business is sound and that profitable returns can be earned within the foreseeable future as planned.

Corporate Governance

Committees of the Board

The Board has delegated various aspects of its work to its Audit, Credit and Human Resources Committees in order to strengthen its corporate governance and bring it in line with international best practice with the following membership and functions.

Audit Committee

Mr Kwamina Duker - Chair

Mr William Panford Bray - Member

The Audit Committee is made up of non-executive directors and performs the following functions among others;

- nominate the auditors of the bank for approval by shareholders

- review of compliance with company policies

- review of the external auditors report

- review of internal controls and systems

Credit Committee

Mr William Panford Bray - Chair

Mr Kwamina Duker - Member

The Credit Committee is made up of non-executive directors and performs the following functions among others;
- considering and approving credit exposures which exceed the approval limit of management's credit committee

- setting and reviewing lending limits for various levels of authorisation

- considering and approving inter-bank lending

- considering and approving facilities referred to it by the management credit committee

Human Resources Committee

Mrs Johanna Svanikier - Chair

Mr Paul Victor Obeng - Member

Mr Jim Baiden - Member

The Human Resource Committee's main responsibility includes proposing and making recommendations on human resource issues and matters relating to terms and appointment of senior management and staff of the bank.

Code of Conduct

As part of the bank's corporate governance practice, management has communicated the principles of the bank's code of conduct to all employees. The code of conduct provides a basic framework and guidance for behaviours and business conduct. The code of conduct also serves as a reference point in all aspects of employees working relationships with other employees, customers, suppliers, government officials, regulators, joint venture partners, competitors and the broader community.

Anti-money Laundering

The bank has established an anti-money laundering system in compliance with requirements of Ghana's Anti-Money Laundering Act 2008. These include due diligence for opening new accounts, customer identification, monitoring of high risk accounts, record keeping and training of staff on money laundering which assist in reducing regulatory and reputational risk to its business.

Financial performance

An operating profit before tax of GH¢36.5m was achieved for the twelve month year ended 31 December 2012 (31 December 2011: GH¢14.6m) which represents 150% growth. Net interest income accounted for 57% of operating income while fees, commissions and other incomes provided the remaining 43%.

Our consolidated statement of financial position showed an increase in total assets from GH¢1,031m at 31 December 2011 to GH¢1,350m at 31 December 2012. The assets were supported with total deposit liabilities of GH¢1,085m as against GH¢897 m at the last comparative period.

Financial Statement	GH¢ '000
The net profit for the year ended 31 December, 2012 before taxation	36,521
From which is deducted taxation of	(9,067)
Thus leaving a balance transferred to Retained earnings of	27,454
Statutory reserves	(13,837)
Regulatory capital reserve	(3,853)
Stated Capital	(4,000)
	5,764
Retained earnings balance brought forward	6,393
Dividend paid (Ordinary Shares)	(3,973)
Dividend paid (Preference Shares)	(1,835)
Retained earnings as at 31 December, 2012	6,349

In accordance with section 29(c) of the Banking Act, 2004 (Act 673) as amended, an amount of GH¢13.8m (Dec 2011: GH¢ 2.4m) was transferred to the statutory reserve fund from the retained earnings account bringing the cumulative balance on the statutory reserve fund at the year end to GH¢ 23m (Dec 2011: GH¢ 9.3m).

Dividend

The directors recommend payment of dividend of GH¢0.325 per share for the period under review (Dec 2011: GH¢0.25) for declaration by shareholders.

Auditors

In accordance with Section 134(5) of the Companies Code, 1963, the auditors, Messrs' Deloitte & Touche, will resign as auditors of the bank in 2013. This is in compliance with the directive from the Bank of Ghana requiring all banks whose external auditors have been at post for more than five years to take steps to replace them. As such a new auditor will be appointed by shareholders for the year ended 31 December 2013.

The financial statements of the Bank were approved by the Board of Directors on 20th March, 2013 and signed on their behalf by;

William Panford Bray
Chairman

Edward Effah
Managing Director

Statement of Directors' Responsibilities

The directors are responsible for preparing financial statements for each financial period which give a true and fair view of the state of affairs of the bank at the end of the period and of the profit and loss of the bank for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State whether the applicable accounting standards have been followed
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the bank will continue in business.

The directors are responsible for ensuring that the bank keeps accounting records which disclose with reasonable accuracy the financial position of the bank and which enable them to ensure that the financial statements comply with the Companies Code 1963 (Act 179) and the Banking Act, 2004 (Act 673) and the Banking (Amendment) Act 2007 (Act 738). They are responsible for safeguarding the assets of the bank and hence for taking steps for the prevention and detection of fraud and other irregularities.

The above statement, which should be read in conjunction with the statement of the auditors' responsibilities on page 10, which is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors, in relation to the financial statements.

Independent Auditors' Report

To the members of Fidelity Bank Limited

Report on the financial statements
We have audited the accompanying consolidated financial statements of Fidelity Bank Ghana Limited and its subsidiaries (the Bank), which comprise the consolidated statement of financial position as at 31 December, 2012 and consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flow for the year then ended, together with the summary of significant accounting policies and other explanatory notes, and have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

Directors' responsibility for the financial statement
The directors are responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the Companies Code, 1963 (Act 179), the Banking Act 2004 (Act 673), the Banking Amendment Act 2007 (Act 738) and the International Financial Reporting Standards. These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements are to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Bank as at 31 December, 2012, and of its financial performance and cash flow for the year then ended and are drawn up in accordance with the International Financial Reporting Standards.

Report on other legal and regulatory requirements

The Ghana Companies Code, 1963 (Act 179) requires that in carrying out our audit work 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 accounts have been kept by the Bank and its subsidiaries, so far as appears from our examination of those books; and

iii. the statement of financial position and statement of comprehensive income of the Bank are in agreement with the books of accounts.
The Banking Act 2004 (Act 673) section 78 (2) requires that we state certain matters in our report. We hereby state that:

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

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

-The bank's transactions are within its powers; and

-The company has generally complied with the provisions in the Banking Act 2004(Act 673) and the Banking(Amendment) Act 2007 (Act 738)

Andrew Opuni Ampong
Practising Certificate License
No: ICAG/P/1132

Deloitte & Touche

Deloitte & Touche

Licence Number: ICAG/F/026
Chartered Accountants, Accra

Date: 25th March,2013.

Consolidated statement of Comprehensive Income

For the year ended 31 December, 2012

	Note	CONSOLIDATED Dec 2012 GH¢ '000	CONSOLIDATED Dec 2011 GH¢ '000	THE BANK Dec 2012 GH¢ '000	THE BANK Dec 2011 GH¢ '000
Interest Income	4	175,166	103,400	174,320	103,265
Interest Expense	5	(94,179)	(55,426)	(93,944)	(55,426)
Net Interest Income		80,987	47,974	80,376	47,839
Fees and Commissions	6	40,346	18,725	39,496	17,823
Other Operating Income	7	19,123	14,112	19,007	13,921
Operating Income		140,456	80,811	138,879	79,583
Operating expenses	8	(87,582)	(54,584)	(85,889)	(53,674)
Impairment on Loans and Advances	10	(16,353)	(11,634)	(16,353)	(11,634)
Operating profit		36,521	14,593	36,637	14,274
Share of profit/(loss) of associate	20	-	44	-	-
Profit before taxation		36,521	14,637	36,637	14,274
Income tax expense	11	(9,067)	(3,958)	(8,963)	(3,862)
National stabilization levy	11	-	(713)	-	(713)
Share of income tax expense of associate	20	-	(10)	-	-
Profit for the year		27,454	9,956	27,674	9,699
Other comprehensive income					
Net change in value of available for sale investment securities		2,289	(1,715)	2,289	(1,715)
Foreign currency translation differences for foreign subsidiary		285	-	-	-
Total comprehensive income for the year		30,028	8,241	29,963	7,984
Earnings per share					
Basic/diluted earnings per share (GH¢)	28	1.68	0.62	1.69	0.60

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December, 2012

	Note	CONSOLIDATED Dec 2012 GH¢ 000	CONSOLIDATED Dec 2011 GH¢ 000	THE BANK Dec 2012 GH¢ 000	THE BANK Dec 2011 GH¢000
Assets					
Cash and balances with Bank of Ghana	12	135,413	103,079	135,312	102,914
Government Securities	13	310,398	235,456	310,398	234,338
Due from other banks and financial institutions	14	194,061	247,653	188,262	247,653
Loans and advances to customers	15	653,724	409,578	636,763	409,578
Amounts due from associated companies	17	47	47	1,493	637
Investment in other equity	19	189	96	73	96
Investment in associate	20	-	176	-	60
Investment in subsidiary	21	-	-	6,384	101
Other assets	22	21,130	14,634	19,538	14,442
Deferred tax asset	11	3,945	1,266	3,945	1,266
Property and equipment	23	27,244	16,536	27,123	16,526
Intangible assets	24	3,772	2,315	3,741	2,315
Total assets		1,349,922	1,030,836	1,333,031	1,029,926
Liabilities					
Customer deposits	25	1,084,720	896,644	1,080,889	896,644
Due to other banks		49,497	5,570	37,011	5,570
Term borrowings	26	45,204	45,598	45,204	45,598
Amounts due to associated companies	18	-	-	544	-
Interest payable and other liabilities	27	47,202	26,396	46,917	26,284
Current tax liability	11	1,873	311	1,854	262
Total liabilities		1,228,497	974,519	1,212,419	974,358
Equity					
Stated capital	29	83,073	38,185	83,073	38,185
Statutory reserves		23,121	9,284	23,121	9,284
Available for Sale reserves		4,108	1,819	4,108	1,819
Regulatory credit risk reserve		4,489	636	4,489	636
Translation Reserve		285	-	-	-
Retained Earnings		6,349	6,393	5,821	5,644
Total Equity		121,425	56,317	120,612	55,568
Total liabilities and shareholders' fund		1,349,922	1,030,836	1,333,031	1,029,926

The accompanying notes form an integral part of these financial statements.

Approved by the Board on 20th March, 2013 and signed on its behalf as follows:

William Panford Bray
Chairman

Edward Effah
Managing Director

Consolidated Statement of Changes in Equity

For the year ended 31 December, 2012

Consolidated	Stated Capital GH¢'000	Statutory reserves GH¢'000	Available for Sale Reserves GH¢'000	Regulatory credit risk reserve GH¢'000	Retained Earnings GH¢'000	Translation Reserve GH¢'000	Total Equity GH¢'000
Balance at 1 January 2011	25,990	4,434	3,534	790	2,726	-	37,474
Total Comprehensive income for the year	-	-	(1,715)	-	9,956	-	8,241
Transfer to Statutory reserve	-	4,850	-	-	(4,850)	-	-
Transfer from regulatory risk reserve credit	-	-	-	(154)	154	-	-
Tax effect of net unrealised loss on AFS investments	-	-	-	-	-	-	-
Proceeds form Preference share issue	11,995	-	-	-	-	-	11,995
Proceeds form Ordinary share warrants	200	-	-	-	-	-	200
Dividend paid	-	-	-	-	(1,593)	-	(1,593)
Balance at 30 December 2011	38,185	9,284	1,819	636	6,393	-	56,317
Balance at 1 January 2012	38,185	9,284	1,819	636	6,393	-	56,317
Total comprehensive income for the year	-	-	2,289	-	27,454	285	30,028
Transfer from retained earnings	4,000	-	-	-	(4,000)	-	-
Transfer to Statutory reserve	-	13,837	-	-	(13,837)	-	-
Transfer from regulatory risk reserve credit	-	-	-	3,853	(3,853)	-	-
Proceeds form Preference share issue	37,987	-	-	-	-	-	37,987
Proceeds form Ordinary share warrants	2,901	-	-	-	-	-	2,901
Dividend paid (Ordinary shares)	-	-	-	-	(3,973)	-	(3,973)
Dividend paid (Preference shares)	-	-	-	-	(1,835)	-	(1,835)
Balance at 31 December 2012	83,073	23,121	4,108	4,489	6,349	285	121,425

