STANDARD CHARTERED BANK GHANA LIMITED

CIRCULAR TO SHAREHOLDERS

A RENOUNCEABLE RIGHTS ISSUE

OF

1,655,172 ordinary shares
of no par value at GHS 29 per share
in a ratio of 1 new share for every
10.6309 existing shares

Sponsoring Broker
IC SECURITIES (GHANA) LIMITED

Legal Advisors
BENTSI–ENCHILL, LETSA & ANKOMAH

Reporting Accountants
DELOITTE & TOUCHE

This Document is dated 28th October 2009

Standard Chartered


Standard Chartered
SUPPORTING TOMORROW’S LEADERS WHILE SERVING TODAY’S
STRIKING THE RIGHT BALANCE FOR OVER 113 YEARS
CONSUMER BANKING I WHOLESALE BANKING I WWW.STANDARDCHARTERED.COM

This offering circular (the "Circular"), pertaining to the renounceable rights issue of 1,655,172 ordinary shares of no par value at GH¢ 29 per share in a ratio of 1 new share for every 10.6309 existing shares (the "Offer"), has been sent to all Standard Chartered Bank Ghana Limited ("SCBGL" or the "Bank" or the "Issuer") shareholders on the register of members as at 4th November 2009.

If you have sold or otherwise transferred all your shares in SCBGL, please send this Circular as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

No person is authorised to give any information or to make any representation not contained in this Circular and any information or representation not contained in this Circular must not be relied upon as having been authorised by SCBGL, IC Securities (Ghana) Limited ("IC Securities" or the "Sponsoring Broker"), Bentsi–Enchill, Letsa & Ankomah ("BELA") or Deloitte & Touche ("Reporting Accountants"). Neither the delivery of this Circular nor any sale hereunder shall under any circumstances create any impression that there has been no change in the affairs of the Bank since the date hereof or that the information contained herein is correct as of anytime subsequent to this date. Any material change, relevant to the Offer, in the affairs of the Bank during the Offer period will be communicated to the Securities and Exchange Commission ("SEC") and the investing public.

An application has been made to the Ghana Stock Exchange (the "GSE"), for the listing of all the additional shares to be issued under this Offer on the First Official List of the GSE. The GSE has given approval for the listing of the said shares. The GSE assumes no responsibility for the correctness of any of the statements made, opinions expressed and reports presented in this Circular.

This Circular has been reviewed and approved by the SEC in accordance with Section 9 of the Securities Industry Law, 1993 (P.N.D.C. Law 333), as amended. In its review, the SEC examined the contents of the Circular to ensure that adequate disclosures have been made.

The distribution of this Circular and the offering of the shares in certain jurisdictions may be restricted by law. The Bank requires persons into whose possession this Circular comes to inform them about, and observe, any such restriction. This Circular does not constitute an offer and may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful.

Before deciding whether to apply for shares, you should consider whether shares are a suitable investment for you. Their values can go down as well as up. Past performance is not necessarily indicative of future performance. If you need advice, you should consult a suitable professional advisor.

To ascertain the financial soundness or value of this Offer, SCBGL shareholders and the investing public are advised to consult a broker dealer, investment advisor or other professional duly authorised under the Securities Industry Law, 1993 (PNDCL 333) for appropriate advice. Persons interested in buying shares under the Offer should carefully consider the matters set forth under the caption "Risk Factors" in paragraph 3.19 of the Circular.

The contents of this Circular do not constitute, and are not to be construed as legal, business or tax advice. Each SCBGL shareholder and/or prospective investor should consult his/her own legal advisor, financial advisor or tax advisor for legal, financial and tax advice.

It is possible that this document could or may contain forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could or other words of similar meaning. Undue reliance should not be placed on any such statements because, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and the Bank's plans and objectives, to differ materially from those expressed or implied in the forward looking statements. There are several factors which could cause actual results to differ materially from those expressed or implied in forward looking statements. Among the factors that could cause actual results to differ materially from those described in the forward looking statements are changes in the global, political, economic, business, competitive, market and regulatory forces, future exchange and interest rates, changes in tax rates and future business combinations or dispositions.

The Bank undertakes no obligation to revise or update any forward looking statement contained within this document, regardless of whether those statements are affected as a result of new information, future events or otherwise.

This Circular has been reviewed and approved by the Directors of SCBGL and we the Directors of SCBGL collectively and individually accept full responsibility for the accuracy of the information given and that after making all reasonable enquiries and to the best of our knowledge and belief there are no facts the omission of which would make any statement in this document misleading.

A copy of this Circular has been delivered to the Registrar of Companies in Ghana (the "Registrar"), for filing. The Registrar has not checked and will not check the accuracy of any statements made and accepts no responsibility therefore for either the financial soundness of the Issuer or the value of the securities concerned.

STANDARD CHARTERED BANK GHANA LIMITED

(Incorporated in Ghana as a limited liability company on 18 September 1970 under the Companies Act, 1963 (Act 179) with 100,000,000 authorised shares)

CIRCULAR TO SHAREHOLDERS

REGARDING

A RENOUNCEABLE RIGHTS ISSUE OF 1,655,172 NEW ORDINARY SHARES OF NO PAR VALUE AT GH¢ 29 PER SHARE

Sponsored by

IC SECURITIES (GHANA) LIMITED

IC Securities is acting as the sponsoring broker to SCBGL for this Offer. IC Securities is independent of the Bank. IC Securities has relied on information provided by the Bank and its advisors and accordingly, IC Securities does not provide any assurance of the accuracy of the information contained in this Circular. IC Securities does however confirm that to the best of its knowledge, this Circular constitutes a full and fair disclosure of all material facts about the Bank and the Offer.

BELA has acted as legal advisors to SCBGL on this Offer having relied on information provided by the Bank. Accordingly, BELA does not provide any assurance of the accuracy of the information contained in this Circular.BELA does however confirm that to the best of its knowledge, this Circular constitutes a full and fair disclosure of all material facts about the Bank and the Offer.

Deloitte & Touche acted as the reporting accountant to this Offer. The Reporting Accountant has relied on information provided by the Bank and its auditors. Deloitte & Touche does not provide any assurance of the accuracy of the information contained in this Circular. Deloitte & Touche does however confirm that to the best of its knowledge, this Circular constitutes a full and fair disclosure of the all material facts about the Bank and the Offer.

Dated: 28th October 2009

TABLE OF EXHIBITS

KEY MILESTONES AND TIME TABLE

Activity	Date	Time
Ex-Rights Date	Friday 30th October 2009	1.00pm
Qualifying Date	Wednesday 4th November 2009	5.00pm
Books Closure Date	Thursday 5th November 2009	5.00pm
Commencement of Offer	Tuesday 10th November 2009	9.00am
Commencement of Trading in the Rights	Tuesday 10th November 2009	9.00am
Closure of the Trading in the Rights	Wednesday 25th November 2009	1.00pm
Deadline for Acceptance of Application Forms	Tuesday 1st December 2009	5.00pm
End of Offer	Tuesday 1st December 2009	5.00pm
Allotment Begins	Wednesday 2nd December	9.00am
Allotment Ends	Monday 7th December 2009	5.00pm
Results of the Offer Submitted to SEC	Monday 7th December 2009	5.00pm
Distribution of Letters of Entitlement where applicable	Friday 11th December 2009	5.00pm
Crediting of Shares onto the GSD	Friday 11th December 2009	5.00pm
Commencement of Trading in the Shares by	Wednesday 16th December 2009	9.00am

All dates provided are subject to change by IC Securities, BELA and Deloitte & Touche (together, the "Advisors") in consultation with the Directors of SCBGL (subject to obtaining the necessary regulatory approvals). All times provided are in Greenwich Mean Time, the time zone of the Republic of Ghana. Any amendment will be published in a national daily newspaper not later than 72 hours after receipt of regulatory approval.

CORPORATE INFORMATION

Directors:	Ishmael Yamson (Chairman) Hemen Shah (Chief Executive Officer) Samuel Daisie Sanjay Rughani Francis Mills-Robertson Kweku Bedu-Addo Frederick William Lee Herbert A. Morrison Felicia S. Gbesemete
Registered Office:	Standard Chartered Bank Building High Street P. O. Box 768 Accra
Auditors:	KPMG Chartered Accountants Marlin House 13 Yiyiwa Drive P.O. Box GP 242 Accra
Company Secretary:	Dawn Kwesi Zaney
Registrar:	NTHC Limited Martco House P. O. Box 9563 Airport, Accra

Sponsoring Broker:	IC Securities (Ghana) Limited 2, 2nd Ridge Link, Nor th Ridge PMB GP 104, Accra Tel: +233 21 252621 Fax: +233 21 252517 Contact: Kwabena Osei -Boateng Email: kwabena.osei -boateng@icsecurities.com
Legal Advisors:	Bentsi -Enchill, Letsa & An komah 1st Floor Teachers' Hall Education Loop Adabraka, Accra Tel/Fax: +233 21 221171/229396/227187/226129 Contact: Seth K. Asante; Angela Gyasi Email: seth.asante@belonline.org aagyasi@belonline.org
Reporting Accountants:	Deloitte & Touche 4 Liberation Road P. O. Box GP 453, Accra Contact: Andrew Opuni -Ampong Email : aampong@deloitte.com
Registrars:	NTHC Limited Martco House P. O. Box 9563, Airport, Accra Tel: +233 21 229106/238492 Contact : Helen Obeng Email: makuobeng@yahoo.com
Receiving Agent(s):	IC Securities (Ghana) Limited Standard Chartered Bank Ghana Limited (See page **95** for full contact details)

The following definitions apply in this document, unless the context requires otherwise:

"**Advisors**"	IC Securities (Ghana) Limited, Bentsi-Enchill, Letsa & Ankomah, and Deloitte & Touche
"Allotment"	The process of awarding shares to Qualifying Applicants by the Directors of SCBGL and the Sponsoring Broker
"Application Form"	Application form for the Offer
"**ATM**"	Automated Teller Machine
"BELA"	Bentsi-Enchill, Letsa & Ankomah
"**BoG**"	The Bank of Ghana, or Ghana's central bank and the regulator of the banking industry in Ghana.
"Books Closure Date"	The date and time, 5th November 2009, set by the Issuer for the lodging of transfers for the purpose of determining persons entitled to Rights in this Offer.
"**Circular**"	This offering circular dated 28th October 2009
"**Companies Act**"	The Ghana Companies Act 1963 (Act 179)
"Ex-Rights Date"	The date, 30th October 2009, after which buyers of SCBGL shares will no longer be entitled to Rights in the Offer.
"GDP"	Gross Domestic Product
"**Ghana**"	The Republic of Ghana
"GH¢"	Ghanaian Cedi
"**GSE**" or **the** "**Exchange**"	The Ghana Stock Exchange
"**IC Securities**"	IC Securities (Ghana) Limited, who is acting as sponsoring broker to SCBGL for this Offer
"**IFRS**"	International Financial Reporting Standards
"Letters of Entitlement"	The letter that shall be distributed to successful Qualifying Appl icants who do not have GSE securities depository accounts. The letter shall state how many shares the successful Qualifying Applicant has been awarded through the Allotment process
"**New Shares**"	The 1,655,172 new ordinary shares of SCBGL to be issued pursuant to the rights issue and in accordance with the terms of the Offer