Bank	Stated Capital GH¢'000	Statutory reserves GH¢'000	Available for Sale Reserves GH¢'000	Regulatory credit risk reserve GH¢'000	Retained Earnings GH¢'000	Total Equity GH¢'000
Balance at 1 January 2011	25,990	4,434	3,534	790	2,234	36,982
Total comprehensive income for the year			(1,715)	-	9,699	7,984
Transfer to Statutory reserve	-	4,850	-	(154)	(4,850)	-
Transfer from regulatory risk reserve credit	-	-	-		154	-
Tax effect of net unrealised loss on AFS investments			-	-		-
Proceeds from Preference Share issue	11,995	-	-	-	-	11,995
Proceeds from Ordinary Share warrants	200	-	-	-	-	200
Dividend paid	-	-	-		(1,593)	(1,593)
Balance at 31 December 2011	38,185	9,284	1,819	636	5,644	55,568
Balance at 1 January 2012	38,185	9,284	1,819	636	5,644	55,568
Total comprehensive income for the period	-	-	2,289	-	27,675	29,964
Net change in value of available for sale investment securities	-	-			-	-
Transfer from retained earnings	4,000	-	-	-	(4,000)	-
Transfer to Statutory reserve	-	13,837	-	-	(13,837)	-
Transfer from regulatory risk reserve credit	-	-	-	3,853	(3,853)	-
Tax effect of net unrealised loss on AFS invest.	-	-	-	-	-	-
Proceeds form Preference share issue	37,987	-	-	-	-	37,987
Proceeds form Ordinary share warrants	2,901	-	-	-	-	2,901
Dividend paid (Ordinary shares)	-	-	-	-	(3,973)	(3,973)
Dividend paid (Preference shares)	-	-	-	-	(1,835)	(1,835)
Balance at 31 December 2012	83,073	23,122	4,108	4,489	5,821	120,612

The transfer to statutory reserve fund represent 50% of the Bank's net profit after tax. This is in compliance with section 29 (1)(a) of the Banking Act, 2004 (Act 673).

Consolidated Statement of Cash Flow

For the year ended 31 December, 2012

Reconciliation of operating profit to operating cash flows	Note	CONSOLIDATED Dec 2012 GH¢ '000	CONSOLIDATED Dec 2011 GH¢ '000	THE BANK Dec 2012 GH¢ '000	THE BANK Dec 2011 GH¢ '000
Operating profit		36,521	14,593	36,637	14,274
Adjustments for:					
Depreciation and amortisation	23 &	6,481	3,441	6,447	3,430
Impairment charge	24	16,353	11,634	16,353	11,634
Bad debts written off	10	(4,953)	(4,968)	(4,953)	(4,968)
Released on disposal of assets		17	-	17	-
Financial guarantee contracts		-	(17)	-	(17)
Change in fair value of investment securities recognised in income statement		(64)	-	(64)	-
Operating cash flow before investment in working capital		54,355	24,684	54,437	24,354
Increase in investment in Government securities	13	(71,890)	(34,799)	(73,008)	(33,681)
Increase in loans and advances to customers	15	(255,546)	(204,197)	(238,585)	(204,197)
Increase in other assets	22	(6,496)	269	(5,096)	(602)
Increase in amount due from associate companies	17 & 18	-	-	(312)	-
Decrease in customer deposits	25	188,076	348,615	184,245	348,615
Increase/(decrease) in balances due to other banks		43,927	(23,197)	31,441	(23,197)
Increase in interest payable and other liabilities	27	20,806	6,397	20,634	6,360
Corporate tax payments	11	(10,828)	(5,185)	(10,694)	(5,075)
Increase in operating assets and liabilities		(91,951)	87,903	(91,374)	88,223
Net inflows from operating activities		(37,595)	112,587	(36,937)	112,577
Investing activities					
Cost of property, plant and equipment	23	(18,662)	(11,821)	(18,487)	(11,821)
Increase in Subsidiaries	21	-	-	(6,283)	-
Increase/decrease in investment in other equity	19	83	12	23	12
Payment of Subordinated Shareholder loan		-	(2,000)	-	(2,000)
Net outflow due to investing activities		(18,579)	(13,809)	(24,747)	(13,809)
Financing activities					
New capital contributions	29	2,901	199	2,901	199
Proceeds from Preference Share issued		37,987	11,995	37,987	11,995
Dividends paid		(5,808)	(1,593)	(5,808)	(1,593)
Proceeds from term borrowing	26	(164)	31,065	(390)	31,065
Net inflow from financing activities		34,916	41,666	34,691	41,667
Increase in cash and cash equivalents		(21,258)	140,444	(26,993)	140,434
Analysis of changes in cash and cash equivalents					
Cash and cash equivalents at 1 January		350,732	210,288	350,567	210,133
Change in cash and cash equivalents		(21,258)	140,444	(26,993)	140,434
Cash and cash equivalents at 31 December	30	329,474	350,732	323,574	350,567

1. Reporting Entity
Fidelity Bank Ghana Limited (FBGL) is a banking institution registered and domiciled in Ghana. The registered office is located at Ridge Tower, 10 Ambassadorial Enclave, West Ridge, Accra. FBGL operates under the Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738). The consolidated financial statements of FBGL for the year ended 31 December 2012 were authorised for issue in accordance with a resolution of the directors on 20th March,2013.

2.1 Basis of preparation
These consolidated financial statements have been prepared under the historical cost convention, except available for sale investments, financial assets and financial liabilities held at fair value through profit and loss that have been measured at fair value. The financial statements have been presented in Ghana cedis.

2.2 Statement of compliance
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. Additional information required by the Companies Code, 1963 (Act 179) and Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act, 2007 (Act 738) have been included, where appropriate.

2.3 Basis of consolidation
The consolidated financial statements comprise the financial statements of Fidelity Bank Ghana Limited and its subsidiaries as at 31 December 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the bank obtains control and continue to be consolidated until the date such control ceases. The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2.4 Significant accounting judgements, estimates and assumptions
The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various factors that are believed to be reasonable under the circumstances, the results of which form the basis for making the judgement about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

(a) Fair value of financial instruments
The fair value of a financial asset is determined by reference to the quoted bid price or asking price (as appropriate) in an active market. Where the fair value of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from an active market, it is determined using a variety of valuation techniques including the use of prices obtained in recent arms' length transactions, comparison to similar instruments for which market observable prices exist, net present value techniques and mathematical models. Input to these mathematical models is taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

(b) Impairment losses on loans and advances
The bank reviews its problem loans to assess whether an allowance for impairment should be recorded in the consolidated statement of comprehensive income. In particular, judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowance required. Such estimates are based on assumptions about a number of factors and actual results may differ, resulting in future changes to the allowance.

In addition to specific allowances against individually significant loans and advances, the bank also makes a collective impairment allowance against exposures which, although not specifically identified as requiring a specific allowance, have a greater risk of default than when originally granted. This take into consideration factors such as any deterioration in country risk, industry, and technological obsolescence, as well as identified structural weaknesses or deterioration in cash flows.

(c) Impairment of equity investments
The bank treats available-for-sale equity investments as impaired when there has been a significant or prolonged decline in the fair value below its cost or where other objective evidence of impairment exits. The bank treats 'significant' generally as 20% or more and 'prolonged' as greater than 6 months. In addition, the bank evaluates other factors such as the share price volatility.

(d) Deferred tax assets
Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management 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.

2.5 New standards and Interpretations not yet adopted
There are new or revised Accounting Standards and Interpretations in issue that are not yet effective and not early adopted by the bank. These include the following Standards and Interpretations that may have an impact on future financial statements

"Amendment to IAS 1 Presentation of Financial Statements
The amendment to IAS 1 will be adopted for the first time for the financial reporting period ending 31 December 2013. The bank will present those items of other comprehensive income that may be reclassified to profit or loss in the future separately from those that

Standard/Interpretation	Description	Effective date
IAS 1 amendment	Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income	Annual periods beginning on or after 1 July 2012
IFRS 7 amendment	Offsetting Financial Assets and Liabilities	Annual periods beginning on or after 1 January 2013
IFRS 10	Consolidated Financial Statements	Annual periods beginning on or after 1 January 2013
IFRS 11	Joint Arrangements	Annual periods beginning on or after 1 January 2013
IFRS 12	Disclosure of Interests in Other Entities	Annual periods beginning on or after 1 January 2013
IFRS 13	Fair Value Measurement	Annual periods beginning on or after 1 January 2013
"IAS 19 amendment"	Employee benefits	Annual periods beginning on or after 1 January 2013
IAS 27	Separate Financial Statements (2011)	Annual periods beginning on or after 1 January 2013
IAS 28	Investments in Associates and Joint Ventures (2011)	Annual periods beginning on or after 1 January 2013
IFRS 2009-2011	Annual improvement to various Standards	Annual periods beginning on or after 1 January 2013
"IFRS 10, IFRS 12 and IAS 27"	"Amendments to Joint Arrangements, Disclosure of Interests in Other Entities and Separate Financial Statements (2011)"	Annual periods beginning on or after 1 January 2014
IAS 32 amendments	Offsetting Financial Assets and Financial Liabilities	Annual periods beginning on or after 1 January 2014
IFRS 9 (2009)	Financial Instruments	Annual periods beginning on or after 1 January 2015
IFRS 9 (2010)	Financial Instruments	Annual periods beginning on or after 1 January 2015

would never be reclassified to profit or loss. The related tax effects for the two sub-categories will be shown separately. This is a change in presentation and will have no impact on the recognition or measurement of items in the financial statements. This amendment will be applied retrospectively and comparative information will be restated."

"Amendments to IFRS 7 Financial Instruments: Disclosures: Offsetting Financial Assets and Financial Liabilities

The amendments contain new disclosure requirements for financial assets and financial liabilities that are offset in the statement of financial position; or are subject to enforceable master netting arrangements or similar agreements. Based on the new disclosure requirements the bank will have to provide information about what amounts have been offset in the statement of financial position and the nature and extent of rights of set-off under master netting arrangements or similar agreements. The amendments are effective for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. This amendment will not have any significant impact on the group's financial statements."

"IFRS 10
Consolidated Financial Statements

IFRS 10 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard may be applied retrospectively. IFRS 10 introduces a single control model to assess whether an investee should be consolidated. This control model requires entities to perform the following in determining whether control exists:"

"• Identify how decisions about relevant activities are made;
• Assess whether the entity has power over relevant activities by considering only the entity's substantive rights;

• Assess whether the entity is exposed to variability in returns, and

• Assess whether the entity is able to use its power over the investee to affect returns for its own benefit"

Control should be assessed on a

continuous basis and should be reassessed as facts and circumstances change. This amendment will not have a significant impact on the bank's financial statements.

"IFRS 11 Joint Arrangements
The standard will be applied retrospectively, subject to certain transitional provisions. IFRS 11 clarifies the classification of joint arrangements depending on whether parties have rights to and obligations for the underlying assets and liabilities. Under IFRS 11, joint arrangements are divided into two types, each having its own accounting model.

• Joint operations, under which the jointly controlling parties, known as joint operators, have rights to assets and obligations for the liabilities, relating to the arrangement.

• Joint ventures, under which the joint controlling parties, known as joint ventures, have rights to the net assets of the arrangement. In terms of IFRS 11, all joint ventures will have to be equity accounted. This amendment will not have a significant impact on the bank's financial statements."

"IFRS 12 Disclosure of Interests in Other Entities
IFRS 12 will be adopted for the first time for the financial reporting period ending 31 December 2013.
IFRS 12 combines, in a single standard, disclosure requirements for subsidiaries, associates and joint arrangements, as well as unconsolidated structured entities.
The required disclosures aim to provide information to enable users evaluate:

• The nature of, and risks associated with, an entity's interests in other entities, and

• The effects of those interests on the entity's financial position, financial performance and cash flows. The adoption of this standard will increase the level of disclosure provided for interests in subsidiaries, joint arrangements, associates and structured entities."