the "Offer" or the "Issue"	The offer of 1,655,172 new shares of SCBGL at a price of GH¢ 29 to the existing shareholders in a ratio of 1 new ordinary share for every 10.6309 ordinary shares held as at the Qualifying Date
"Offer Period"	The period commencing on the date of Commencement of Offer and ending on the date of End of Offer
"**P/E Ratio**"	Price/Earnings ratio
"**Qualifying Date**"	The date, 4th November 2009, on which persons whose names appear on the register of SCBGL members qualify for the Rights declared under the terms of this Offer
"**Qualifying SCBGL Shareholder**"	SCBGL shareholders on the register of shareholders as at the Qualifying Date, and who have no legal restrictions to partaking in this Offer
"**Qualifying Applicant**"	Any natural person who is 18 years or over, or a corporation, partnership or other unincorporated associations who are resident/incorporated in Ghana or some other state, or country (and including a Qualifying SCBGL Shareholder) provided that the offer to and acceptance by such an applicant of this Offer is not in contravention of the laws of either that state or country.
"**Receiving Agent**" or "**Receiving Agents**"	IC Securities and SCBGL who will be receiving applications and payments from any Qualifying Applicant under this Offer. Full contact details of the Receiving Agents can be found on page 95 of this Circular.
"Registrars"	NTHC Limited
"Renouncee"	A Qualifying Applicant, in whose favour a Qualifying SCBGL Shareholder has renounced his/her Rights.
"Renouncer"	A Qualifying SCBGL Shareholder who has renounced some or all of his/her Rights in favour of another person(s).
"Reporting Accountants"	Deloitte & Touche
"**Rights**"	The legal and financial right of Qualifying SCBGL Shareholders to partake in this Offer which may be traded to other persons for value, in which case the right is traded on the GSE, or which may be renounced in favour of another person(s).
"**RoA**"	Return on Assets
"**RoE**"	Return on Equity
"SCPLC"	Standard Chartered PLC
"SCB"	Standard Chartered Bank
"SCBGL" or the "Bank"	Standard Chartered Bank Ghana Limited
"SCBGL Board" or "SCBGL Board	The Directors of Standard Chartered Bank Ghana Limited

"SCBGL Board" or "SCBGL Board of Directors" or the "Directors"	The Directors of Standard Chartered Bank Ghana Limited
"SCBGL Branches"	All the 21 branches of SCBGL in Ghana (for Qualifying Applicants resident in Ghana), which will be acting as Receiving Agents under this Offer
"Standard Chartered Group" or the "Group"	Standard Chartered PLC and its subsidiaries
"SEC"	Securities and Exchange Commission Ghana
"SME"	Small and Medium-Size Enterprises
"SMS"	Short Message Service. A communications service for sending text messages on a cellular telephone system
"Sponsoring Broker"	IC Securities (Ghana) Limited

BENTSI-ENCHILL, LETSA & ANKOMAH
LEGAL PRACTITIONERS, NOTARIES PUBLIC & TRADEMARK AGENTS

KOJO BENTSI-ENCHILL
D.K.D. LETSA
ACE ANAN ANKOMAH
SETH ASANTE
ROSA A. KUDOADZI

Our Ref: S118s3

Date: 29-Oct-09

The Director-General
Securities and Exchange Commission
Cantonments
Accra

The Managing Director
The Ghana Stock Exchange
5th Floor, Cedi House
Accra-Ghana

Dear Sirs,

STANDARD CHARTERED BANK GHANA LIMITED: RIGHTS ISSUE

1 Introduction

1.1 Basis of instructions

We have acted as legal advisors to Standard Chartered Bank Ghana Limited ("**SCBGL**") in connection with its rights issue (the "**Offer**").

1.2 Documents examined

For the purpose of giving this opinion we have examined originals or copies certified to our satisfaction of the following documents (the "**Documents**" and each a "**Document**"):

(i) The Regulations of SCBGL (the "**Regulations**");

(ii) An extract of the minutes of a meeting of the Board of Directors of SCBGL held on 24th April, 2009 during which the rights issue was approved by the Board of Directors of SCBGL;

(iii) An extract of the minutes of a meeting of the shareholders of SCBGL held on 28th April 2009 during which the Offer was approved by the shareholders of SCBGL;

(iv) The offering circular to be issued by SCBGL in connection with the Offer (the "**Circular**");

(v) A letter from the Securities and Exchange Commission dated October 27, 2009 approving the Circular; and

Registered Office:
1st Floor Teachers' Hall Complex
Education Loop (Off Barnes Road)
Adabraka, Accra
P. O. Box GP 1632
Accra, Ghana

Tel:
(233-21) 224612
(233-21) 227187
(233-21) 229396
(233-21) 221171

Web, E-mail & Fax:
www.belonline.org
bel@belonline.org
bel@belonline.com.gh
(233-21) 226129

In association with:
Lex Mundi
Lex Africa
Denton Wilde Sapte
Udo Udoma & Belo-Osagie

(vi) A letter from the Ghana Stock Exchange dated October 20, 2009 approving the listing of the additional shares to be issued by SCBGL under the Offer.

In addition, we have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

1.3 Scope and purpose of the opinion

This opinion is limited to matters of the law of Ghana as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.

This opinion is given on the basis of the assumptions set out in the Schedule.

2 Opinion

We are of the opinion that:

2.1 Incorporation

SCBGL is a limited liability company duly incorporated under the Companies Code, 1963 (Act 179) as amended.

2.2 Authorisation to do business as a bank

SCBGL is duly licensed as a universal bank by the Bank of Ghana and has complied with all regulatory requirements necessary or advisable for the conduct of its business.

2.3 Corporate Authorisations

SCBGL has obtained all the corporate authorisations necessary or advisable in connection with the Offer.

2.4 Approvals and Consents

SCBGL has obtained all the regulatory and statutory approvals, consents or authorisations of any governmental or other authority that are necessary or advisable in connection with the Offer and the Circular.

2.5 Circular to Shareholders

The Circular substantially complies with the requirements of the Fifth Schedule of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) and the Seventh Schedule of the Companies Code 1963, (Act 179) as amended.

2.6 Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing SCBGL from undertaking the Offer.

2.7 The Regulations

The Offer does not contravene any provision of the Regulations.

Yours faithfully,

Bentsi–Enchill, Letsa & Ankomah

Schedule

Assumptions

In giving this opinion, we have assumed, and this opinion is given on the basis that:

1. All original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;

2. The authorising resolutions of SCBGL were duly passed at properly convened meetings of SCBGL's shareholders and board of directors and a duly qualified quorum of such shareholders and directors voted in favour of approving the resolutions; and

3. All disclosures made to us by SCBGL and its officers as reflected in the Circular are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

1.1 Legal Basis for the Offer

On Tuesday 28th April 2009, the shareholders of Standard Chartered Bank Ghana Limited, at an Annual General Meeting of the Bank, met and passed a resolution authorizing the Directors of the Bank " to issue Convertible, Preference and/or Ordinary Shares to enable the Company to comply with the new minimum Capital Requirements of the Central Bank".

On the basis of the above shareholders' resolution, the Directors of the Bank have decided to undertake this Offer to increase the Bank's stated capital to comply with Bank of Ghana requirements for a Class 1 banking license (Universal Banking) by 31st December 2009.

1.2 Reasons for the Offer

The Issuer is undertaking the Offer in order to comply with the directive from the Bank of Ghana for all foreign banks to increase their minimum stated capital to GH¢ 60 million by 31st December 2009.'

1.3 Use of Funds

The Issuer intends to use the proceeds from the Offer:

i. to grow its corporate lending portfolio; and
ii. to support the working capital of the Bank and avail itself of appropriate opportunities in the market. This will absorb the capital increase expenses, provide funds for investments in

Use of Funds	Estimated Amount (GH¢ '000)
Trade Loans and Contingents	35 ,000
Investment in Liquid Assets	12,000
Offer Expenses	1,000
Total	**48,000**

Exhibit 1: Use of Offer Proceeds

1.4 Key Terms of the Offer

1.4.1 Number of Shares and Price

The Offer comprises a renounceable rights issue of 1,655,172 new ordinary shares at GH¢ 29 per share to Qualifying SCBGL Shareholders in a ratio of 1 new share for every 10.6309 existing ordinary shares held. The shares to be issued under this Offer will rank pari-passu with the ordinary shares of SCBGL already in issue and listed on the GSE.

1.4.2 Fractional Shares

The ratio in which the Rights to ordinary shares are allocated to Qualifying SCBGL Shareholders may result in fractional entitlements. Fractional entitlements of 0.5 shares and above will be rounded up to one new share, whilst those below 0.5 shares will not be allotted to Qualifying SCBGL Shareholders but will be consolidated and added to any unsubscribed shares that may arise from the Offer. The directors of SCBGL will therefore allot the consolidated shares in the same way as they allot the unsubscribed shares, as described in clause 1.7.

Bank of Ghana: NOTICE NO.BG/GOV/SEC/2008/3

1.4.3 Pricing of the Shares

The Offer is priced at GH¢29 per share, representing a 3.4% discount to the 6-month average market price of SCBGL's ordinary shares of GH¢ 30.03 for the six-month period ending 30th September, 2009, the last practicable date before the printing of this document. If all the shares on offer are fully subscribed, SCBGL would raise a total of GH¢ 48 million.

1.4.4 Minimum Amount to Raise Under Offer

The minimum amount to be raised for the Offer to be declared successful is GH¢ 47 million.

1.4.5 Oversubscription

Should the Bank receive applications for shares whose value is in excess of the GH¢ 48 million, SCBGL would not issue any additional ordinary shares to satisfy the extra demand.

1.4.6 Dealings

The GSE has granted approval to list up to 1,655,172 ordinary shares to be issued pursuant to this Offer on the First Official List of the GSE, alongside the existing 17,596,042 ordinary SCBGL shares already listed as at 28th October 2009. It is expected that dealings in the new ordinary shares will start alongside the existing shares by 16th December 2009.

1.4.7 Qualifying Date and Distribution of this Circular

The shares under this Offer will be offered to the shareholders of SCBGL whose names appear in the register of members as at 4th November 2009. The Registrars of the Bank will send a copy of this Circular containing the allotment letters, allotment details and Application Forms through the post to SCBGL shareholders on record as of the Qualifying Date. SCBGL shareholders who do not receive copies of the Circular by 10th November 2009 may contact the offices of the Registrars, Sponsoring Broker or the Receiving Agents for a copy of the Circular.

1.4.8 Form of the New Shares

The new shares will, when issued, be capable of being held in dematerialised form. During the Offer Period shareholders who do not have a GSE securities depository account can use their allotment letters to open an account with their stockbroker or any Licensed Dealing Member of the Ghana Stock Exchange. Their shares can then be deposited in their respective accounts once allotment has been completed.

After the Offer Period has ended, shareholders who successfully exercised their Rights but do not have a GSE securities depository account will be issued Letters of Entitlement. These Letters of Entitlement can be used to open GSE securities depository accounts with a licensed broker in Ghana; this will enable shareholders to trade their shares if they wish to do so. Shareholders with GSE securities depository accounts will have their accounts credited with the number of shares issued to them.

Share certificates will not be issued.

1.4.9 Trading in the Rights

The Rights to this Offer may only be traded on the GSE from 10th November to 25th November 2009. Shareholders who desire to sell all or some of their Rights on the GSE should contact their broker, or the Sponsoring Broker at:

IC Securities (Ghana) Limited,
2, 2nd Ridge Link, North Ridge,
Accra
Tel: +233 21 252621
Fax: +233 21 252517

1.5 Application

All applications for shares under this Offer must be in whole numbers and no purported application for fractions of a share will be accepted.