"IFRS 13 Fair Value Measurement
IFRS 13 will be adopted for the first time for the financial reporting period ending 31 December 2013. The standard will be applied prospectively and comparatives will not be restated. IFRS 13 introduces a single source of guidance on fair value measurement for both financial and non-financial assets and liabilities by defining fair value, establishing a framework for measuring fair value and setting out disclosures requirements for fair value measurements. The key principles in IFRS 13 are as follows:"

"• Fair value is an exit price
• Measurement considers characteristics of the asset or liability and not entity-specific characteristics

• Measurement assumes a transaction in the entity's principal (or most advantageous) market between market participants

• Price is not adjusted for transaction costs

• Measurement maximises the use of relevant observable inputs and minimisestheuseofunobservableinputs

• The three-level fair value hierarchy is extended to all fair value measurements"

This amendment will not have an impact on the bank's financial statements

"Amendments to IAS 19 Employee Benefits.
The amendment has introduced the following key changes which are not expected to have any impact on the bank's financial statements.

• Actuarial gains and losses are recognised immediately in other comprehensive income. The corridor method and the recognition of actuarial gains and losses in profit or loss is no longer permitted.

• Past service costs as well as gains and losses on curtailments / settlements are recognised in profit or loss.
• Expected returns on plan assets are calculated based on the rates used to discount the defined benefit obligation.

• The definitions of short-term and other long-term employee benefits have been amended and the distinction between the two depends on when the entity expects the benefit to be settled. Additional amendments are of a presentation nature and will not have a significant impact on the bank's financial statements."

"IAS 27 (2011) Separate Financial Statements IAS 27 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013. IAS 27 (2011) supersedes IAS 27 (2008). IAS 27 (2011) carries forward the existing accounting and disclosure requirements for separate financial statements, with some minor clarifications. This amendment will not have a significant impact on the bank's separate financial statements."

"IAS 28 (2011) Investments in Associates and Joint Ventures
IAS 28 (2011) will be adopted for the first time for the financial reporting period ending 31 December 2013. IAS 28 (2011) supersedes IAS 28 (2008) and carries forward the existing accounting and disclosure requirements with limited amendments. These include:

• IFRS 5 is applicable to an investment, or a portion of an investment, in an associate or a joint venture that meets the criteria to be classified as held-for-sale; and

• On cessation of significant influence or joint control, even if an investment in an associate becomes an investment in a joint venture or vice versa, the group does not re-measure the retained interest. This amendment will not have a significant impact on the bank's financial statements."

Annual improvement to various Standards
(i) IFRS 1 First-time Adoption of International Financial Reporting Standards (Repeated application of IFRS1)
The amendment clarifies the applicability of IFRS 1 to an entity that has IFRS in a previous reporting period, but whose most recent previous annual financial standards do not contain an explicit and unreserved statement of compliance with IFRS. If such an entity

presents its financial statements in accordance with IFRS again, then it is now allowed, rather than required, to apply IFRS 1."

A repeated adopter that elects not to apply IFRS 1 in the above situation has to apply IFRS retrospectively in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, as if it had never stopped applying IFRS. Such entity should also disclose the reason for electing to apply IFRS on a continuous basis. Irrespective of whether the repeated adopter applies IFRS 1, it is required to disclose the reason why it stopped applying IFRS and is resuming the application of IFRS.

The above option is available regardless of whether it existed at the time the entity previously applied IFRS. For example, the above option is available to a repeated adopter that previously applied SIC 8 First-time Application of IASs as the Primary Basis of Accounting. This amendment will not have a significant impact on the bank's financial statements.

"Borrowing cost exemption
IFRS 1 is amended to clarify how the exemption should be applied for borrowing costs relating to qualifying assets for which the commencement date of capitalization is before date of transition to IFRS. After the amendment, if a first-time adopter of IFRS chooses to apply the exemption, then:

• It should not restate borrowing costs; and

• It should account for borrowing costs incurred on or after the date of transition (for an earlier date, as permitted by IAS 23 Borrowing Costs) in accordance with IAS 23. This includes borrowing costs that have been incurred on qualifying assets already under construction at that date. This amendment will not have a significant impact on the bank's financial statements."

"(ii) IAS 1 Presentation of Financial Statements (Comparative information beyond minimum requirements)
IAS 1 is amended to clarify that only one comparative period – which is the preceding period-, is required for a complete set of financial statements. If an entity presents additional comparative information, the additional information need not be in the form of complete set of financial statements. However, such information should be accompanied by related notes and should be in accordance with IFRS."

"Presentation of the Opening statement of financial position and related notes
IAS 1 requires the presentation of an opening balance of financial position (sometimes referred to as the 'third statement of financial position') when an entity applies an accounting policy retrospectively, or makes a retrospective restatement or reclassification. IAS 1 is amended to clarify that:

• The opening statement of financial position is required only if:

- a change in accounting policy;

- a retrospective restatement; or

- a reclassification has an effect on the information in that statement of financial position;

• Except for disclosures required under IAS 8, notes relating to the opening statement of financial position are no longer required; and

• The appropriate date for the opening statement of financial position is the beginning of the preceding period, rather than the beginning of the earliest comparative period presented. This is regardless of whether an entity provides additional comparative information beyond the minimum comparative information requirements."

"The amendment explains the requirement for the presentation of notes relating to additional comparative information and those relating to the opening statement of financial statements are different, because the underlying objectives are different. Consequential amendments have been made to IFRS 1 and IAS 34. This amendment will not have a significant impact on the bank's financial statements."

"(iii) IAS 16 Property, Plant and Equipment (Classification of Servicing Equipment)
This amendment to IAS 16 clarifies the accounting for spare parts, stand-by equipment and servicing equipment. The definition of 'property, plant and equipment' in IAS 16 is now considered in determining whether these items should be accounted for under that standard. If these items do not meet the definition, then they are accounted for using IAS Inventories. This amendment will not have a significant impact on the bank's financial statements."

"(iv) IAS 32 Financial Instruments: Presentation (Income tax consequences of distributions)
Income taxes on distribution to holders of equity instruments and on transaction costs of equity transactions have been clarified in amendments to IAS 32, these are now to be accounted for in accordance with IAS 12 Income Taxes. The amendment removes a perceived inconsistency between IAS 32 and IAS 12. Before the amendment, IAS 32 indicated that distributions to holders of equity instrument are recognized directly in equity, net of any related income tax. However, IAS 12 generally requires the tax consequences of dividends to be recognized in profit or loss. A similar consequential amendment has been made to IFRIC 2 Members' Share in Co-operative entities and Similar Instruments. This amendment will not have a significant impact on the bank's financial statements."

"(v) IAS 34 Interim Financial Reporting (Segment assets and liabilities)
IAS 34 is amended to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.IAS 34 now requires separate disclosure of total assets and liabilities for a particular reportable segment:

• only when the amount is regularly provided to the chief operating decision maker; and

• where there has been a material change from the amount disclosed in the last annual financial statements for that reportable segment."

"Amendments to (IFRS 10), Joint Arrangements (IFRS 12) Disclosure of Interests in Other Entities and (IAS 27) Separate Financial Statements (2011) Under this amendment, a qualifying investment entity is required to account for investments in controlled entities- as well as investments in associates and joint ventures- at fair value through profit or loss (FVTPL); the only exception would be subsidiaries that are considered extensions of the investment entity's investing activities. The consolidation exception is mandatory – not optional. The parent of an investment entity (that is not itself an investment entity) is still required to consolidate all subsidiaries. The amendment also requires new disclosures including quantitative data about the investment entity's exposure to risks arising from its unconsolidated subsidiaries. The disclosures now apply to the investee as a single investment rather than to the consolidated investee's underlying financial assets and financial liabilities. The amendments apply to annual periods beginning on or after 1 January 2014. However, early adoption is permitted, which means that a qualifying investment entity might be able to adopt the amendments as early as 31 December 2012. This amendment will not have a significant impact on the bank's financial statements."

"Amendments to IAS 32 Financial Instruments: Presentation: Offsetting Financial Assets and Financial Liabilities
The amendments clarify that an entity currently has a legally enforceable right to set-off if that right is:

• not contingent on a future event; and

• enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and all counterparties.

The amendments are effective for annual periods beginning on or after 1 January 2014 and interim periods within those annual periods. Earlier application is permitted. This amendment will not have any significant impact on the bank's financial statements."

"IFRS 9 (2009) Financial Instruments
IFRS 9 will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 addresses the initial measurement and classification of financial assets and will replace the relevant sections of IAS 39. Under IFRS 9 there are two options in respect of the classification of financial assets, namely, financial assets measured at amortised cost or at fair value. Financial assets are measured at amortised cost when the business model is to hold assets in order to collect contractual cash flows and when they give rise to cash flows that are solely payments of principal and interest on the principal outstanding. All other financial assets are measured at fair value. Embedded derivatives are no longer separated from hybrid contracts that have a financial asset host. This amendment will not have a significant impact on the bank's financial statements."

"IFRS 9 (2010) Financial Instruments
IFRS 9 (2010) will be adopted for the first time for the financial reporting period ending 31 December 2015. The standard will be applied retrospectively, subject to transitional provisions. IFRS 9 (2010) addresses the measurement and classification of financial liabilities and will replace relevant sections of IAS 39. Under IFRS 9 (2010), the classification and measurement requirements of financial liabilities are the same as per IAS 39, except for the following two aspects:

• fair value changes for financial liabilities (other than financial guarantees and loan commitments) designated at fair value through profit or loss, that are attributable to the changes in the credit risk of the liability will be presented in other comprehensive income (OCI). The remaining amount of the fair value change is recognised in profit or loss. However, if this requirement creates or enlarges an accounting mismatch in profit or loss, then the whole fair value change is presented in profit or loss. The determination as to whether such presentation would create or enlarge an accounting mismatch is made on initial recognition and is not subsequently reassessed.

• Under IFRS 9 (2010) derivative liabilities that are linked to and must be settled by delivery of an unquoted equity instrument whose fair value cannot be reliably measured, are measured at fair value. IFRS 9 (2010) incorporates guidance in IAS 39, dealing with fair value measurement and accounting for derivatives embedded in a host contract that is not a financial asset, as well as the requirements of IFRIC 9 Reassessment of Embedded Derivatives. This amendment will not have a significant impact on the bank's financial statements."

2.6 Summary of significant accounting policies

(a) Foreign currency - Reference Rate
iThe transaction rates used are the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Association of Bankers – Ghana. Monetary assets and liabilities are translated using the average of the buying and selling of the underlying inter-bank foreign exchange rate as quoted by the Association of Bankers – Ghana as at the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement. Non-monetary assets and liabilities are translated at historical exchange rates if held at historical cost or exchange rates at the date the fair value was determined if held at fair value, and the resulting foreign exchange gains and losses are

recognised in the income statement or shareholders' equity as appropriate. The reference rates used in translating foreign exchange transactions and balances for the major trading currencies for the year ended are as follows;

Currency	Currency Code	Transaction Rate	Balance Rate
US Dollar	USD	1.8363	1.8846
Pound Sterling	GBP	2.9246	3.0410
Euro	EU	2.3716	2.4848

(b) Recognition of income and expenses

(i) Interest and similar income and expense

For all financial instruments measured at amortised cost and interest bearing financial instruments classified as available-for-sale financial investments, interest income or expense is recorded at the effective interest rate, which is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example, prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the effective interest rate, but not future credit losses. The carrying amount of the financial asset or financial liability is adjusted if the bank revises its estimates of payment or receipts. The adjusted carrying amount is calculated on the original effective interest rate and the change in the carrying amount is recorded as interest income or expense.

Once the recorded value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the original effective interest rate applied to the new carrying amount.

(ii) Fee and commission income

The bank earns fee and commission income from services it provided to its customers. Fee income can be divided into the following two categories:

Fee income earned from services provided over a certain period of time

Fees earned for the provision of services over a period of time are accrued over that period. These fees include commission income and asset management, custody and other management and advisory fees. Loan commitment fees for loans that are likely to be drawn down and other credit related fees are deferred (together with any incremental costs) and recognized as an adjustment to the effective interest rate on the loan.

Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party – such as the arrangement of the acquisition of shares or the other securities or the purchase or sale of businesses are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

(iii) Dividend income

Revenue is recognized when the bank's right to receive the payment is established.

(iv) Net trading income

This comprises gains and losses from changes in fair value and related interest income or expense and dividends for financial assets and financial liabilities held for trading.

(c) Financial instruments – initial recognition and subsequent measurement

(i) Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the marketplace are recognized on the trade date i.e. the date that the bank commits to purchase or sell the asset.

(ii) Initial recognition of financial instruments

The classification of financial instruments at initial recognition depends on the purpose for which the financial instruments were acquired and their characteristics. 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 and loss, any directly attributable incremental costs of acquisition or issue.

(iii) Financial assets and liabilities held for trading

Financial assets or financial liabilities comprise financial instruments held for trading other than derivatives are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recognized in 'Net trading income' according to the terms of the contract or when the right to the payment has been established.

Included in this classification are debt securities, equities and short position in debt securities which have been acquired principally for the purpose of selling or repurchasing in the future.

(iv) Financial assets and liabilities designated at fair value through profit or loss

Financial assets and financial liabilities classified in this category are designated by management on initial recognition when the following criteria are met:

· the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognized gains or losses on them on a different basis; or

· the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance evaluated on a fair value basis, in accordance with a document risk management or investment strategy; or

· the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis that it would not be separately recorded.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in 'Net gains or loss on financial assets and liabilities designated at fair value through profit or loss'. Interest earned or incurred is accrued in interest income or expense, respectively, according to the terms of the contract, while dividend income is recorded in 'other operating income' when the right to the payment has been established.

(v) Held to maturity financial investments
Held to maturity financial investments are those which carry fixed determinable payments and have fixed maturities and which the bank has the intention and ability to hold to maturity. After initial measurement, held-to-maturity financial investments are subsequently measured at amortised cost using the effective interest rate method, less allowances for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'interest income' in the consolidated statement of comprehensive income. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income line 'Impairment losses on financial investments'.

(vi) Due from banks and loans and advances to customers
'Due from banks' and 'Loans and advances to customers' are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. These are not entered into with the intention of immediate or short-term resale and are not classified as 'Financial assets held for trading', designated as 'Financial investments – available-for-sale' or 'Financial assets designated at fair value through profit or loss'. After initial measurement, amounts due from banks and loans and advances to customers are subsequently measured at amortised cost using the effective interest rate method, less allowance for impairment. The amortised cost is calculated by taking into account any discount on acquisition and fees and costs that are integral part of the effective interest rate. The amortization is included in 'Interest income' in the consolidated statement of comprehensive income. The losses arising from impairment are recognized in the consolidated statement of comprehensive income in 'Charge for bad and doubtful debt'.

(vii) Available for sale financial investments
Available-for-sale financial investments are those which are designated as such or do not qualify to be classified as designated at fair value through profit or loss, held-to-maturity or loans and advances. It includes equity investments, investments in mutual funds and money market and other debt instruments.

After initial measurement, available-for-sale financial investments are subsequently measured at fair value. Unrealized gains and losses are recognized directly in equity in the 'Available-for-sale reserve'. When the security is disposed of, the cumulative gain or loss previously recognized in equity is recognized in the consolidated statement of comprehensive income in 'Other operating income' or 'Other operating expenses'. Where the bank holds more than one investment in the same security it is deemed to be disposed off on a first-in first-out basis. Interest earned, whilst holding available-for-sale financial investments, is recognized in the consolidated statement of comprehensive income as 'Interest income' when the right of the payment has been established. The losses arising from impairment of such investments are recognized in the consolidated statement of comprehensive income in 'Impairment losses on financial investments' and removed from the available-for-sale reserve.

(viii) Borrowed funds
After initial measurement, borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any discount or premium on the issue and costs that are an integral part of the effective interest rate.

(d) Derecognition of financial assets and financial liabilities

(i) Financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired; or

- 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 (a) the bank has transferred substantially all the risks and rewards of the asset, or (b) 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 right to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset, nor transferred control of the asset, the asset is recognized to the extent of the bank's continuing involvement in the asset. 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.

(ii) Financial liabilities
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit of loss.

(e) Repurchase and reverse repurchase agreements
Securities may be lent or subject to a commitment to repurchase it at specified date ('a repo'). Such securities are not derecognized but retained on the statement of financial position when substantially all the risks and rewards of ownership remain with the Bank. Any cash received, including accrued interest, is recognized on the balance sheet reflecting its economic substance as a loan to the Bank.

Conversely, securities borrowed or purchased securities subject to a commitment to resell it as a specified date (a 'reverse repo') is not recognized on the consolidated statement of financial position as the transactions are treated as collateralised loans. However where the securities borrowed is sold to third parties, the obligation to repurchase the securities is recorded as a trading liability at fair value and any subsequent gain or loss included in net trading income.

(f) Impairment of financial assets
The Bank assesses at each balance sheet date whether objective evidence of impairment exists for any financial asset. A financial assets is deemed to be impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (loss event), and the loss event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include indications that the borrower is experiencing significant difficulty, default or delinquency in interest or principal payments, the probability that it will enter bankruptcy or other financial reorganization and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(i) Due from banks and loans and advances to customers
For amounts due from banks and loans and advances to customers carried at amortised cost, the Bank first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant (identified impairment). If the Bank determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment (unidentified impairment). 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.

Where there is objective evidence of impairment, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. 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 consolidated statement of comprehensive income.

If a loan has a variable interest rate, the discount rate for measuring impairment loss is the current effective interest rate. The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflect the cash flows that may result from foreclosure costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar risk characteristics, taking into account asset type, industry, geographical location, collateral type, past-due status and other relevant factors. These characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the counterparty's ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted based on current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not currently exist. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Where possible, the Bank seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of a new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews such 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 assessment, calculated using the loan's original effective interest rate.

(ii) Held-to-maturity financial investments
For held-to-maturity investments the Bank assesses individually whether there is objective evidence 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. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income.

If in a subsequent year the amount of the estimated impairment loss decreases because of an event occurring after the impairment was recognised, any amounts formerly charged are credited to the 'Impairment losses on financial investments'.

(iii) Available for sale financial instruments
For available-for-sale financial investments, the Bank assesses at each balance sheet date whether there is objective evidence that an investment or a group of investments is impaired.

In the case of equity instruments classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered objective evidence in determining whether impairment exists. Where such evidence exists, the cumulative net loss that has been previously recognised directly in equity is removed from equity and recognised in the consolidated statement of comprehensive income. Reversals of impairment of equity shares are not recognised in the consolidated statement of comprehensive income, increases in the fair value of equity shares after impairment are recognised directly in equity.

In the case of debt instruments classified as available for sale, impairment is assessed based on the same criteria as all other financial assets. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of Interest Income. Reversals of impairment of debt securities are recognised in the consolidated statement of comprehensive income if in a subsequent year, the fair value of the debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the consolidated statement of comprehensive income.

(g) Collateral and netting
The Bank obtains collateral in respect of customer liabilities where this is considered appropriate. The collateral normally takes the form of cash or securities in respect of other credit instruments or a lien over the customer's assets and gives the Bank a claim on these assets for both existing and future liabilities. Collateral received in the form of securities is not recorded on the consolidated statement of financial position. Collateral received in the form of cash is recorded on the consolidated statement of financial position with a corresponding liability. These items are assigned to deposits received from bank or other counterparties. Any interest payable or receivable arising is recorded as interest payable or interest income respectively except for funding costs relating to trading activities which are recorded in net trading income.

Netting, where financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position, occurs if, and only if, there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise an asset and settle the liability simultaneously. In many cases, even though master netting agreements are in place, the lack of an intention to settle on a net basis results in the related assets and liabilities being presented gross in the consolidated statement of financial position.

(h) Leasing
The determination of whether an arrangement is, or 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.

(i) The Bank as a lessor

Finance leases
Assets leased to customers under agreements, which transfer substantially all the risks, and rewards of ownership, with or without ultimate legal title, are classified as finance leases. When assets are held subject to a finance lease, the present value of the lease payments, discounted at the rate of interest implicit in the lease, is recognised as a receivable. The difference between the total payments receivable under the lease and the present value of the receivable is recognised as unearned finance income, which is allocated to accounting periods under the pre-tax net investment method to reflect a constant periodic rate of return.

Operating leases
Assets leased to customers under agreements, which do not transfer substantially all the risks and rewards of ownership, are classified as operating leases. The leased assets are included within property, plant and equipment on the bank's statement of financial position and depreciation is provided on the depreciable amount of these assets on a systematic basis over their estimated useful lives. Lease income is recognised on a straight line basis over the period of the lease unless another systematic basis is more appropriate.

(ii) The Bank as a Lessee
Finance leases which transfer to the Bank substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease

payments and included in 'Property and equipment' with corresponding liability to the lessor included in 'Other liability'. Lease payments are apportioned between the finance charges and reduction on the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly against income in 'Interest expense'.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Bank will obtain ownership by the end of the lease term.

Operating lease payments are not recognised in the consolidated statement of financial position. Rentals payable are recognised as an expense in the consolidated statement of comprehensive income on a straight-line basis over the lease term unless another systematic basis is more appropriate, and included in 'Other operating expenses'.

(i) Cash and cash equivalents

Cash and cash equivalents are recorded in the consolidated statement of financial position at cost. For the purpose of the cash flow statement cash and cash equivalents comprise balances with cash and balances with Bank of Ghana and amounts due from other banks.

(j) Investment in associate

The Bank's investment in its associate is accounted for using the equity method of accounting. An associate is an entity in which the Bank has significant influence and which is neither a subsidiary nor a joint venture.

Under the equity method, the investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Bank's share of net assets of the associate. Losses in excesses of the cost of the investment in an associate are recognised when the Bank has incurred obligations on its behalf. Goodwill relating to an associate is included in the carrying amount of the investment and is not amortised. The consolidated statement of comprehensive income reflects the Bank's share of the results of the operations of the associate. Where there has been a change recognised directly in the equity of the associate, the Bank recognises it's share of such change and discloses this, when applicable, in the statement of changes in equity. Profits and losses resulting from transactions between the Bank and the associate are eliminated to the extent of the interest in the associate.

The reporting dates of the associate and the Bank are identical and the associate's accounting policies conform to those used by the Bank for like transactions and event in similar circumstances.

(k) Property and equipment

Property and equipment owned by the bank are stated at cost less accumulated depreciation and accumulated impairment in value. Depreciation is computed using the straight-line method so as to write off the cost over the estimated useful lives. Changes in the expected useful life are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimate.

Property and equipment are depreciated as follows:

· Leasehold buildings and improvements	over the unexpired lease period
· Motor vehicles	25%
· Computers : hardware : software	 25% 25% - 50%
· Furniture and equipment	25%
· Machinery	25%

(l) Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees consisting of letters of credit, guarantees and acceptances. Such financial guarantees are given to banks, other financial institutions and bodies on behalf of customers to secure loans, overdrafts and other banking facilities, and to other parties in connection with the performance of customers under obligations related to contracts, advance payments made by other parties, tenders, retentions and payment of import duties.

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was given, in 'Other liabilities', being the fee income received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the unamortised fee income and the best estimate of the expenditure required to settle any financial obligation arising as a result of the guarantee.

Any increases in the liability relating to financial guarantees are taken to the consolidated statement of comprehensive income in 'Charge for bad and doubtful debt'. The fee income received is recognized in the consolidated statement of comprehensive income in 'Fees and commission income' on a straight line basis over the life of the guarantee.

(m) Provisions

Provisions are recognised when the Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

(n) Taxes

Current tax

Income tax payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is regarded as recoverable by offset against current or future taxable profits

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the Internal Revenue Service. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the consolidated statement of financial position date.

Deferred tax

Deferred tax is provided on temporary differences at the balance sheet 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 and
- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the 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 profits 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 deferred tax asset relating to the deductible temporary differences 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 and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, 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 balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or par of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and recognised to the extent that is 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 the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Current tax and deferred tax relating to items recognised directly in equity are also recognised in consolidated statement of changes in equity and not in the consolidated statement of comprehensive income.