1.5.1 Shareholders and Renouncees

Shareholders wishing to take-up some or all of their Rights must complete the appropriate sections of the accompanying Application Form in order to exercise their Rights. Shareholders are allowed to apply for shares in excess of their Rights (extra shares). This can be done under Section A of the Application Form.

Shareholders are allowed to renounce in part or in full their Rights in favour of a third party (Renouncee) at their own option by completing Sections A and B of the Application Form. Renouncees should complete Section C of the Application Form and submit it together with Sections A and B completed by the Renouncer to the Receiving Agents.

Should a shareholder desire to renounce his Rights in favour of more than one person; he or she should list the names of the persons, stating the number of shares renounced in favour of each Renouncee in Section B of the Application Form. Each Renouncee must then complete a copy of Section C of the Application Form and submit same, together with payment for the shares applied for, to the Receiving Agents.

1.6 Escrow Account

All application monies collected will be deposited into Escrow Account number **011140015001** at Stanbic Bank Ghana Limited, Head Office Branch. A copy of the Escrow Account Agreement has been lodged with the SEC. A copy is also available for inspection.

1.7 Allotment

The allotment plan for the Offer will be based on the following:

a. satisfaction of all duly completed applications from Qualifying SCBGL Shareholders and their Renounces in relation to the Rights; and

b. satisfaction, on a pro rata basis, of all duly completed applications from Qualifying SCBGL Shareholders and Renouncees for any unsubscribed shares. Provided however that if applications for unsubscribed shares are greater than the total number of unsubscribed shares available under the Offer, the directors of SCBGL may, on a pro rata basis, allocate fewer extra shares than applied for by each applicant.

1.8 Refund

If any application is not accepted or is accepted for a smaller number of shares than applied for, the balance of the amount paid on application will be returned to Receiving Agents not later than 8th December 2009 for onward distribution to applicants. SCBGL will announce such refunds through a national daily newspaper with wide circulation within 72 hours of the making of such refunds.

If SCBGL does not refund monies to the Receiving Agents by 8th December 2009 then SCBGL will pay to investors, interest (calculated on a per annum basis) on the unpaid amounts from 9th December 2009 at the prevailing Bank of Ghana prime rate for each day of default until the refund is made to Receiving Agents.

1.9 Payment

For applicants resident in Ghana, payment may be made by cash, cheque, postal or money order, which should be presented at the offices of IC Securities (Ghana) Limited or any SCBGL Branch where the Application Form is lodged. All cheques, postal or money orders should be crossed **SCBGL RIGHTS ISSUE PROCEEDS** and endorsed **Commission to Drawer's Account**. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, or for which funds do not clear for the full amount payable on the application by 5 pm on 1st December 2009, may be treated as invalid.

Applicants who are not residents in Ghana should remit funds for the benefit of the SCBGL Rights Issue Proceeds by bank transfer to SCBGL using the transfer details below:

Currency	Account No.	Bank Name and Address	Swift ID	BIC Code
In USD	8766599211400	Standard Chartered Bank Ghana Limited Standard Chartered Building Accra	SCBLGHAC	SCBLGHAC
In GBP	2866599211400			
In EURO	9366599211400			

Any application from a person not resident in Ghana, which is not received in a form which will realise cleared funds for the full amount payable on the application by 5 pm on 1st December 2009, may be treated as invalid. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

1.10 Lodgement of Completed Application Forms

All Qualifying Applicants resident in Ghana must deliver or lodge their duly completed Application Forms at the offices of any of the named Receiving Agents, whose details are provided on page 95 of this document by 5 pm on 1st December 2009.

Qualifying Applicants not resident in Ghana must deliver or lodge their duly completed Application Forms by scanning and emailing them to the Sponsoring Broker. The appropriate email address for the Sponsoring Broker is scbglrightsissue@icsecurities.com. The original completed Application Forms should then be mailed to IC Securities through a registered mail service.

Applicants who choose to mail their Application Forms to the Receiving Agent/s are advised to use registered mail services. However, all documents mailed to the Receiving Agent/s by applicants will be at the applicant's own risk, and SCBGL may treat applications not received by 5 pm on 1st December 2009 as invalid.

Applicants are to note that Application Forms must be lodged at the same receiving agent office where payment is made for the shares applied for. The Receiving Agent will acknowledge receipt of Application Forms and funds from applicants.

1.11 Cost of the Offer

The total cost of the Offer is not anticipated to exceed 3.00% of the amount raised. SCBGL will pay all fees out of the proceeds of the Offer. Below are the estimated summarised details of the cost of the Offer:

Item	Amount (GH¢)	% of Offer
Professional and Advisory Fees (Legal due diligence, accounting due diligence, financial advisory, management advisory, media advisory, registrar, etc.)	**368,717**	**0.77%**
Success Fees	**237,833**	**0.50%**
Regulatory Fees (GSE, SEC, and Registrar General)	**328,450**	**0.68%**
Media publicity, marketing, printing, logistics, VAT etc.	**65,000**	**0.14%**
TOTAL ESTIMATED COST	**1,000,000**	**2.08%**

Exhibit 2: Offer Expenses

1.12 Offer Statistics

Key details of the Offer are:

Authorised Shares	**100,000,000**
Issued Shares	17,596,042
Price per Share (GH¢)	**GH¢ 29**
Ordinary Shares on offer	1,655,172
Expected Outstanding Shares After Offer*	**19,251,214**
Expected Proceeds from the Offer (GH¢)	48,000,000

2.1 Economic Background

Ghana's real GDP growth averaged 6.3% between 2004 and 2008, reaching a growth rate of 7.3% in 2008. Annual inflation for the same period averaged 13.8%, down from 22.4% between 1999 and 2003.

The GH¢ experienced a fall in 2008, depreciating against the US dollar by about 30% for the year and 14% and 7% in the first and second quarter of 2009 respectively. The country's fiscal deficit jumped from 9.2% of GDP in 2007 to 14.5% by the end of 2008. As a result of the pressures funding the deficit and the GH¢ depreciation, annual inflation has spiked to around 20% currently.

However, the International Monetary Fund (IMF) recently approved a 3-year USD 602.6 million arrangement under the Poverty Reduction and Growth Facility (PRGF) to support Ghana's macroeconomic policies aimed at tackling economic instability. The government believes that this, in conjunction with the BoG's inflation targeting regime, should ensure that by 2011 it will have reduced Ghana's fiscal imbalances to 4.5%, achieved an inflation target of 7-9% per year, gained international reserves coverage of about 3 months and recorded real non-oil GDP growth of 5.5%.

2.2 The Banking Industry

The banking industry in Ghana has moved from being a highly government regulated sector to a market oriented industry in the last decade and a half, as the regulatory and institutional frameworks of the industry have been amended. The Banking Act 2004, (Act 673) (the "Banking Act") empowers the BoG to strengthen the banking system through its policies to ensure efficiency, profitability and supervision, among other things, in the industry. This is in preparation towards the implementation of the Basel II objectives.

2.3 Performance of the Banking Sector

The banking sector has experienced asset growth of 236% from 2003 to 2008, reaching a total of GH¢ 10.7 billion by the end of 2008.

The sector's assets as a ratio of GDP have increased steadily from 33.2% in 2000 to 65.6% in 2008. Though credit to the private sector as a percentage of GDP has also increased over the period, from 19% to 36.7%, the percentage remains low when compared to other emerging markets where the ratio is usually greater than 100%. The performance of the industry is highlighted in Exhibits 3 to Exhibit 5:

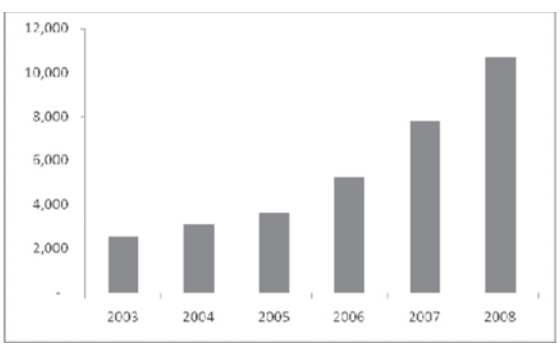

Exhibit 3: Industry Total Assets (GH¢ 'Million)[2]

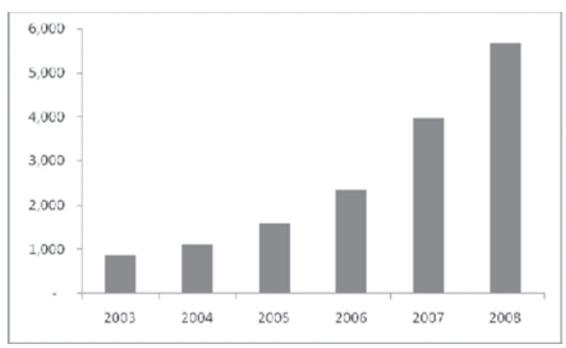

Exhibit 4: Industry Total Loans (GH¢ 'Million)[3]

[2]Source : Bank of Ghana Financial Stability Report, Banking Survey 2009, IC Securities Research

[3]Source: Bank of Ghana Financial Stability Report, Banking Survey 2009, IC Securities Research

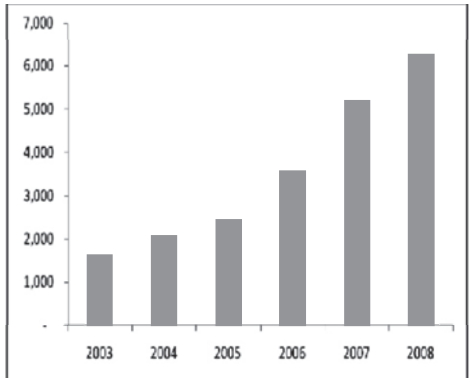

Exhibit 5: Industry Total Deposits (GH¢ 'Million)[4]

2.4 Regulatory Developments in the Banking Sector

The BoG has the overall supervisory and regulatory authority in all matters relating to banking business with the purpose of ensuring a sound, efficient banking system in the interest of depositors and other customers of these institutions, and the economy as a whole.

The functions and responsibilities of the BoG are as follows:

- ensure the soundness and stability of the financial system in the country;
- deal with any unlawful or improper practices of banks;
- promote an effective banking system;
- regulate, supervise and direct the banking and credit systems to ensure the smooth operation of a safe and sound banking system; and
- consider and propose reforms of the laws relating to banking business.

The BoG also regulates and licenses institutions undertaking banking operations and as part of its regular activities, examines the operations of banks at least once a year, to ensure compliance with statutory requirements such as capital adequacy, solvency, asset quality and sound management practices. The BoG from time to time issues directives to regulate the industry. These typically cover:

- Minimum capital requirements;
- Minimum capital adequacy ratios to ensure compliance with international best practices;
- Primary reserve ratios; and
- Secondary reserve ratios.

The key laws regulating the banking industry are:

- The Companies Act 1963 (Act 179) as amended, which governs the operations of all companies in Ghana;
- The Bank of Ghana Act, 2002 (Act 612);
- The Banking Act as amended by the Banking (Amendment) Act 2007, (Act 738);
- The Foreign Exchange Act, 2006 (Act 723);
- The Credit Reporting Act, 2007 (Act 726);
- The Borrowers and Lenders Act, 2008 (Act 773) (the “Borrowers and Lenders Act”); and
- The Anti-Money Laundering Act, 2008 (Act 749) (the “Anti-money Laundering Act”).

2.5 Market Developments

The development of the banking industry has seen the industry go through many structural and operational changes as the BoG aims to ensure stability in the industry and stimulate further growth and development. Some of the notable changes in the sector include:

- eZwich;
- Re-denomination;

[4]Source : Bank of Ghana Financial Stability Report, Banking Survey 2009, IC Securities Research

- The national payment system reform;
- The abolishment of the secondary reserve requirement;
- The increase in the minimum stated capital for universal banking; and
- New legislations and regulations which are:
    - The Borrowers and Lenders Act;
    - The Anti-Money Laundering Act;
    - The Non-Bank Financial Institution Act, 2008 (Act 774); and
    - The Home Mortgage Finance Act, 2008 (Act 770).

The Borrowers and Lenders Act is intended to reduce information asymmetry and adverse selection within the credit market while improving the asset portfolio of the industry and facilitating the reduction of lending rates. The Anti-Money Laundering Act is intended to provide a legal regime for checking money laundering in accordance with international legal requirements and best practice. The Non-Bank Financial Institution Act, 2008 (Act 774) provides a new legal regime for regulating non-bank financial institutions and the Home Mortgage Finance Act, 2008 (Act 770) is intended to regulate home mortgage financing with emphasis on modernising the enforcement options available to mortgage lenders. The effect of these recent developments has been to modernize and liberalize the industry, while ensuring adequate access to credit and relevant protection are in place for all stakeholders.

3.1 History and Background

SCBGL has been in operation since 1896, when it was known as the Bank of British West Africa. After Ghana's independence, the Bank's name was changed to Bank of West Africa Limited and upon a merger with The Standard Bank in 1969, the name was changed to Standard Bank of West Africa Limited. The Bank was registered as a limited liability company in Ghana on 18 September 1970 under the Companies Act, with registration number 4576. The Bank, then known as The Standard Bank Ghana Limited became a member of the Standard Chartered Group (the "Group") after a merger between The Standard Bank and The Chartered Bank. The Standard Chartered Bank Ghana Limited name was adopted in 1985 as part of the Group's effort to achieve a common identity worldwide. As at 31 July 2009, SCBGL was 68.11% owned by Standard Chartered Holdings (Africa) BV, incorporated in the Netherlands, which in turn is ultimately 100% owned by Standard Chartered Bank.

SCBGL provides a wide range of services in the consumer and corporate and institutional banking sectors, including comprehensive trade finance, cash management services and foreign exchange products through its treasury operations. The Bank operates through 21 branches and 2 agencies located in the main regions of Ghana and employs over 700 permanent staff. All operating branches are fully computerized and networked, with ATMs at all branches.

3.2 Capital Structure

As at the date of this Circular SCBGL has ordinary and preference shares listed on the Ghana Stock Exchange. The ordinary and preference shares have different rights attached to them. The Bank's preference shares are irredeemable and non-cumulative with respect to dividend payments. Exhibit 6 summarises the share classifications of SCBGL:

Share Class	Issued	Proceeds (GHC'000)	Attached Rights	Dividend Policy
Ordinary Shares	17,596,042	4,041	Rights of the holders of ordinary shares include *inter alia*: • the right to vote at all general meetings; • the right to elect SCBGL Board of Directors, and • The right to vote on amendments to SCBGL's Regulations.	Pay 100% of current year profits less any statutory deductions and preference share dividend
Preference Shares	17,486,083	9,090	Holders of preference shares will only be entitled to vote at general meetings of the Issuer where: • the rights of holders of the Preference Shares may be varied or abrogated; • a resolution is tabled for the removal or replacement of the auditors of the Issuer, or the appointment of another in place of such auditors; • a resolution is brought forward for the winding-up of the Issuer; and • the most recently payable dividend on the preference shares has not been paid in full	182-day treasury-bill rate plus 300 basis points risk premium semi-annually.

Exhibit 6: SCBGL Share Classifications

3.3 Share Issue History

In the last five financial years, the Bank made one issue of 17,486,083 preference shares and no ordinary shares have been issued during the period. Exhibit 7 summarises SCBGL's preference share issue history:

Financial Year	Description	Shares Issued	Proceeds (GHC'000)
2005	Preference Shares	17,486,083	9,090

Source: Standard Chartered Bank Ghana Limited

Exhibit 7: SCBGL Preference Share Issue History

3.4 Services, Products and Key Business Activities

SCBGL's core services revolve around wholesale and consumer (retail) banking services to its client base in the Republic of Ghana.

Consumer Banking:

SCBGL offers a wide range of personal banking products and services nationwide through all of its 21 branches, 6 excel centres, 2 agencies and alternate channels such as ATMs, call centres, and SMS banking. SCBGL is the only bank which has 2 SME centres in the country. SCBGL's services are backed by a strong commitment to providing its customers with effective and reliable banking services.

Consumer Banking products and services include:

- Excel Banking services which are tailored for customers seeking personalised and convenient banking;
- ATM and Visa debit cards, allowing 24 hr access to funds in the account from Ghana and abroad;
- A range of savings and deposit accounts with linked overdraft facility;
- Wealth management services (Customised and personalised banking services provided to high net worth individuals);
- Residential mortgages;
- Unsecured personal loans;
- Auto loans;
- SME banking; and
- Transactional Banking.

Wholesale Banking

SCBGL offers its corporate and institutional clients comprehensive banking solutions with particular emphasis on relationship banking. Corporate clients benefit from a full range of flexible financial propositions that address individual needs as well as having access to traditional and structured products in the areas of lending, trade finance, cash management and treasury. Customers also have access to cross-border payments, treasury services, transaction banking and custodial services - all supported by electronic funds transfer and cash management systems.

The Bank is an authorised Foreign Exchange Dealer of the central bank of Ghana. Products offered include:

- Lending and trade finance products;
- Structured trade finance facilities;
- Integrated cash management solutions (collections, payments and liquidity management);
- Treasury products – foreign exchange dealing on spot and forward basis, structured yield enhancement products (e.g., high yield deposit), and money market investments;
- Derivative and hedging products - Interest rate swaps and cross currency swaps; and
- Debt Capital Markets – capital raising via issuance of fixed income securities and syndicated loans.

SCBGL's products and services are distributed to customers primarily through its retail branch network and corporate offices throughout the country. The Bank also employs a sales force made up of “Relationship Managers” (targeted at the corporate segment) and “Sales Executives” (catering for the retail market). The primary delivery channels are also supported by other electronic and automated delivery channels, which include ATMs, telephone banking, electronic banking and internet banking.

3.5 Top 20 Shareholders

Exhibit 8 and Exhibit 9 highlight the top shareholders of SCBGL in its respective share classes as at 31st July 2009:

	Name of Shareholder	No. Shares Held	Holding
1	Standard Chartered Holdings (Africa) BV	11,984,839	68.11%
2	Social Security and National Insurance Trust	2,523,708	14.34%
3	BBGN/Statestreet Bank X71 AX71	341,023	1.94%
4	BBGN/RBC Dexia Investor Services Trust	165,000	0.94%
5	BBGN/ re EPACK Investment Fund Limited	92,868	0.53%
6	Ghana Union Assurance Co. Limited	66,234	0.38%
7	Teachers Fund	64,165	0.36%
8	Council for University of Ghana. Endowment	60,390	0.34%
9	BBGN/Unilever Ghana Managers Pension Fund	48,712	0.28%
10	BBG NOM/Unilever Ghana Provident Fund	34,672	0.20%
11	SSNIT SOS Fund	30,268	0.17%
12	Estate of Francis K Poku	28,710	0.16%
13	DM Ventures	27,100	0.15%
14	BBGN/Barclays Mauritius Re Deut Africa Opportunities Fund	25,000	0.14%
15	University of Science & Technology	24,750	0.14%
16	BBGN/ SSB Eaton Vance Tax -Managed. Emerging Markets Fund	24,400	0.14%
17	Enterprise Insurance Co. Limited	22,165	0.13%
18	Government of Ghana	21,102	0.12%
19	BBGN/Unilever Ghana Provident Fund	19,263	0.11%
20	BBGN/Barclays Mauritius Re Deut Victoire Africa Index II	17,896	0.10%
	Total Top 20 Holding	**15,622,265**	**88.78%**
	Others	**1,973,777**	**11.22%**

Exhibit 8: Top 20 Ordinary Shareholders

	Name of Shareholder	No. Shares Held	Holding
1	Standard Chartered Bank Holdings (Africa) BV	15220598	87.04%
2	BBGN/Statestreet Bank X 71 AX 71	329585	1.88%
3	SSNIT SOS Fund	307692	1.76%
4	Edward K Amoma Anim-Addo	106806	0.61%
5	Ghana Union Assurance Co. Ltd	99351	0.57%
6	Norbert Kwasivi Kudjawu	68775	0.39%
7	Ophelia F. Akosa-Bempah	54150	0.31%
8	Kwaku Akosah-Bempah	40654	0.23%
9	MSL Portfolio	29654	0.17%
10	Barton Kweku Glymin Jnr.	27000	0.15%
11	Clifford Aryee	25000	0.14%
12	Ebenezer Magnus Boye	25000	0.14%
13	Edmund Akoto-Bamfo	22401	0.13%
14	Anthony Minkah	20268	0.12%
15	Edem Yankson	20000	0.11%
16	John Perceival Awuku Nyako	20000	0.11%
17	Kwakye Safo	20000	0.11%
18	SIC - General Business	19231	0.11%
19	SIC - Provident Fund	19231	0.11%
20	SIC - Life Business	19231	0.11%
	Total Top 20 Holding	16494627	94.33%
	Others	991456	5.67%

Exhibit 9: Top 20 Preference Shareholders

3.6 Corporate Governance Structures

SCBGL's board has an established framework to manage risk and control business and financial activities to deliver growth whilst controlling risk.

The Group's code of conduct ensures that business is carried out in a lawful and ethical way, in line with the Group's five core values - responsive, trustworthy, creative, international and courageous. Every employee is expected to demonstrate these standards of integrity and fair dealing towards our customers, regulators, the communities in which the Group operates, and one another.