Deferred and current tax assets and liabilities are only off set when they arise in the same tax reporting entity and the same taxation authority, and where there is both the legal right to set off current tax assets against current tax liabilities and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

For management purposes, the bank is organised into six operating segments based on products and services as follows;

3. Segment Information

For management purposes, the bank is organised into six business segments based on products and services as follows;

The bank's business units are as outlined below;

Corporate banking	Principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to corporate clients.
Institutional banking	Principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to institutional clients.
Public Sector banking	Principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to public sector entities.
Consumer banking	Provides loans and overdrafts, as well as handles the deposits and other transactions of individual customers such as funds transfers, standing orders and ATM card services.
Treasury	Undertakes the bank's funding and centralised risk management activities through borrowings, and investing in liquid assets such as short-term placements and government debt securities.
Investment banking	Investment banking services including corporate finance, merger and acquisitions advice, specialised financial advice and trading
Offshore banking	Principally responsible for providing loans and other credit facilities, as well as deposits and other transactions and balances to offshore customers in the Asia Pacific region.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit of loss in the consolidated financial statements.

Interest income is reported net as management primarily relies on net interest revenue as a performance measure, not the gross income and expense.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

For the purpose of segmental reporting, interest is allocated to the business units based on a pool rate determined by Treasury using the bank's cost of funds.

3. Segment Information

2012	Corporate Banking GH¢'000	Institutional Banking GH¢'000	Public Sector Banking GH¢'000	Consumer Banking GH¢'000	Treasury GH¢'000	Investment Banking GH¢'000	Offshore Banking GH¢'000	Total GH¢'000
Interest Income	49,288	4,683	40,392	38,605	41,352	287	558	175,165
Interest Expense	(30,101)	(8,134)	(2,946)	(27,027)	(25,735)	-	(236)	(94,179)
Inter-Segment (Net FTP)	4,382	5,735	(25,433)	29,380	(14,064)	-	-	-
Net Interest Income	23,569	2,284	12,013	40,958	1,553	287	322	80,986
Other Operating Income	19,352	4,072	6,972	16,547	11,560	959	8	59,470
Operating Income	42,921	6,356	18,985	57,505	13,113	1,246	330	140,456
Operating expenses	(19,733)	(7,289)	(7,802)	(40,287)	(10,777)	(843)	(851)	(87,582)
Impairment	(7,013)	(223)	(974)	(8,143)	-	-	-	(16,353)
Reportable Segment profit/(loss)	16,175	(1,156)	10,209	9,075	2,336	403	(521)	36,521
Income tax expense								(9,067)
Profit/(loss) after taxation for the year								27,454
Reportable segment assets	245,981	23,371	201,578	187,032	412,543	2,636	23,555	1,096,696
Reportable segment liabilities	326,766	75,818	35,889	497,790	144,625	1,599	17,509	1,017,554

2011	Corporate Banking GH¢'000	Institutional Banking GH¢'000	Consumer Banking GH¢'000	Treasury GH¢'000	Investment Banking GH¢'000	Total GH¢'000
Interest Income	23,820	16,854	26,529	36,062	134	103,399
Interest Expense	(19,293)	(7,930)	(16,484)	(11,719)	-	(55,426)
Inter-Segment (Net FTP)	9,452	1,220	12,590	(23,262)	-	-
Net Interest Income	13,979	10,144	22,635	1,081	134	47,973
Other Operating Income	7,793	3,611	14,737	5,603	1,094	32,838
Operating Income	21,772	13,755	37,372	6,684	1,228	80,811
Operating expenses	(11,139)	(8,220)	(27,750)	(6,569)	(909)	(54,587)
Impairment	(4,385)	(831)	(6,418)	-	-	(11,634)
Reportable Segment profit/(loss)	6,248	4,704	3,204	115	319	14,590
Share of profit/(loss) of associate						44
Income tax expense						(3,958)
National stabilization levy						(713)
Share of income tax expense of associate						(10)
Profit/(loss) after taxation for the year						9,953
Reportable segment assets	97,626	73,421	97,635	140,895	1,485	411,062
Reportable segment liabilities	319,060	107,026	319,607	150,948	7,501	897,392

3. Segment Information

The bank operated in two geographic markets: Ghana (Domestic) and Malaysia (2011; Ghana only). The following tables show the distribution of the bank's external operating profit and non-current assets allocated based on the location of the customers and assets respectively for the years ended 31 December 2012 and 2011;

2012	Ghana GH¢'000	Malaysia GH¢'000	Total GH¢'000
Interest Income	174,608	558	175,166
Interest Expense	(93,944)	(236)	(94,179)
Net Interest Income	80,664	322	80,987
Other Operating Income	59,461	8	59,469
Operating Income	140,125	330	140,456
Operating expenses	(86,731)	(851)	(87,582)
Impairment	(16,353)	-	(16,353)
Operating profit/(loss)	37,041	(521)	36,521
Property, equipment and intangible assets	30,881	134	31,016

2011	Ghana GH¢'000
Interest Income	103,400
Interest Expense	(55,426)
Net Interest Income	47,974
Other Operating Income	32,838
Operating Income	80,812
Operating expenses	(54,584)
Impairment	(11,634)
Operating profit/(loss)	14,594
Property, equipment and intangible assets	18,851

		CONSOLIDATED		THE BANK	
4	**Interest income**	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
	Cash and short term funds	6,924	6,654	6,636	6,519
	Investments securities	33,939	28,234	33,939	28,234
	Loans and advances	134,303	68,512	133,745	68,512
		175,166	103,400	174,320	103,265

		Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
5.	**Interest expense**				
	Savings accounts	5,980	4,716	5,980	4,716
	Time and other deposits	71,078	38,209	71,078	38,209
	Overnight and call accounts	12,780	8,279	12,780	8,279
	Interest on shareholders loan	-	596	-	596
	Interest on current account	811	2,065	811	2,065
	Interest term borrowings	3,530	1,561	3,295	1,561
		94,179	55,426	93,944	55,426

		Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
6.	**Fees and Commission Income**				
	Arrangement, facility & brokerage fees	18,924	7,086	18,083	6,208
	Commissions	21,422	11,639	21,413	11,615
	Total Fees and Commission Income	40,346	18,725	39,496	17,823

		Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
7.	**Other Operating Income**				
	Gains on foreign exchange transactions	11,991	12,104	11,991	12,104
	Exchange gain on translations	6,878	1,131	6,871	1,131
	Sundry income	254	877	145	686
		19,123	14,112	19,007	13,921

	CONSOLIDATED		THE BANK	
8. Operating expenses	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Staff cost (note 9)	41,257	19,686	40,376	19,025
Depreciation	6,481	3,441	6,447	3,430
Advertising and marketing	6,591	6,155	6,585	6,125
Audit fees	135	93	117	82
Directors' remuneration	652	328	652	328
Other operating expenses	26,952	21,417	26,476	21,271
Legal and consultancy fees	3,785	1,942	3,534	1,891
Training	1,717	1,447	1,690	1,447
Donations and sponsorship	12	75	12	75
	87,582	54,584	85,889	53,674

9. Staff costs	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Wages, salaries, bonus and allowances	24,376	14,888	23,526	14,227
Social Security Fund Contribution	2,411	1,028	2,410	1,028
Provident fund contribution	1,570	1,486	1,543	1,486
Other employee cost	12,900	2,284	12,897	2,284
	41,257	19,686	40,376	19,025

The average number of persons employed by the bank during the period was 1,049.

10. Impairment on Loans and Advances	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Identified impairment	11,758	11,596	11,758	11,596
Unidentified impairment	4,595	38	4,595	38
	16,353	11,634	16,353	11,634

Notes to the Financial Statements

For the year ended 31 December, 2012

11. Taxation

The components for income tax for Dec 2012 and Dec 2011 are as follows;	CONSOLIDATED Dec 2012 GH¢'000	CONSOLIDATED Dec 2011 GH¢'000	THE BANK Dec 2012 GH¢'000	THE BANK Dec 2011 GH¢'000
Current tax				
Current income tax	12,509	4,665	12,405	4,569
Deferred tax	(3,442)	(707)	(3,442)	(707)
Origination and reversal of temporary differences	-	-	-	-
Total income tax expense	9,067	3,958	8,963	3,862

Consolidated Year of assessment	At 1 Jan GH¢	Paid during the year GH¢	Charge for the year GH¢	At 31 Dec GH¢
1999 - 2005	28	-	-	28
2006 - 2010	27	-	-	27
2011	127	-	-	127
2012	-	(10,828)	12,509	1,681
	-	-	-	-
	182	(10,828)	12,509	1,863
National stabilization levy				
2009	(5)	-	-	(5)
2010	86	-	-	86
2011	48	-	-	48
2012	-	(119)	-	(119)
	129	(119)	-	10
	311	(10,947)	12,509	1,873

Bank Year of assessment	At 1 Jan GH¢	Paid during the year GH¢	Charge for the year GH¢	At 31 Dec GH¢
1999 - 2005	28	-	-	28
2006-2010	(45)	-	-	(45)
2011	160	-	-	160
2012	-	(10,694)	12,405	1,711
	143	(10,694)	12,405	1,854
National stabilization levy				
2010	71	-	-	71
2011	48	-	-	48
2012	-	(119)	-	(119)
	-	-	-	-
	119	(119)	-	-
	262	(10,813)	12,405	1,854

Deferred tax

Deferred tax assets and liabilities are attributable to the following:

	CONSOLIDATED					
	'Dec 2012			' Dec 2011		
	Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000	Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000
Property and equipment	-	2,208	2,208	-	1,561	1,561
Impairment allowances for loan losses	(7,522)	-	(7,522)	(3,433)	-	(3,433)
Gains / losses on AFS investments	-	1,369	1,369	-	606	606
Net tax (assets)/liabilities	(7,522)	3,577	(3,945)	(3,433)	2,167	(1,266)

	BANK					
	2011			2010		
	Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000	Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000
Property and equipment	-	2,208	2,208	-	1,561	1,561
Impairment allowances for loan losses	(7,522)	-	(7,522)	(3,433)	-	(3,433)
Gains / losses on AFS investments	-	1,369	1,369	-	606	606
Net tax (assets)/liabilities	(7,522)	3,577	(3,945)	(3,433)	2,167	(1,266)

A reconciliation between tax expense and accounting profit for the years ended 31 December 2012 and 2011 is as follows:

	CONSOLIDATED		THE BANK	
	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
Accounting profit	36,521	14,638	36,638	14,275
Non taxable item	20,499	8,563	20,499	8,543
	57,020	23,201	57,137	22,818
Capital allowance	7,515	4,542	7,515	4,542
Chargeable income	50,034	18,659	49,622	18,276
Income at different tax rate	-	-	-	-
Tax thereon - 25%	12,509	4,665	12,405	4,568

		CONSOLIDATED		THE BANK	
12.	**Cash and balances with Bank of Ghana**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	Cash in till	37,155	27,703	37,054	27,538
	Balance with Bank of Ghana	98,258	75,376	98,258	75,376
		135,413	103,079	135,312	102,914

		Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
13.	**Government Securities**				
	Short-term government securities				
	Treasury Bills	179,173	55,707	179,173	55,707
	Discounted bills	7,185	4,400	7,185	3,282
		186,358	60,107	186,358	58,989
	Medium-term government securities				
	Government bond: 1 - 3 years	118,563	172,924	118,563	172,924
	Fair Value Adjustment	5,477	2,425	5,477	2,425
	Total	310,398	235,456	310,398	234,338

Investment in government securities are financial assets classified as Available-for-sale, and are carried at fair value.

		Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
14.	**Due from other banks and financial institutions**				
	Nostro account balances	62,604	84,836	57,734	84,836
	Items in course of collection	25,413	13,841	25,413	13,841
	Placement with other banks	106,044	148,976	105,115	148,976
		194,061	247,653	188,262	247,653

		CONSOLIDATED		THE BANK	
15.	**Loans and advances to customers**	Dec 2012	Dec 2011	Dec 2012	Dec 2011
(a)	Analysis by type:	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
	Term loans	581,028	368,998	564,066	368,998
	Overdrafts	85,681	46,472	85,681	46,472
	Staff	12,149	7,842	12,149	7,842
	Gross loans and advances	678,858	423,312	661,897	423,312
	Impairment allowance (note 16)	(25,134)	(13,734)	(25,134)	(13,734)
	Net loans and advances	653,724	409,578	636,763	409,578

		Dec 2012	Dec 2011	Dec 2012	Dec 2011
(b)	Analysis by type of customer:	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
	Individuals	143,746	139,252	143,746	139,252
	Private enterprises	366,111	226,063	349,150	226,063
	State enterprise and public institutions	156,852	50,250	156,852	50,250
	Staff	12,149	7,747	12,149	7,747
		678,858	423,312	661,897	423,312
	Impairment allowance (note 16)	(25,134)	(13,734)	(25,134)	(13,734)
	Net loans and advances	653,724	409,578	636,763	409,578

		Dec 2012	Dec 2011	Dec 2012	Dec 2011
(c)	Analysis by business segment:	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
	Agriculture, forestry and fishing	688	-	688	-
	Manufacturing	153,861	28,650	153,861	28,650
	Construction	77,554	10,552	77,554	10,552
	Electricity, gas and water	20,694	17,544	20,694	17,544
	Commerce and finance	135,313	142,150	135,313	142,150
	Transport, storage and communication	4,916	5,547	4,916	5,547
	Services	282,630	214,816	265,669	214,816
	Miscellaneous	3,202	4,053	3,202	4,053
		678,858	423,312	661,897	423,312
	Impairment allowance (note 16)	(25,134)	(13,734)	(25,134)	(13,734)
	Net loans and advances	653,724	409,578	636,763	409,578

		Dec 2012	Dec 2011	Dec 2012	Dec 2011
(d)	Key ratios on loans and advances	GH¢ '000	GH¢ '000	GH¢ '000	GH¢ '000
	(i) Loan loss provision ratio	3.70%	3.24%	3.80%	3.24%
	(ii) 50 largest exposures to total exposures	54%	42%	54%	42%

		CONSOLIDATED		THE BANK	
16.	**Movement in impairment allowance**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	At 1 January	13,734	7,068	13,734	7,068
	Impairment on Loans and advances	16,353	11,634	16,353	11,634
	Bad debt written off	(4,953)	(4,968)	(4,953)	(4,968)
	At 31 December	25,134	13,734	25,134	13,734

17.	**Amounts due from associated companies**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	Jacana Capital Partners Limited	47	47	47	47
	Fidelity Securities Limited	-	-	1,446	590
		47	47	1,493	637

18.	**Amounts due to associated companies**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	Fidelity Asia Bank Limited	-	-	544	-

19	**Investment in other equity**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	Fidelity Equity Fund 1	13	96	13	96
Jacana Partners Limited (Formerly Fidelity Capital Partners)		176	-	60	-
		189	96	73	96

Non quoted equity investment relates to 2.06% preference shares in Fidelity Equity Fund I, a venture capital fund incorporated in Ghana and an 18.67% stake in Jacana Partners Limited (Formerly Fidelity Capital Partners Limited) reclassified from Investment in associate (note 20). It is recorded at cost less distributions received from liquidation of investments by the fund.

		CONSOLIDATED		THE BANK	
20.	**Investment in associate**	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
	Carrying amount	-	176	-	60

In July 2012, due to a dilution in shares as a result of a share issue Fidelity bank ceased to have significant influence over Jacana Partners Limited (Formerly Fidelity Capital Partners Limited). Consequently, Fidelity bank's interest in Jacana Partners (formerly Fidelity Capital Partners Limited) reduced to 18.67% (December 2011; 31%) and as such the investment has been reclassified to Investment in Other Equity and accounted for in line with IAS 39 (Financial Instruments- Recognition and Measurement).

Name	Nature of business	Country of Incorporation	Type of shares	Cost of Investment (GHC 000')	Percentage Interest - Dec 2012	Percentage Interest - Dec 2011
Jacana Partners Limited (Formerly Fidelity Capital Partners Limited)	Investment advisory services and private equity funds management	Ghana	Ordinary shares	60	18.67%	31%
Share of associate's profit and income tax expense						
December 2012	(GHC 000')	Percentage Interest	Share of Result			
Profit before tax for the period	-	18.67%	-			
Income tax expense	-	18.67%	-			
December 2011	(GHC 000')	Percentage Interest	Share of Result			
Profit before tax for the period	141	31%	44			
Income tax expense	33	31%	10			

21. Investment in subsidiary

The principal subsidiary of the bank is;

Name	Nature of business	Country of Incorporation	Type of shares	Dec 2012 Amount Invested (GHC 000')	Percentage Interest	Dec 2011 Amount Invested (GHC 000')	Percentage Interest
Fidelity Securities Limited	Fund management	Ghana	Ordinary shares	101	100%	101	100%
Fidelity Asia Bank Limited	Banking	Malaysia	Ordinary shares	6,283	100%	-	100%

Investment in subsidiary is stated at cost and comprise;

	CONSOLIDATED		THE BANK	
	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Fidelity Securities Limited	-	-	101	101
Fidelity Asia Bank Limited	-	-	6,283	-
	-	-	6,384	101

22. Other assets

	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Prepayments	5,704	6,153	5,704	6,153
Interest earned not collected	10,259	6,530	10,259	6,530
Sundry assets	5,167	1,951	3,575	1,759
	21,130	14,634	19,538	14,442

23. Property and equipment

Consolidated

	At 1 Jan GH¢'000	Additions GH¢'000	Disposals GH¢'000	At 31 Dec GH¢'000
Cost	2,716	2,853	(242)	5,327
Motor vehicles	6,700	5,136	-	11,836
Computers - Hardware	4,621	1,689	-	6,310
Equipment	2,007	793	-	2,800
Furniture and fittings	5,748	1,562	-	7,310
Leasehold improvement	2,528	3,634	-	6,162
Capital work-in-progress	-	-	-	-
	24,320	15,667	(242)	39,745

Depreciation	At 1 Jan GH¢'000	Charge for the year GH¢'000	Released on Disposal GH¢'000	At 31 Dec GH¢'000
Motor vehicles	1,123	854	(225)	1,752
Computers - Hardware	2,811	1,852	-	4,663
Equipment	1,863	1,203	-	3,066
Furniture and fittings	1,057	418	-	1,475
Leasehold improvement	930	615	-	1,545
	7,784	4,942	(225)	12,501
Carrying value:				
At 31 December 2012				27,244
At 31 December, 2011				16,536

Bank Cost	At 1 Jan GH¢'000	Additions GH¢'000	Disposals GH¢'000	At 31 Dec GH¢'000
Motor vehicles	2,689	2,853	(242)	5,300
Computers - Hardware	6,680	5,097	-	11,777
Equipment	4,621	1,676	-	6,297
Furniture and fittings	2,006	761	-	2,767
Leasehold improvement	5,748	1,505	-	7,253
Capital work-in-progress	2,530	3,634	-	6,164
	24,274	15,526	(242)	39,558

Depreciation	At 1 Jan GH¢'000	Charge for the year GH¢'000	Released on Disposal GH¢'000	At 31 Dec GH¢'000
Motor vehicles	1,097	854	(225)	1,726
Computers - Hardware	2,801	1,840	-	4,641
Equipment	1,863	1,201	-	3,064
Furniture and fittings	1,057	413	-	1,470
Leasehold improvement	930	604	-	1,534
	7,748	4,912	(225)	12,435
Carrying value:				
At 31 December 2012				27,123
At 31 December 2011				16,526

Consolidated

24. Intangible assets

Cost	At 1 Jan GH¢'000	Additions GH¢'000	At 31 Dec GH¢'000
Computer Software	4,233	2,995	7,228

Depreciation	At 1 Jan GH¢'000	Charge for the year GH¢'000	At 31 Dec GH¢'000
Computer Software	1,918	1,538	3,456

Carrying value:	
At 31 December 2012	3,772
At 31 December 2011	2,315

Bank

Cost	At 1 Jan GH¢'000	Additions GH¢'000	At 31 Dec GH¢'000
Computer Software	4,233	2,961	7,194

Depreciation	At 1 Jan GH¢'000	Charge for the year GH¢'000	At 31 Dec GH¢
	1,918	1,535	3,453

Carrying value:	
At 31 December 2012	3,741
At 31 December 2011	2,315

		CONSOLIDATED		THE BANK	
25.	**Customer deposits**	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
	Current accounts	422,997	281,908	418,949	281,908
	Call accounts	111,034	33,258	111,034	33,258
	Savings accounts	109,674	62,994	109,674	62,994
	Time deposits	441,015	518,484	441,232	518,484
		1,084,720	896,644	1,080,889	896,644
	(a) Analysis by type of depositor:				
	Individuals & other private enterprises	983,365	784,679	979,534	784,679
	Government departments & agencies	101,355	111,965	101,355	111,965
		1,084,720	896,644	1,080,889	896,644
	(b) 20 largest depositors to total deposit ratio	25%	41%	25%	41%
26.	**Term Borrowings**	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
		45,204	45,598	45,204	45,598

Details of Term Borrowings are as follows;

A. FMO - US$ 6,875,000 (GH¢ 12,956,625) - The facility was granted for on-lending and matures in 2015. Interest rate is at 91 day LIBOR + 4.5%.

B. PROPARCO - US$7,111,111 (GH¢ 13,401,600) - The facility was granted for on-lending and matures in 2016. Interest rate is at 182 day LIBOR+ 4.35% + basis swap rate.

C. DEG - US$ 10,000,000 (GH¢ 18,846,000) - The facility was granted for on-lending and matures in 2016. Interest rate is at 91 day LIBOR + 4.5%.

		CONSOLIDATED		THE BANK	
27.	**Interest payable and other liabilities**	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
	Accrued interest payable	18,915	11,724	18,915	11,724
	Financial guarantees	-	62	-	62
	Other creditors and accruals	28,288	14,610	28,002	14,498
		47,203	26,396	46,917	26,284

28 Earnings per share

The calculation of basic earnings per share as at 31st December 2012 was based on the profit attributable to ordinary shareholders of GH¢27.5m (2011; GH¢9.9m) and a weighted average number of ordinary shares outstanding of GH¢16.4m (2011: 16.1m), calculated as follows;

	CONSOLIDATED		THE BANK	
Profit attributable to ordinary shareholders	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
Net profit for the period (GH¢ '000)	27,454	9,956	27,675	9,699
Weighted average number of ordinary shares (000' of shares)				
Issued ordinary shares at 1 January	16,129	16,000	16,129	16,000
Effect of additional issue of shares	232	129	232	129
Weighted average number of ordinary shares at 31 December	16,361	16,129	16,361	16,129
Basic earnings per share (GH¢)	1.68	0.62	1.69	0.60
Diluted earnings per share (GH¢)	1.68	0.62	1.69	0.60

The new issued shares run for an average of 3months.

There were no potentially dilutive instruments outstanding at the date of the statement of financial position.

29. Stated capital

			Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
a)	i)	The number of shares authorized, issued and in treasury are as follows:-		
		Ordinary:		
		Authorized	100,000	100,000
		Issued	17,675	16,129
		In treasury	Nil	Nil
		Preference:		
		Authorized	10,000	10,000
		Issued	6,400	2,400
		In treasury	Nil	Nil
	ii)	Proceeds from the issued shares are as follows:-		
		Ordinary shares:		
		Issued for cash	29,091	25,393
		Issued for consideration other than cash	-	23
		Transfer from retained earnings Account	4,000	774
		Total	33,091	26,190
	iii)	Proceeds from the issued shares are as follows:-		
		Preference shares:		
		Issued for cash	49,982	11,995
			83,073	38,185

The preference shares are irredeemable and non-cumulative with respect to dividend payments

During the period, the bank issued four million (4,000,000) non-voting, non-cumulative, non-reedeemable convertible 11.75% preference shares in favour of AIAK Capital Limited in the sum of GH¢38m. Consequently, the number of preference shares issued as at 31 December 2012 increased to 6.4m (2011; 2.4m).