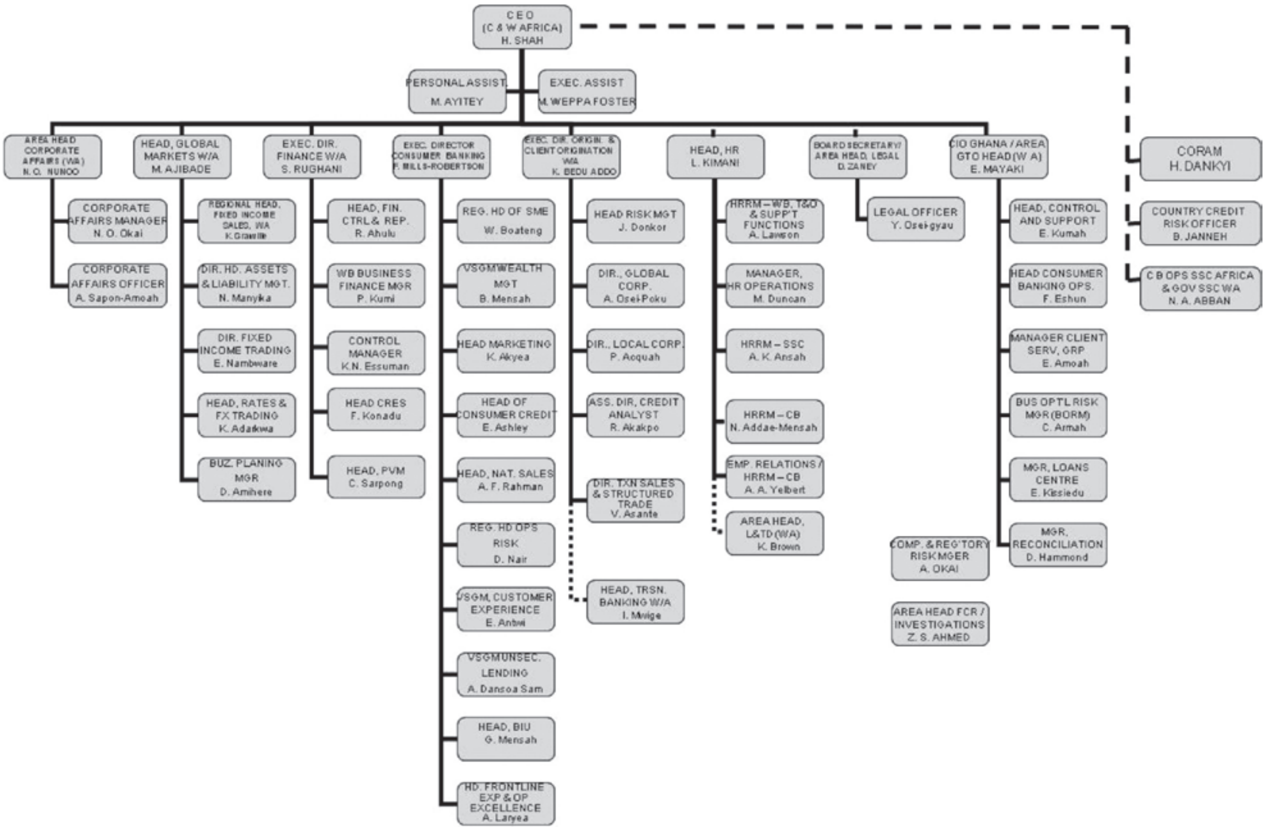

Exhibit 10: SCBGL Organisational Chart

3.7 The Board of Directors

SCBGL's Board of Directors is composed of executive and non-executive directors, providing for an extended skill base and ultimately, a good balance of support and challenge to the Bank's senior management team. The SCBGL Board is responsible for ensuring that proper standards of corporate governance are maintained and is accountable to shareholders.

Title	Name	Age	Educational Qualification	Other Directorship	Period Served	Nationality
Chairman	Ishmael Yamson	67	BSc Economics	Unilever Ghana Ltd, Mantrac Ghana Ltd, Benso Oil Palm Plantation and Nigerian Breweries	4 years, 5 months	Ghanaian
Managing Director	Hemen Shah	47	B.A. Harvard, MBA Stanford Business School	SCB Cote d'Ivoire, SCB Gambia, SCB Sierra Leone, SCB Cameroon	8 months	American
Executive Director , Finance	Sanjay Rughani	39	Qualified CPA, MBA (Finance)	Lincoln Community School	2 Years, 6 months	Tanzanian

Title	Name	Age	Educational Qualification	Other Directorship	Period Served	Nationality
Executive Director, Consumer Banking	Francis Mills - Robertson	47	B.A. Social Sciences	N/A	1 Year, 7 Months	Ghanaian
Executive Director, Origination & Client Coverage	Kweku Bedu -Addo	42	BSc Agric. Economics, MA, International Affairs	N/A	5 Months	Ghanaian
Non Executive Director	Frederick William Lee	53	Harvard Business School (Management Program)	N/A	5 Months	British
Non Executive Director	Herbert Morrison	67	FCCA, CA, MGIT	Canadian Chamber of Commerce Ghana	2 Months	Ghanaian
Non Executive Director	Samuel Daisie	68	BSc Economics Post graduate Diploma in Economics (Glasgow)	N/A	19 Years	Ghanaian
Non Executive Director	Felicia Gbesemete	62	LLB Hons	Lexconsult & Company Mariconsult Limited	2 months	Ghanaian

Exhibit 11: Board of Directors of SCBGL

3.8 Human Resources and Senior Management

The Bank has training programs for its workforce of 752 permanent employees and 213 temporary staff as at 31 July 2009. The members of the management team have an average of 10 years experience with the Standard Chartered Group. Exhibit 12 provides details of the Bank's management team and their core roles and responsibilities:

Name	Position/Name of Department	Number of Years with SCB	Roles and Responsibilities
Hemen Shah	CEO	7 years	Provides leadership for the Group in Ghana through developing overall strategy and direction. He also has oversight responsibilities for SCB's presence in West and Central Africa ("WACA")
Sanjay Rughani	Executive Director, Finance	10 years	He is the Chief Financial Officer for SCBGL, with oversight responsibilities for WACA
Francis Mills – Robertson	Executive Director, Consumer Banking("CB")	11 years	Heads the CB division of SCBGL and is responsible for taking major policy decisions affecting the division
Kweku Bedu-Addo	Executive Director, Origination & Client Coverage ("O&CC")	9 years	Heads the O&CC division of the Bank and is responsible for the Bank's corporate relationships in Ghana and WACA
Mayokun Ajibade	Head, Global Markets	7 years	Responsible for the treasury business which includes marketing, delivery and management of treasury products in Ghana and WACA
Emmanuel Mayaki	Chief Information Officer	3 years	Responsible for overall technology operational issues
Harry Dankyi	Country Operational Risk Assurance Manager	7 years	Provides assurance on internal policies and Regulations
Lucy Kimani	Head Human Resources	21 years	Provides oversight for the human resources function in Ghana

Name	Position/Name of Department	Number of Years with SCB	Roles and Responsibilities
Nii Okai Nunoo	Head Corporate Affairs	3 years	Responsible for public relations issues in Ghana and WACA
Buba Janneh	Country Chief Risk Officer and Head of GSAM	15 years	Provides oversight for the Bank's overall risk issues in Ghana and WACA
Dawn Zaney	Head of Legal and Company Secretary	16 years	Responsible for advising the Bank on all legal matters affecting the operation of the Bank in Ghana as well as providing company secretarial services. Also has oversight responsibilities for SCB in WACA
Nana Abban	Head, CB Operations Shared Service Centre Africa	10 years	Direct management of Consumer Banking operations in Africa hubs and oversight of teams providing operations and technology support in WACA

Exhibit 12: Senior Management of SCBGL

3.9 Key Management Committees

There are nine committees at SCBGL. The main role of the committees is to assist the SCBGL Board of Directors in providing corporate governance at the Bank. Details of each committee are listed in Exhibit 13.

Name of Committee	Members of Committee	Roles and Responsibilities
Management Committee	The Chief Executive Office ("CEO"), Heads of businesses Executive Director Finance, Heads of Human resources, Legal, Corporate Affairs, Operational Risk, Technology and Operations and Shared Service Centre	To provide unified leadership in the country, specifically by determining policies in the areas of financial management, customer and franchise management, corporate governance, people and talent
Audit and Risk Committee	The four non-executive directors on the board	To act as the audit and risk committee as required of locally listed companies
Credit Approval Committee	CEO, Executive Directors for O&CC, CB and Finance. Senior credit officers for Wholesale Banking ("WB") and CB	To review and approve credit applications for WB, CB and Group Special Assets Management ("GSAM") up to the maximum level permitted.
Asset and Liability Committee	CEO, Executive Director Finance, Head of Global Markets, and Heads of businesses	To ensure that the country balance sheet is managed in accordance with Group standards and other applicable regulatory requirements
Early Alert Committee	Executive Director O&CC, Senior Credit Officer, CEO, Senior Managers of O&CC, Head of GSAM, Credit Risk Control representative. By invitation – Head of Legal	To monitor credit quality through monthly review reports submitted on early alert accounts.
GSAM Committee	Head of GSAM, Head of O&CC, Senior Credit Officer, Senior Account Managers GSAM and Account Managers GSAM	To review and monitor strategies and actions being taken on accounts within the GSAM portfolio.
Country Operational Risk Group	CEO, Heads of businesses, Executive Director Finance, Head of Legal, Chief Information Officer, CORAM, Head of Human Resources and Head of Financial Crime Risk	To provide a forum for the discussion and management of all aspects of operational risks and control lapses identified through the risk reporting procedure.
Portfolio Review Committee	CEO, Heads of businesses, Senior Credit Officer WB and CB, Head of GSAM and Bank Economist.	To review and direct, as appropriate, the management of the credit portfolio in the Country to ensure that the systems and controls are in place and are operating effectively such that earnings from the portfolio meet expectations.
Provident Fund Committee	Head Human Resources, Executive Director Finance and CEO	To define staff retirements/leaving benefit policies and to ensure that the Bank's obligation in respect of retirement benefits are met.

Exhibit 13: Key Management Committees of SCBGL

3.10 Compensation Schemes

SCBGL operates a number of share based payment schemes for its directors and employees.

2001 Performance Share Plan (2001 PSP)

The Performance Share Plan is designed to be an intrinsic part of total remuneration for the Group's executive directors and for a small number of the Group's most senior executives. It is an internationally competitive long-term incentive plan that focuses executives on meeting and exceeding the long term performance targets of the Group. Before any award can be exercised under the 2001 PSP, certain performance conditions need to be met. The performance conditions are set at the time of award.

2006 Restricted Share Scheme (2006 RSS) / 2007 Supplementary Restricted Share Scheme (2007 SRSS)

The Restricted Share Scheme is used as a vehicle for deferring part of the annual performance awards for certain employees and as an incentive plan to motivate and retain high performing staff at any level of the organization. In addition, the Group operates a Supplementary Restricted Share Scheme which can be also be used to defer part of an employee's annual performance award in shares.

2004 Deferred Bonus Plan (2004 DBP)

Under the Deferred Bonus Plan, shares are conditionally awarded instead of all or part of the executive directors' and certain senior executives' annual performance award.

2000 Executive Share Option Scheme (2000 ESOS)

The Executive Share Option Scheme is designed to be internationally competitive and focus executive directors and theirs senior management teams on delivering long-term performance. An earnings per share performance criterion must be met before options can be exercised. It is proposed no further awards will be made under the 2000 ESOS. However, the scheme will be retained for use in exceptional circumstances or if there is a subsequent change in policy in response to future market trends.

International and UK Sharesave Schemes

The Group believes in encouraging employee share ownership at all levels in the organization. By operating the Sharesave schemes it seeks to engage employees in the Group's performance, align their interests more closely with those of shareholders and offer them an opportunity for long-term savings and a share in the Group's financial success that they help to create.

Remuneration of Directors and Other Key management Personnel

All Non-Executive Directors are entitled to a sitting allowance of £500 and a quarterly fee of £1,250 per Director. The Board Chairman is entitled to a quarterly fee of £4,800. The remuneration of directors and other key management personnel as at December 31, 2008 was about GH¢8.854 million as showed in Exhibit 14:

Item	2008 (GH¢ '000)	2007 (GH¢ '000)
Salaries and short-term benefits	8,528	5,971
Employer social security	326	263
TOTAL	**8,854**	**6,234**

Exhibit 14: Remuneration of Directors and Other Key Management Personnel

3.11 Information and Communication Technology ("ICT")

Across the global banking industry, the key ICT themes are data centre consolidation, improved security, better service delivery channels for customers and reduction in telecommunications and product distribution costs. SCBGL continues its efforts to ensure that it stays ahead of changes in the industry.