(b) Retained earnings
This represents the accumulated profits over the years after appropriations. The balance is available for distributions to shareholders.

(c) Statutory reserve
This is a non-distributable reserve. It is an accumulation of amounts set-aside in accordance with Section 29 of the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738)

(d) Regulatory credit reserve
This is an accumulation of transfers from the retained earnings account to meet the minimum regulatory requirements in respect of allowance for credit losses for non-performing loans and advances.

(e) Available for sale reserve
This is used to report the fair value gains/(losses) on available for sale investments.

(f) Translation reserve
This is an accumulation of exchange differences arising on the consolidation of our foreign subsidiary (Fidelity Asia Bank Limited) in the financial statements.

	CONSOLIDATED		THE BANK	
30. Cash and cash equivalents	Dec 2012 GH¢'000	Dec 2011 GH¢'000	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Cash and balances with Bank of Ghana (note 12)	135,413	103,079	135,312	102,914
Due from banks and other financial institutions (Note 14)	194,061	247,653	188,262	247,653
	329,474	350,732	323,574	350,567

31. Related party transactions

Related party transactions
Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions.

Subsidiaries

Details of principal subsidiaries are shown in note 21

In aggregate, amounts included in the accounts are as follows;	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Fees, commissions and other income received	27	-
Customer accounts	1,040	-
	1,067	-

Related party balances
In aggregate, intercompany balances included in the accounts are as follows;

	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
Amounts due from assoicated companies (note 17)	1,493	637
Amounts due to associated companies (note 18)	(544)	-
	949	637

Transactions with key management personnel

Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of Fidelity Bank Ghana Limited and comprise the Directors and officers of Fidelity Bank Ghana Limited.

Loan balances due from the following related parties are as follows:

	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
Executive directors	785	737
Non executive directors	2,059	1,655
Officers and other employees	11,365	5,888
	14,209	8,280

Interest rates charged on balances outstanding from related parties are at rates below that would be charged in an arm's length transaction. Secured loans granted are secured over property of the respective borrowers.

Key management personnel compensation for the year comprised;

	Dec 2012 GH¢ '000	Dec 2011 GH¢ '000
Salaries and Short-term employee benefits	1,881	1,611
Social Security Fund Contribution	161	134
Provident Fund Contribution	124	104
	2,166	1,849

32. Contingencies and commitments

(a) Guarantees and indemnities
The bank had outstanding guarantees and indemnities of GH¢ 12m as at the end of the year. (Dec 2011: GH¢ 24.6m)

(b) Contingent liability
The bank had contingent liabilities of GH¢20.5m at the end of the period (Dec 2011: 9.9m)

(c) Capital Commitments
The bank had capital commitments of GH¢ 274,586 outstanding at the end of the year (Dec 2011: Nil). These relate to software development projects being undertaken by the bank. No provisions have been made in the financial statements in respect of these amounts.

33. Financial risk management

(a) Introduction and overview

There is risk in every transaction the Bank undertakes and in every service it provides. It is therefore a fundamental responsibility of management to ensure that all the risks associated with each class of business, each product and each type of transaction are identified as well as managed with the conduct of the bank's affairs. Most transactions of the Bank are subject to one or more of the following risks,

- credit risk;
- liquidity risk;
- interest rate risk;
- currency risk;
- market risk;
- operational risk;

These inherent risks are managed through a process of on-going identification, measurement and monitoring, subject to risk limits and controls. This process is critical to the Bank's continued profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibility.

Outlined in this note is information about the bank's exposure to each of the above risks, the bank's objectives, policies and processes for measuring and managing these risks, and the bank's management of capital.

(b) Risk management structure

The Board of Directors has overall responsibility for the establishment and oversight of the bank's risk management framework. Under this framework, the Board has established a number of separate independent bodies responsible for managing and monitoring risks. These include, Board sub-committees, Credit Committee of management (CC), Risk Management Department, Asset and Liability Management Committee (ALCO), which are responsible for developing and monitoring the bank's risk management policies in their specified areas. All Board committees have both executive and non-executive members and report regularly to the Board of Directors on their activities.

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. 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.

(c) Risk measurement and reporting systems

The Bank's risks are measured using methods which reflect both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the actual loss. These models make use of probabilities derived from historical experience, adjusted to reflect the economic environment. The Bank also runs worse case scenarios that would arise in the event that extreme events which are unlikely to occur do, in fact, occur.

Monitoring and controlling risks is primarily based on limits established by the Bank. These limits reflect the business strategy and market environment of the Bank as well as the level of risk that the bank is willing to accept. In addition the bank monitors and measures the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information and data on risk measures across the business are generated periodically and processed in order to analyse, control and identify early risks. This information is made available to the Board, as well to the key management risk control functions of the bank. The reports include aggregate credit exposure analysed into industry and customer as well as liquidity ratios.

(d) Credit risk management

Credit risk is the risk that the bank will incur a loss because its customers, clients or counterparties will not be able or willing to pay interest, repay capital or otherwise to fulfil their contractual obligations under loan agreements or other credit facilities. Credit risk is the bank's largest risk and considerable resources, expertise and controls are devoted to managing it.

The bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for industry concentrations, and by monitoring such limits. The Board sub-committee reviews the quality of the Credit Book, past due credits and all new credits approved by the CC. In all cases the Board reviews at its meetings all extensions of credit that are in place.

Types of credit risk assets

Credit facilities extended to customers may be short term (up to one year) medium term (one to three years) or long term (over three years) in tenor. Additionally, facilities may be of a direct or indirect nature. They may be contractual (where the borrower has the contractual right to draw) or advised (where the Bank can cancel the credit at its discretion)

Direct facilities are those where the Bank actually disburses funds to a borrower, in the form of a loan or other advance, or creates an arrangement whereby the customer may himself draw funds on credit at his volition up to an agreed limit. Such direct facilities include:

- Overdrafts i.e. Advances on Current Accounts mainly to finance current assets
- Demand Loans
- Term Loans
- Bill discounting
- Advances under Letters of Credit
- Acceptances, Guarantees and Indemnities etc.

Indirect (or contingent) obligations are created when the Bank enters into a contractual obligation to pay a third party at a future date, or upon the occurrence of a certain event, against the indemnity of a customer (who is the direct obligor). Such indirect facilities include:

- Opening and/or confirmation of letters of credit

- Issuance of guarantees and indemnities (e.g. to customs, immigration)

- Issuance of bid/performance/ advance payment bonds

- Issuance of standby letters of credits.

This can also consist of operational risk such as non delivery, facilities for FX and other dealing lines.

Credit Application (CA) Process
Prior to extension of any credit facility, whether direct or contingent, it must be recommended and approved by means of a CA. Such CA will incorporate analysis and evaluation of all risk inherent in the transaction. These reviews are both quantitative, ie balance sheet spreading, cash flow analysis as well as subjective, nature of the business, quality of management, suitability of loan to business.

Credit approval authority is delegated to Management by the Board of Directors of Fidelity Bank. Any extension of credit exceeding authority delegated is subject to approval by the Board Sub-committee, following recommendation to the Board by Management.

Authority for approval of credit within limits is delegated by the Board of Directors. There is a Credit Sub Committee of the Board that may exercise the authority of the Board pending full sittings of the Board. The Credit Sub-Committee comprises a minimum of two Ghanaian resident non-executive directors of the Board.

The Board may delegate authority down the line to an in-house Credit Committee (CC) who may in turn delegate authority (but not the ultimate responsibility) to the Director of Credit Risk Management and/or to other Credit Officers as may be required under the policy approved by the Board. All decisions of the Credit Sub-Committee must be unanimous.

All Credit granted by the Bank are subject to the laws and regulations contained in the Banking Act 2004. No single party facility shall exceed 25% of the net worth of the bank on secured basis or 10% of net worth on unsecured basis. No unsecured facilities to directors are permitted without the approval of the Bank of Ghana.

Credit Risk Mitigation
The bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The bank reviews the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

(a) Mortgages over residential properties.

(b) Charges over business assets such as premises, inventory and accounts receivable.

(c) Charges over financial instruments such as debt securities and equities.
that may exercise the authority of the Board pending full sittings of the Board. The Credit Sub-Committee comprises a minimum of two Ghanaian resident non-executive directors of the Board.

The Board may delegate authority down the line to an in-house Credit Committee (CC) who may in turn delegate authority (but not the ultimate responsibility) to the Director of Credit Risk Management and/or to other Credit Officers as may be required under the policy approved by the Board. All decisions of the Credit Sub-Committee must be unanimous.

All Credit granted by the Bank are subject to the laws and regulations contained in the Banking Act 2004. No single party facility shall exceed 25% of the net worth of the bank on secured basis or 10% of net worth on unsecured basis. No unsecured facilities to directors are permitted without the approval of the Bank of Ghana.

Credit Risk Mitigation
The bank employs a range of policies and practices to mitigate credit risk. The most traditional of these is the taking of security for funds advances, which is common practice. The bank reviews the acceptability of specific classes of collateral or credit risk mitigation. The principal collateral types for loans and advances are:

(a) Mortgages over residential properties.

(b) Charges over business assets such as premises, inventory and accounts receivable.

(c) Charges over financial instruments such as debt securities and equities.

At 31 December 2012, the bank's credit exposure were categorised as follows:

- Exposures that are neither past due nor impaired
- Exposures that are past due but not impaired and
- Individually impaired facilities

The balances for each category have been analysed below;

	'Dec 2012		'Dec 2011	
	Loans & advances to customers GH¢ '000	Due from banks & financial inst. GH¢ '000	Loans & advances to customers GH¢ '000	Due from banks & financial inst. GH¢ '000
Neither past due nor impaired	619,438	188,262	395,128	148,976
Past due but not impaired	9,354	-	14,092	-
Individually impaired	33,106	-	14,091	-
	-	-	-	-
Gross	661,897	188,262	423,311	148,976
Less Allowance for impairment	(25,134)	-	(13,734)	-
Net amount	636,763	188,262	409,577	148,976

Loans and advances to customers in Ghana analysed by industry sector, as well as by customer type is shown in note 15(b) & 15(c) above.

Liquidity risk management

Liquidity risk is defined as the likely event of a negative impact on the value or volume of liquid assets as a result of changes in any of the following variables that impact on liquidity: interest and exchange rates, inflation, customer actions, changing economic conditions and the action(s) of competitors.

To limit this risk, management adopts a number of measures including monitoring the day-to-day funding requirements to ensure that future cash flows can be met. This requires that the bank maintains an active presence in the local money markets to enable that to happen. The Bank also maintains a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow. Finally, the Bank is statutorily required to maintain a reserve of 9% of foreign currency customer deposits held as well as 9% of local currency customer deposits in separate accounts with the Bank of Ghana. These balances are used to support all inter-bank transactions.

Liquidity risk measurement

The bank prepares and uses liability mismatch reports to manage funding needs. The weekly liquidity mismatch report is used to measure the ability of the Bank to meet maturing liability obligations. This is supplemented by weekly cash flow reports produced to show the projected cash flow on a daily basis incorporating projected customer withdrawals, including credit disbursements, as well as deposits.

The deposit concentration ratio is monitored monthly to ensure that decisions of individual and or groups of depositors do not severely impact on liquidity. Particular attention is given to wholesale borrowing. Due to their size, withdrawals of such funds tend to impact negatively on liquidity. As a rule, wholesale borrowing transactions are entered into as repurchase contracts where each transaction is collateralized with a Treasury Bill or Bond. Alternatively, such transactions are contracted to support specific credits in a back-to-back transaction. The monthly deposit concentration report is examined as part of the Assets and Liabilities Committee (ALCO) process and the necessary preventive/remedial action taken.

In addition to the above, the bank also ensures compliance to the regulatory requirements set by the Bank of Ghana such as effective volatile liability dependency ratio which is the measured as (volatile funds – liquid assets) / long term investments. This measures the reliance on volatile funds to finance long term investments as well as other non-liquid assets. The bank targets a negative ratio to be in compliance with BoG. (Volatile funds is short term wholesale funds e. g call accounts).