Improvements in SCBGL's technology platforms have underpinned much of the Bank's ability to grow. A Standard Chartered Bank Regional (West Africa) Shared Service Centre in Ghana (Accra) has helped to develop scale and greater efficiencies. The improved economies of scale and tighter controls have translated into improved technology support costs.

3.12 Subsidiaries and Associate Companies

Standard Chartered Ghana Investment Services ("SCGIS") is a wholly owned subsidiary of SCBGL. The subsidiary received its Certificate of Incorporation and Certificate to Commerce Business in November 2005. However SCGIS has not transacted any business since its inception, and is currently dormant, therefore does not contribute to SCBGL's financial performance.

3.13 Material Contracts

All contracts that SCBGL has entered into are those related to the normal course of business. The following are material contracts entered into by the Bank in the two-year period preceding this Circular:

***(a) Standard Chartered Strategic Brand Management Limited Licence Agreement dated December* 23, 2008**.

By this agreement SCBGL is licensed to use Standard Chartered Strategic Brand Management Limited's Masterbrand Intellectual Property for its banking business. Under the agreement, SCBGL pays agreed yearly royalties for the use of the Masterbrand Intellectual Property.

The effective date of the agreement is 1st January, 2008 and continues till terminated by either party in accordance with the terms of the agreement.

(b) Business Services Agreement with Standard Chartered Bank (Singapore) ("SCB Singapore") dated 15th December, 2008

Under this agreement, SCB Singapore provides the following services to SCBGL in respect of its wholesale banking services:

(i) Product Processing: transaction and business processing, custodial operations, credit control, capital market operations, derivative operations;

(ii) Sales and Marketing: sales and service, marketing, market research and product development services, transaction banking and global markets***;***

(iii) Direct Controlled Business Support Services: wholesale bank specific business support services including business finance, client relationship, product control, market risk, credit risk, human resources, learning, wholesale bank risk management, information management, legal and compliance; and

(iv) Other additional services that may be required by SCBGL.

The agreement is effective from 1st January, 2008 and continues until terminated by the parties in accordance with its terms. The agreement is governed by the Laws of England and Wales and the parties agree to submit to the non-exclusive jurisdiction of the English Courts.

(c) International Representation Agreement with Western Union Network (France) SAS ("Western Union") dated 27th March, 2009

This agreement authorizes SCBGL to provide Western Union money transfer services in Ghana. The initial term of the agreement is for a period of three (3) years and subsequently for successive one-year terms until terminated by either party in accordance with the terms of the agreement.

The laws of England and Wales govern the agreement and all disputes under the agreement are to be settled in accordance with the rules of the International Chamber of Commerce.

3.14 Litigation

The Issuer (whether as defendant or otherwise) is not engaged in any governmental, legal, arbitration, or other proceedings, the results of which might have or have had during the 24 months prior to the date of this Circular a material effect on the financial position, profitability or the operations of the Issuer, nor is it aware of any such proceedings being threatened or pending.

3.15 Disclosure of Interests by Directors

Mr. Ishmael Yamson as at the date of this Circular held 2,000 SCBGL shares.

3.16 Disclosure of Interests by Advisors

As at the date of this Circular:

i. IC Securities did not hold any SCBGL shares. No employee or any of its associated persons held or had interest in any SCBGL shares;

ii. BELA as an entity did not hold any SCBGL shares; and

iii. Deloitte & Touche as an entity did not hold any SCBGL shares.

3.17 Other Disclosures

i. Relationships Among Directors – There are no family relationships among the Directors.

ii. Bankruptcy Petitions – No petition under any bankruptcy law has been filed against any Director, or any partnerships of which such persons were partners, or of any company in which such persons are or were directors.

iii. Criminal Proceedings or Convictions for Fraud or Dishonesty – No person who is a Director or has been nominated to become a Director has been convicted in a criminal proceeding or is a named subject of any pending criminal proceeding relating to an offence involving fraud or dishonesty.

iv. Prohibition against Financial Advisory or Capacity to Hold Office – No person who is a Director or has been nominated to become a Director has been subject of any judgement or ruling of any court of competent jurisdiction, tribunal or government body permanently or temporarily enjoining him from acting as an investment advisor, dealer in securities, Director or employee of a corporate body or engaging in any type of business practice or activity or profession.

v. Directors Powers to Borrow and Charge the Bank's Assets – Subject to the provisions of section 202 (5) of the Companies Act, the Directors may exercise all the powers of the Bank to borrow money and to mortgage or charge its property and undertaking or any part thereof, and to issue debentures. Such powers can be varied by amending the Bank's regulations.

3.18 Dividend History

SCBGL has consistently paid dividends to its ordinary shareholders over the last five years. SCBGL has one of the highest dividend payout rates among listed companies in Ghana. The total dividend paid increased from around GH¢16.8 million in 2004 to approximately GH¢26.4 million in 2008, representing a percentage increase of 56% and average dividend payout rate of 81% over the period.

Since the issuance of its preference shares, the Bank has paid a non-cumulative dividend semi-annually to preference shareholders at a reference rate of 300 basis points (3%) above the prevailing 182-day Government of Ghana Treasury Bill rate.

A 5-year history of dividends paid to ordinary shareholders is shown in Exhibit 15.

Ordinary Shares					
Year	2004	2005	2006	2007	2008
Number of Shares	17,596,042	17,596,042	17,596,042	17,596,042	17,596,042
Dividend Paid (GH¢)	16,846,451	20,235,448	22,874,855	25,514,261	26,394,063
Dividend Per Share (GH¢)	0.96	1.15	1.30	1.45	1.50
Payout Ratio	87%	87%	74%	77%	80%

Source: Standard Chartered Bank Ghana Limited

Exhibit 15: Ordinary Share Dividend History

A 3-year history of semi-annual dividends paid to preference shareholders is shown in Exhibit 16.

Preference Shares							
Date	29-Mar-06	29-Sep-06	29-Mar-07	29-Sep-07	29-Mar-08	29-Sep-08	29-Mar-09
Number of Shares	17,486,083	17,486,083	17,486,083	17,486,083	17,486,083	17,486,083	17,486,083
Dividend Paid (GH¢)	410,136	640,970	624,498	613,762	599,773	655728.12	1,313,205
Dividend Per Share (GH¢)	0.0235	0.0367	0.0357	0.0351	0.0343	0.0375	0.0751

Source: Standard Chartered Bank Ghana Limited

Exhibit 16: Preference Share Dividend History

3.19 Risk Factors

Investing in the securities of any entity entails some investment risks. In considering the purchase of SCBGL ordinary shares, prospective investors should carefully consider the following potential risks, including any relevant information contained in this Circular:

Political

Potential political unrest is a risk to the operations of any bank operating in Ghana including SCBGL as it could adversely impact the demand for credit. However, Ghana has successfully conducted peaceful elections since the beginning of the fourth Republic in 1992 and just ended peaceful polls for the fifth time under the fourth Republic in January 2009. The democratic process prevailing in the country and the support from the international community for Ghana's political system reduces the risk of significant political unrest. While the Bank has systems, controls and procedures designed to mitigate political risk, there can be no assurance that any adverse political events will not have a negative impact on the Bank's business.

Economic Risk

The operational results, income and growth of assets by SCBGL may depend to an extent on the stability of Ghana's macro-economy. The Bank like all entities operating within the borders of Ghana is exposed to economic risks associated with the country. The Bank's management team has put in place systems and procedures to minimise the Bank's exposure to adverse economic conditions; however, this cannot provide an assurance that adverse economic conditions will not hamper the Bank's performance.

Financial Risk

SCBGL's core operations, as managers of financial assets and liabilities, expose it to other financial risks. These include liquidity risk; the ability to meet customers' withdrawal needs, credit risk and interest rate risks. The Bank has put in place policies, procedures and reporting systems, which help the Bank to manage its exposure to these risks. The Bank is also actively supervised by the BoG, which ensures that deposit protection plans are in place and that the Bank is managed in the interest of all its stakeholders. For further information about the Bank's exposure and management of financial risk, please refer to pages 66 to 72 of this Circular.

SCBGL Share Liquidity
SCBGL shares are listed on the GSE to enable trading in the Bank's shares. However, it is possible that there could be inadequate liquidity in SCBGL shares on the GSE at certain periods, meaning that investors may not be able to sell or buy shares of the Bank whenever they want to and at their desired price.

Dilution
An investor's holdings in SCBGL will be diluted if that investor does not participate fully in the Offer and additional shares are offered to other investors.

Operational Risks
The Bank actively seeks to ensure that the risks it takes directly or indirectly as part of its business are managed effectively within approved risk appetite. Operational risks are inherent in the Bank's business and can arise from inadequate or failed processes, systems, human error, fraud or external events that interrupt normal business operations and can cause financial impact which can in some instances be very material.

The Bank recognizes the potential implications of operational risk and has proactively implemented policies, procedures and controls to ensure that its business and stakeholders' interests are secure. In addition, the Bank has in place a bankers' blanket insurance policy to partly cover the risk of fraudulent practice.

3.20 Parent Company

SCBGL is a 68.11% owned subsidiary of Standard Chartered Holdings (Africa) BV, which in turn is 100% owned by Standard Chartered Bank (“SCB”) (see Exhibit 18). Standard Chartered Holdings (Africa) BV is incorporated in the Netherlands.

Standard Chartered Holdings (Africa) BV ownership of each SCBGL share class is presented in Exhibit 17:

Share Class	Number of Shares Held	% Holdings
Ordinary Shares	11,984,839	68.11
Preference Shares	15,220,598	87.04

Source: Standard Chartered Bank Ghana Limited

Exhibit 17: Standard Chartered Bank Holdings (Africa) BV

Standard Chartered PLC (“SCPLC”), the ultimate holding company of SCB, was incorporated and registered in England and Wales on 18 November 1969 as a company limited by shares. SCPLC's ordinary shares and preference shares are listed on the Official List and traded on the London Stock Exchange, and the company ranks among the top 25 companies in the FTSE-100 by market capitalisation. SCPLC's ordinary shares are also listed on the Hong Kong Stock Exchange.

The London-headquartered Group has operated for over 150 years in some of the world's most dynamic markets, leading the way in Asia, Africa and the Middle East. Its income and profits have more than doubled over the last five years primarily as a result of organic growth.

The Group aspires to be the best international bank for its customers across its markets. The Group earns around 90 percent of its income and profits in Asia, Africa and the Middle East, from its Wholesale and Consumer Banking businesses and has a network of approximately 1,600 branches and outlets in over 70 countries and territories.

Parent Company Structure

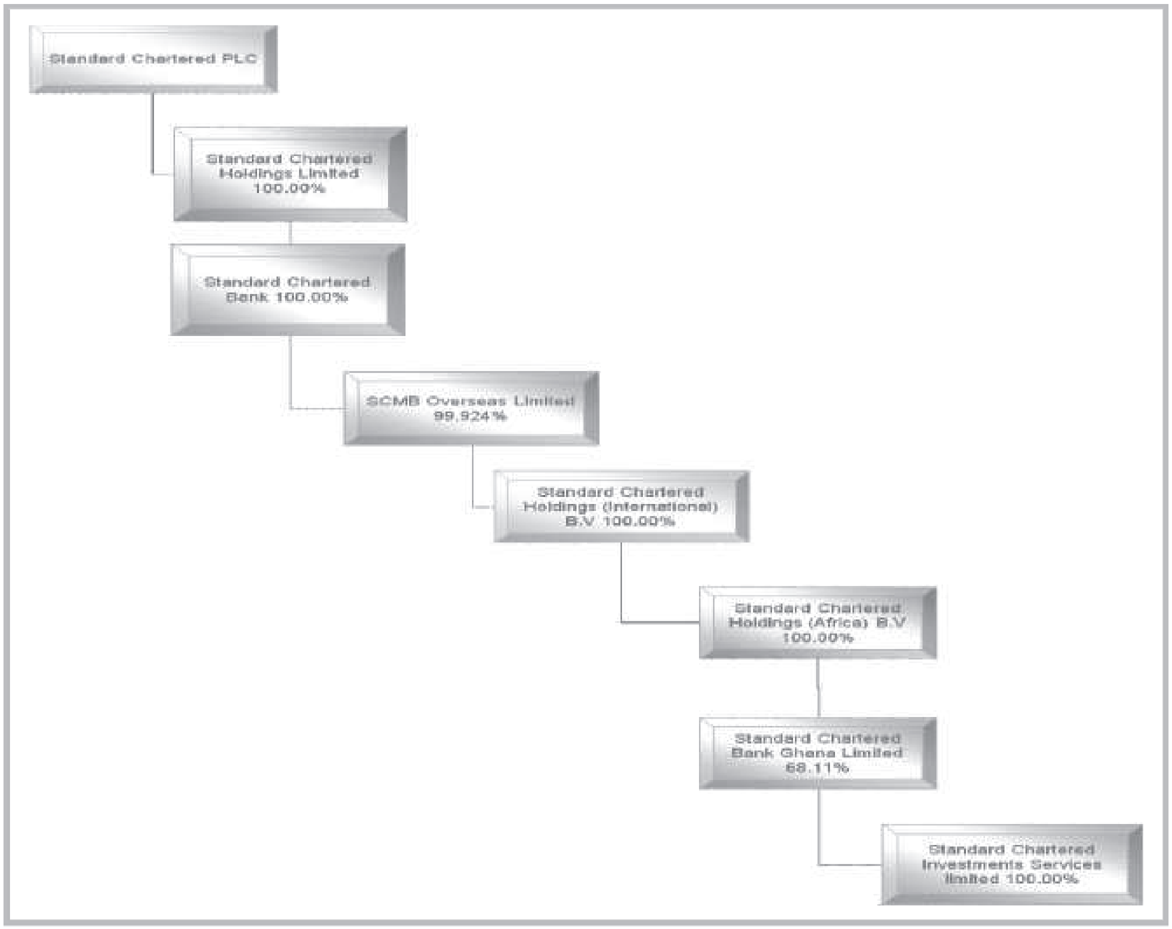

Exhibit 18: Parent Company Structure

3.21 Additional Information

- Deloitte & Touche, Reporting Accountants, have given and have not withdrawn their written consent to the issue of this circular with the inclusion herein of their reports in Parts 3.22 and 5.1 of this document and the references thereto in the form and context in which they appear.

- Save as disclosed in this Circular, there has been no material change in the financial or operating position of SCBGL other than in the ordinary course of business since December 31, 2008 the date to which the last audited accounts of **SCBGL** were prepared.

3.22 Documents Available for Inspection

Copies of the following documents in respect of the business and affairs of SCBGL and the Offer may be inspected at the registered office of SCBGL during normal business hours of any working day during the Offer Period:

i. The Regulations of the Issuer;

ii. The Banking Licence of the Issuer;

iii. The resolution of the SCBGL Board of Directors of the Issuer dated 24th April, 2009 authorising the Bank to undertake the Offer;

iv. The resolution passed by the shareholders of the Issuer at the Annual General Meeting dated 28th April, 2009 authorising the Offer;

v. The Bank's audited annual reports for the last five years to 2008;

vi. This Circular; and

vii. The Escrow Account Agreement.

Deloitte.

Deloitte & Touche
Ibex Court , 4 Liberation Road
Dr. Ako Adjei Interchange
P.O. Box GP 453
Accra
Ghana

Tel: +233 (0) 21 775 355, 770559
Fax: +233 (0) 21 775 480
Email: administrator@deloitte-gh.com
www.deloitte.com

The Board of Directors
Standard Chartered Bank Ghana Limited
P. O. Box 768
Accra

August 20, 2009

Dear Sirs,

A RENOUNCEABLE RIGHTS ISSUE - ACCOUNTANTS' REPORT

We have examined the audited financial statements of SCBGL for the years relevant to this report.

KPMG have acted as Auditors of the Bank for the years relevant to this report. For each of the relevant years. the Auditors issued an unqualified audit report. SCBGL's Directors approved the audited financial statements to 31st December 2008 on 30th January 2009. No audited financial statements have been prepared for submission to the shareholders for any period subsequent to 31st December 2008.

The audited financial statements have been prepared on the basis of the accounting policies set out below. For all the accounting periods dealt with in this report, the financial statements have been, in all material respects, prepared in accordance with International Financial Reporting Standards (IFRS).

Our work has been carried out in accordance with the Auditing Guidelines: "Prospectuses and the Reporting Accountant"

In our opinion, the financial information set out below gives a true and fair view of the profits and cash flows of the Bank for the years stated and of the state of affairs of the Bank at the end of those years, in accordance with IFRS.

Yours faithfully,

Deloitte & Touche

Profit and loss accounts for the Bank for the years ending on the dates stated below are as follows:

	Notes	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Interest income	8	110,402	94,866	76,053
Interest expense	9	(34,134)	(30,727)	(18,349)
Net interest income		76,268	64,139	57,704
Commissions and fees	10	22,765	19,125	18,651
Other operating income	11	18,082	9,468	8,554
Total operating income		117,115	92,732	84,909
Operating expenses	13	(71,568)	(47,770)	(39,741)
Operating profit before impairment loss and taxation		45,547	44,962	45,168
Impairment loss	15	(1,707)	(1,794)	1,452
Operating profit		43,840	43,168	46,620
Other income	12	-	6	2
Profit before tax		43,840	43,174	46,622
Taxation - corporate tax	17(i)	(10,653)	(10,136)	(13,234)
National reconstruction levy		-	-	(2,640)
Profit for the period		33,187	33,038	30,748

Income Surplus Account

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Balance as at 1st January re-stated	41,157	38,330	32,934
Net profit transferred from profit & loss	33,187	33,038	30,748
Transfer to statutory reserve fund	(4,413)	(6,098)	(4,065)
Proposed dividend	(26,769)	(24,113)	(21,287)
Share options exercised			
Transfer to stated capital			
Balance as at 31st December	**43,162**	**41,157**	**38,330**

Balance sheets of the Bank as at the years ending below are as follows:

	Notes	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Assets				
Cash and bal with BOG	19	146,843	97,930	55,609
Short-term gov. securities	20(i)	36,808	93,761	87,302
Due from other banks	21	117,447	80,308	92,993
Loans and advances	22	460,338	287,069	239,918
Other asset accounts	25	93,532	40,833	32,718
		854,968	599,901	508,540
Medium -term investments	20(ii)	115,633	161,981	190,259
Investment in subsidiaries	20(iii)	1,335	100	100
Property, plant & equipment	23	12,988	11,656	11,912
Intangible assets	24	20	99	200
Total Assets		984,944	773,737	711,011
Liabilities				
Customer deposit & current accounts	26	742,290	534,840	445,544
Due to other banks & finacial Ins.	27	10,018	43,911	20,780
Interest payable and liabilities	29	93,833	33,397	43,013
Borrowing	31	28,651	63,743	72,338
Provision	30	19,435	5,042	7,394
Taxation	17(iii)	358	1,494	2,375
Total current liabilities		894,585	682,427	591,444
Medium-term loan		-	-	35,000
Deferred tax	18	898	2,916	3,931
Total Liabilities		895,483	685,343	630,375
Shareholders' Funds				
Stated capital	32(ii)	13,131	13,131	13,131
Income surplus	32(iii)	43,162	41,157	38,330
Statutory reserve fund	32(iv)	30,217	26,069	21,940
Other reserves	32(v)	2,951	8,037	7,235
Total shareholders' fund		89,461	88,394	80,636
Total liab. & shareholders' fund		984,944	773,737	711,011

Cash Flow Statement	Notes	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Operating Activities:				
Trading Profit		43,840	43,174	46,622
Items not invloving cash flow:				
Depreciation and amortisation		1,595	1,509	1,127
Net interest income		(76,268)	(64,139)	-
Impairment on finanacial assets		1,707	1,794	(1,452)
Profit/(loss) on sale of fixed assets		-	68	52
Change in investments other than those held for trade.		55,074	76,382	(121,166)
Change in investments held for trade		41,041	(56,119)	-
Change in loans and advances		(174,976)	(51,828)	(23,854)
Change in other assets		(52,817)	(43,106)	(7,003)
Change in deposits		207,450	89,296	114,186
Change in amounts due to other banks		(33,893)	23,131	(25,597)
Change in interest payable and other liabilities		59,513	22,459	28,116
Change in provision		14,393	3,842	-
Change in borrowing		(35,092)	(43,595)	62,923
Interest income		110,402	94,866	-
Interest expense		(34,134)	(30,727)	-
		127,835	67,007	73,954
Income tax paid		(13,206)	(11,643)	(9,357)
Net cash flow from operating activities		114,629	55,364	64,597
Returns on investments and serving of finance				
Dividend paid		(26,769)	(24,113)	(21,287)
Repayment of subordinated debt		-	-	(4,558)
Net cash used from financing activities		(26,769)	(24,113)	(25,845)
Investing activities				
Purchase of tangible fixed assets		(2,848)	(1,631)	(1,146)
Investment in subsidiaries		-	-	(100)
Proceeds from sales of investment		1,040	-	-
Proceeds from sales of tangible fixed assets		-	16	-
Net cash flow used in investing activities		(1,808)	(1,615)	(1,246)
Net increase in cash and cash equivalents		86,052	29,636	37,506
Analysis of changes in cash and cash equivalents during the year				
Cash and cash equivalents at 1 January		178,238	148,602	111,096
Net increase in cash and cash equivalents		86,052	29,636	37,506
Cash and cash equivalents as at 31 December		264,290	178,238	148,602
Analysis of cash and cash equivalents during the year				
Cash balances with Bank of Ghana		146,843	97,930	55,609
Nostro account balances		19,090	17,453	11,415

STANDARD CHARTERED BANK GHANA LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED 31 DECEMBER 2006 TO 2008

ACCOUNTING POLICIES
The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Bank's financial statement.

1. REPORTING ENTITY

SCBGL is a Bank incorporated in Ghana. The Bank operates with a Universal Banking license that allows it to undertake all banking and related activities.

2. BASIS OF PREPARATION

a. Statement of Compliance

The financial statements have been prepared in accordance with IFRS and its interpretations as issued by the International Accounting Standards Board (“IASB”).

b. Basis of measurement

The financial statements are presented in Ghana cedi, which is the Bank's functional currency, rounded to the nearest thousand. They are prepared on the historical cost basis except for the following assets and liabilities that are stated at their fair value: derivative financial instruments, financial instruments that are fair value through profit or loss and financial instruments classified as available-for-sale.

c. Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgement, 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 other factors that are believed to be reasonable under the circumstances, the results of which form the basis of 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements.

a. Basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities including special purpose entities over which the Bank has the power to directly or indirectly govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights.

Subsidiaries are fully consolidated from the date on which the Bank effectively obtains control. They are de-consolidated from the date that control ceases. Subsidiaries that are considered insignificant are not consolidated and the Bank's interests in those subsidiaries are classified as long-term investments.