Liquidity Crisis Management

Liquidity crisis is defined as a condition where the bank is unable to meet maturing liabilities/or regulatory reserve requirements due to inadequate liquid assets or a condition that arises from a sudden deterioration of the perceived safety and credibility of the Bank resulting in substantial withdrawal of funds by depositors.

The table below summarises the maturity analysis of liabilities showing the contractual undiscounted cash flows.

	0-3 months GH¢	3-6 months GH¢	6-12 months GH¢	Over 12 mths GH¢	Total GH¢
Assets					
Cash and balances with Bank of Ghana	135,312	-	-	-	135,312
Government Securities	89,119	36,676	60,789	123,814	310,398
Due from other banks and financial institutions	188,262	-	-	-	188,262
Loans and advances to customers	183,398	43,483	59,594	350,288	636,763
Amounts due from associated companies	-	-	-	1,493	1,493
Investment in other equity	-	-	-	73	73
Investment in associate	-	-	-	-	-
Investment in subsidiary	-	-	-	6,384	6,384
Other Assets	-	19,538	-	-	19,538
Deferred Tax Asset	-	-	-	3,945	3,945
Property and equipment	-	-	-	27,123	27,123
Intangible assets	-	-	-	3,741	3,741
Total assets	596,091	99,696	120,383	516,861	1,333,031
Liabilities					
Customer deposits	534,994	241,270	304,625	-	1,080,889
Due to other banks	33,471	3,540	-	-	37,011
Term Borrowing	-	-	-	45,204	45,204
Amounts due to associated companies				544	544
Interest payable and other liabilities	-	-	-	46,918	46,918
Current tax liability	-	1,855	-	-	1,855
Deferred tax liability	-	-	-	-	-
Total liabilities	568,465	246,665	304,625	92,666	1,212,421
Net liquidity gap	27,626	(146,968)	(184,242)	424,195	120,610

This is deemed to have occurred when any of the following conditions exist:
- Liquidity guidelines/ratios have been breached for four consecutive weeks.
- BoG support facilities have been accessed for three or more consecutive weeks.

Management has put in place a Contingency Action Plan to manage liquidity crisis. The plan includes action points together with responsibilities for ensuring that steps are taken to manage the crisis.

Market risk management

Market risks arise from interest rate products and open positions in currency, all of which are exposed to general and specific market movements. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis. However, the use of this approach does not prevent losses outside of these limits in the event of more significant market movements.

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The open positions of currencies held are monitored on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions. The bank has adopted the Bank of Ghana requirement that banks maintain a total open position which is equal to 30% of their net worth. Within this limit, banks are also required to maintain single currency open positions equal to 15% of net worth.

Included in the table are the Bank's assets and liabilities at carrying amounts categorised by currency:

At 31 December, 2012	EUR GH¢	GBP GH¢	USD GH¢	GHC GH¢	Total GH¢
Assets					
Cash and balances with Bank of Ghana	5,523	1,310	13,364	115,115	135,312
Government Securities	-	-	-	310,398	310,398
Due from other banks and financial institutions	8,092	524	104,876	74,770	188,262
Loans and advances to customers	237	1,892	233,127	401,507	636,763
Amounts due from associated companies	-	-	-	1,493	1,493
Investment in other equity	-	-	-	73	73
Investment in subsidiary	-	-	6,283	101	6,384
Other assets	254	476	1,794	17,014	19,538
Deferred tax asset	-	-	-	3,945	3,945
Property and equipment	-	-	-	27,123	27,123
Intangible assets	-	-	-	3,741	3,741
Total assets	14,106	4,202	359,444	955,279	1,333,031
Liabilities					
Customer deposits	13,247	3,224	209,232	855,186	1,080,889
Due to other banks	-	-	35,402	1,609	37,011
Term borrowings	-	-	45,204	-	45,204
Amounts due to associated companies	-	-	-	544	544
Interest payable and other liabilities	-	-	-	46,917	46,917
Current tax liability	-	-	-	1,855	1,855
Total liabilities	13,247	3,224	289,838	906,111	1,212,420
Net on balance sheet position	859	978	69,606	49,168	120,612
Net off balance sheet position	51	-	1,102	31,454	32,607

At 31 December, 2011	EUR GH¢	GBP GH¢	USD GH¢	GHC GH¢	Total GH¢
Assets					
Cash and balances with Bank of Ghana	670	2,115	18,465	81,663	102,914
Financial investments	-	-	-	234,434	234,434
Due from other banks and financial institutions	3,792	3,682	104,439	135,741	247,653
Loans and advances to customers	2	1,280	100,168	308,128	409,578
Other assets	-	-	-	14,443	14,443
Amounts due from associated companies	-	-	-	637	637
Investment in associate	-	-	-	161	161
Current tax asset	-	-	-	1,266	1,266
Property and equipment	-	-	-	16,526	16,526
Intangible assets	-	-	-	2,314	2,314
Total assets	4,464	7,077	223,071	795,314	1,029,927

Included in the table are the Bank's assets and liabilities at carrying amounts categorised by currency:

	EUR GH¢	GBP GH¢	USD GH¢	GHC GH¢	Total GH¢
Liabilities					
Customer deposits	6,378	10,583	168,629	711,054	896,644
Due to other banks	-	-	3,960	1,610	5,570
Term borrowing	-	-	45,598	-	45,598
Interest payable and other liabilities	-	-	-	26,284	26,284
Current tax liability	-	-	-	262	262
Deferred tax liability	-	-	-	-	-
Subordinated shareholders' loan	-	-	-	-	-
Total liabilities	6,378	10,583	218,188	739,210	974,359
Net on balance sheet position	(1,913)	(3,506)	4,884	56,104	55,568
Net off balance sheet position		103	7,490	17,010	24,603

An analysis of assets and total liabilities held inside and outside Ghana is analysed below:

	2012		2011	
Foreign currency exposure	Ghana GH¢	Outside GH¢	Ghana GH¢	Outside GH¢
Assets				
Cash and balances with Bank of Ghana	135,312	-	21,250	-
Due from other banks and financial institutions	133,739	54,523	27,071	84,841
Loans and advances to customers	636,763	-	101,450	-
Investment in subsidiary	101	6,283	101	-
	905,915	60,806	149,873	84,841
Liabilities				-
Customer deposits	1,080,889	-	185,590	-
Due to other banks	27,588	9,423	3,960	-
Term borrowings	-	45,204	-	-
Amounts due to associated companies	-	544	-	-
	1,108,477	55,171	189,550	

Interest rate risk

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instruments because of a change in market interest rates. Interest rate risk is managed principally through monitoring interest rate gaps and by having pre-approved limits for re-pricing bands. The ALCO is the monitoring body for compliance with these limits.

Capital management

The bank's objectives when managing capital are (i) to comply with the capital requirements set by the Bank of Ghana, (ii) to safeguard the bank's ability to continue as a going concern and (iii) to maintain a sufficient capital base to ensure strong credit ratings and to support its business and maximize shareholder value. Compliance with capital adequacy ratios set by the Bank of Ghana is monitored monthly with reports outlining their calculation reviewed and signed by the Bank's Finance Director.

Under the current capital requirements set by the Bank of Ghana, banks have to maintain a ratio of regulatory capital to weighted risk assets ("capital adequacy ratio") above 10%.

Regulatory capital as defined by the Bank of Ghana has two (2) components;

Tier 1 capital: share capital arising on permanent shareholders' equity, retained earnings and reserves created; and

Tier 2 capital: qualifying subordinated loan capital, and unrealised gains arising on the fair valuation of equity instruments held as available for sale. For an instrument to quality as subordinated loan capital, it should possess the following attributes:

- should be unsecured

- repayment is subordinated to other debt instruments

- should have a minimum original fixed term to maturity of over 5 years

- not available to absorb the losses of a bank which continues trading.

The permissible amount of total qualifying subordinated loan capital is limited to a maximum of 50% of Tier I capital.

The risk-weighted assets are measured in accordance with the guidelines as provided by the Bank of Ghana. It takes into account the nature of, and reflecting an estimate of credit, market and other risks associated with each asset and counterparty.

The table below summarises the composition of regulatory capital, total weighted risk assets and the capital adequacy ratios of the Bank for the year ended 31 December 2012 and 31 December 2011.

	Dec 2012 GH¢'000	Dec 2011 GH¢'000
Paid-up Capital	83,073	38,184
Disclosed Reserves	37,538	17,384
Other adjustments	(16,059)	(5,570)
Tier 1 Capital	104,552	49,998
Total Capital	104,552	49,998
Risk weighted assets	674,481	468,779
Tier 1 capital adequacy ratio	15.5%	10.7%
Total capital adequacy ratio	15.5%	10.7%

During those two periods, the Bank complied with all of the externally imposed capital requirements to which it is subject to.

34. Regulatory Disclosures

(i) Non-Performing Loans Ratio

Percentage of gross non-performing loans ("substandard to loss") to total credit/advances portfolio (gross) 6.41% (Dec 2011: 6.17%).

(ii) Regulatory Breaches

During the period, the bank was penalised by the Bank of Ghana for non-approval of its change in name from Fidelity Bank Limited to Fidelity Bank Ghana Limited contrary to Section 22 (1) of the Banking Act,2004 (Act 673).

Shareholding Structure

"TOP 20 SHAREHOLDERS AS AT 31ST DECEMBER, 2012"

	Shareholder	No. of Shares	Percentage
1	Africa Capital LLC	7,506,250	42.47%
2	Social Security & National Insurance Trust	2,400,000	13.58%
3	ENO International LLC	2,235,000	12.64%
4	SIC Life Company Limited	1,065,818	6.03%
5	Kwamina Duker	800,000	4.53%
6	J&S Associates/ Lifeforms Limited	690,000	3.90%
7	Mr. Edward Effah	395,000	2.23%
8	Fidelity Trust	243,394	1.38%
9	Bernard Lind	237,500	1.34%
10	Mrs. Johanna Svanikier	229,970	1.30%
11	Mr. Jim Baiden	185,000	1.05%
12	Mr. Philip Addison	150,000	0.85%
13	FSL Nominee Account No. 004	141,250	0.80%
14	Mr. Jonathan Adjetey	125,000	0.71%
15	Ghana Commercial Bank	125,000	0.71%
16	Business Development Consultancy	125,000	0.71%
17	Mr. David Boatin	100,000	0.57%
18	Mr. Alex Dodoo	82,424	0.47%
19	Mr. Victor & Mrs. Doris Attafua	60,000	0.34%
20	Prof. John & Dr.(Mrs.) Magaret Gyapong	60,000	0.34%
	TOTAL	16,956,606	95.94%
	Others	718,394	4.06%
	GRAND Total	17,675,000	100.00%

ANALYSIS OF SHAREHOLDING AS AT 31ST DEC 2012

Category	Number of Shareholders	Number of Shares	% Holding
1 - 50,000	23	465,970	2.64%
50,001 - 500,000	16	2,511,962	14.21%
500,001 - 1,000,000	2	1,490,000	8.43%
Over 1,000,000	4	13,207,068	74.72%
	45	17,675,000	100.00%

DIRECTORS' HOLDING

Shareholding Structure

DIRECTORS' HOLDING

Directors	Number of Shares	% Holding
William Panford Bray	52,424	0.30%
Edward Effah	395,000	2.23%
Kwamina Duker	800,000	4.53%
Johanna Svanikier	229,970	1.30%
Jim Baiden	185,000	1.05%
	1,662,394	9.41%

PREFERENCE SHARES

Shareholder	Number of Shares	% Holding
AIAK Capital	4,000,000	62.50%
Social Security and National Insurance Trust [SSNIT]	1,400,000	21.88%
SIC Life Company Limited	1,000,000	15.62%
Total	6,400,000	100.00%

Fidelity Bank Ghana Limited
Ridge Tower - Ridge, Accra. PMB 43, Cantonments, Accra, Ghana
T: +233 30 221 4490   F: +233 30 267 8868 W: fidelitybank.com.gh