(ii) Investments in subsidiaries, Associates and Joint Ventures

Investments in subsidiaries, associates and Joint Ventures are held at cost less impairment and dividends from pre-acquisition profits received, if any.

b. Revenue recognition

In the separate financial statements of the Bank, interest income and expense on available-for-sale assets and financial assets and liabilities held at amortised cost, are recognised in the income statement using the effective interest method.

Gains and losses arising from changes in the fair value of financial assets and liabilities held at fair value through profit or loss, as well as any interest receivable or payable, is included in the income statement in the period in which they arise. Gains and losses arising from changes in the fair value of available-for-sale financial assets, other than foreign exchange gains and losses from monetary items, are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity is recognised in the income statement. Dividends are recognised in the income statement when the Bank's right to receive payment is established.

c. Interest income and expense

Interest income and expense is recognized in the income statement using the effective interest rate method. The effective interest rate is the rate that discounts estimated future receipts or payments through the expected life of the financial instruments or, when appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The effective interest rate is established on initial recognition of the financial asset or liability and is not revised subsequently when calculating the effective interest rate; the Bank estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees received or paid between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts. Transactions costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or liability.

When a financial asset or a group of similar financial assets have been written down as a result of impairment, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Interest income and expense on financial assets and liabilities held at fair value through profit or loss is recognised in the income statement in the period they arise.

d. Fees and commissions

Fees and commission income and expenses that are an integral part of the effective interest rate on financial instruments are included in the measurement of the effective interest rate.

Other fees and commission income, including account servicing fees, investment management fees, sales commission, placement and arrangement fees and syndication fees are recognised as the related services are performed.

Other fees and commission expense relates mainly to transaction and service fees, which are expensed as the services are received.

e. Other operating income

Other operating income comprises other income including gains or losses arising on fair value changes in trading assets and liabilities, derecognised available for sale financial assets, and foreign exchange differences.

f. Foreign currency

Foreign currency transactions are translated into the Bank's functional currency using the exchange rates prevailing at the dates of the transactions. 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.

g. Leases

(i) Classification

Leases that the Bank assumes substantially all the risks and rewards of ownership of the underlying asset are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and present value of the minimum lease payments. Subsequent to initial recognition, the leased asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are classified as operating leases.

(ii) Lease Payments

Payments made under operating leases are charged to the income statement on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Minimum lease payments made under finance leases are apportioned between the finance expense and as reduction of the outstanding lease liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

h. Financial Assets and Liabilities

(i) Categorisation of financial assets and liabilities

The Bank classifies its financial assets in the following categories: financial assets held at fair value through profit or loss; loans and receivables and available-for-sale financial assets. Financial liabilities are classified as either held at fair value through profit or loss, or at amortised cost. Management determines the categorisation of its financial assets and liabilities at initial recognition.

(ii) Financial assets and liabilities held at fair value through profit or loss

This category has two sub-categories: financial assets and liabilities held for trading, and those designated at fair value through profit or loss at inception. A financial asset or liability is classified as trading if acquired principally for the purpose of selling in the short term.

Financial assets and liabilities may be designated at fair value through profit or loss when the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities on a different basis, or a group of financial assets and/or liabilities is managed and its performance evaluated on a fair value basis.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

(iv) Available for sale financial assets

Available-for-sale assets are those non-derivative financial assets that are designated as available for sale or are not classified as financial assets at fair value through profit or loss, loans and receivable and held to maturity.

(v) Financial liabilities measured at amortised cost

This relates to all other liabilities that are not designated at fair value through profit or loss.

(vi) Initial recognition

Purchases and sales of financial assets and liabilities held at fair value through profit or loss, available for sale financial assets and liabilities are recognised on trade- date (the date the Bank commits to purchase or sell the asset). Loans and receivables are recognised when cash is advanced to customers or borrowers.

Financial assets and liabilities are initially recognised at fair value plus directly attributable transaction cost except for those that classified as at fair value through profit or loss.

(vii) Subsequent measurement

Available for sale financial assets are subsequently measured at fair value with the resulting changes recognised in equity. The fair value changes on available for sale financial assets are recycled to the income statement when the underlying asset is sold, matured or derecognised. Financial assets and liabilities classified as at fair value through profit or loss are subsequently measured at fair value with the resulting changes recognised in the income.

Loans and receivables and other liabilities are subsequently carried at amortised cost using the effective interest method, less impairment loss.

(viii). Derecognition

Financial assets are derecognised when the right to receive cash flows from the financial assets has expired or where the Bank has transferred substantially all risks and rewards of ownership. Any interest in the transferred financial assets that is created or retained by the Bank is recognised as a separate asset or liability.

Financial liabilities are derecognised when the contractual obligations are discharged, cancelled or expire.

(ix) Fair value measurement

The determination of fair values of quoted financial assets and financial liabilities in active markets are based on quoted market prices or dealer price quotations. If the market for a financial asset or financial liability is not actively traded or unlisted securities, the Bank establishes fair value by using valuation techniques. These techniques include the use of arms' length transactions, discounted cash flow analysis, and valuation models and techniques commonly used by market participants.

For complex instruments such as swaps, the Bank uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may be derived from market prices or rates or are estimates based on assumptions.

The value produced by a model or other valuation technique may be adjusted to allow for a number of factors as appropriate, because valuation techniques cannot appropriately reflect all factors market participants take into account when entering into a transaction. Management believes that these valuation adjustments are necessary and appropriate to fairly state financial instruments carried at fair value on the balance sheet.

(x) Offsetting

Financial assets and liabilities are set off and the net amount presented in the balance sheet when, and only when, the Bank has a legal right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards, or for gains and losses arising from a group of similar transactions such as in the Bank's trading activity.

(xi) Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

(xii) Identification and measurement of impairment.

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

Objective evidence that financial assets are impaired can include default or delinquency by a borrower, restructuring of a loan and other observable data that suggests adverse changes in the payment status of the borrowers.

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. 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. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised, are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a loan and receivable has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred), 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 recognized in the income statement. If a loan and receivable has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure, less cost 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 credit risk characteristics (i.e. on the basis of the Bank's grading process which considers 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 group of such assets being indicative of the debtors' 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 historical loss experience for assets with credit risk characteristics similar to those in the Bank. Historical loss experience is adjusted on the basis of 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 exist currently.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

Impairment losses on available-for-sale financial assets are recognised by transferring the difference between the amortised acquisition cost and current fair value out of equity to the income statement. When a subsequent event causes the impairment loss on an available for sale financial asset to decrease, the impairment loss is reversed through the income statement. However, any subsequent recovery in the fair value of an impaired available for sale financial asset is recognised directly in equity.

i. Derivative financial instruments

Derivative contracts are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently measured again at their fair value. Fair values may be obtained from quoted market prices in active markets, recent market transactions, and valuation techniques, including discounted cash flow models and option pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The fair value changes in the derivative are recognised in the income statement.

j. Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with central banks and highly liquid financial assets with maturities less than three months. Cash and cash equivalents are carried at amortised cost in the balance sheet.

k. **Investments in securities**

This comprises investments in short-term Government securities and medium term investments in Government and other securities such as treasury bills and bonds. Investments in securities are categorised as available-for-sale financial assets and carried in the balance sheet at fair values.

l. **Loans and receivables**

This is mainly made up of placements and overnight deposits with banks and other financial institutions and loans and advances to customers. Loans and receivables are carried in the balance sheet at amortised cost, i.e. gross receivable less impairment allowance.

m. **Property, plant and equipment**

(i) **Recognition and measurement**

Items of property and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, and any other costs directly attributable to bringing the asset to a working condition for its intended use." Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components)"

(ii) **Subsequent costs**

The cost of replacing part of an item of property or equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Bank and its cost can be measured reliably. The costs of the day-to-day servicing of property and equipment are recognised in the income statement as incurred.

(iii) **Depreciation**

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

Buildings	50 years
Leasehold improvements	life of lease up to 50 years
IT equipment and vehicles	3 - 5 years
Fixtures and fittings	5 - 10 years

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

Gains and losses on disposal of PP&E are determined by comparing proceeds from disposal with the carrying amounts of PP&E and are recognised in the income statement as other income.

n. Intangible assets

(i) Software

Software acquired by the Bank is stated at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on software assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred.

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful life of the software, from the date that it is available for use. The estimated useful life of software is three to five years.

o. Taxation

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

p. Deferred Taxation

Deferred tax is provided using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for the following temporary differences; the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

q. Post balance sheet events

Events subsequent to the balance sheet date are reflected in the financial statements only to the extent that they relate to the year under consideration and the effect is material.

r. Dividend

Dividend income is recognised when the right to receive income is established. Dividend payable is recognized as a liability in the period in which they are declared.

s. Deposits, amounts due to banks and borrowing

This is mainly made up of customer deposit accounts, overnight placements by banks and other financial institutions and medium term borrowings. They are categorised as other financial liabilities carried in the balance sheet at amortised cost.

t. Provisions

A provision is recognised if, as a result of a past event, the Bank has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

u. Financial Guarantees

Financial guarantees are contracts that require the Bank to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are initially recognised at their fair value, and the fair value is amortised over the life of the financial guarantee. The financial guarantees are subsequently carried at the higher of the amortised amount and the present value of any expected payment (when a payment under the guarantee has become probable).

v. Employee Benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement when they are due.

(ii) Defined benefit plans

The Bank's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and any unrecognised past service costs. The discount rate is the yield at the reporting date on a long-dated instrument on the Ghana market. The calculation is performed using the projected unit credit method. Changes in the fair value of the plan liabilities are recognised in the income statement.
Actuarial gains and losses on the plan are recognised in the income statement.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Bank is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Bank has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.
A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Bank has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

w. Impairment on Non-Financial Assets

The carrying amount of the Bank's non-financial assets other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Impairment losses are recognised in the income statement.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

x. Preference and Ordinary Share Capital

(i) Preference share capital

The Bank classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. The Bank's preference shares are irredeemable and non-cumulative with respect to dividend payments. Accordingly, they are presented as a component of stated capital.

(ii) Share issue costs

Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

y. Earnings per share

The Bank presents basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by the number of ordinary shares outstanding during the period. The Bank has no convertible notes and share options which could potentially dilute its EPS and therefore the Bank's Basic and diluted EPS are essentially the same.

z. Segment reporting.

A segment is a distinguishable component of the Bank that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. The Bank's primary format for segment reporting is based on business segments.

aa. Share based payment transactions

Employees of the Bank participate in share based payment transactions with the Bank's parent company. The parent allocates cost to the Bank representing the fair value of the share based payments attributable to the employees of the Bank. The allocated cost is recognised as an expense in each period.

ab. New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2008, and have not been applied in preparing these financial statements. These are disclosed as follows:

- IAS 1 (AC 101) presentation of financial statements becomes mandatory for the Bank's financial reporting period ending 31 December 2009 will require the presentation of all non-owner changes in equity in a single statement of comprehensive income (which will include the current income statement) and owner changes in equity in the statement of changes in equity. Reclassification adjustments and income tax relating to each component of other comprehensive income must be disclosed on the face of the statement of comprehensive income. Currently this component is the available-for-sale fair value gains/losses reserve.

- IFRS 8 Operating Segments introduces the “management approach” to segment reporting. IFRS 8, which becomes mandatory for the Bank's 2009 financial statements, will require the disclosure of segment information based on the internal reports regularly reviewed by the Bank's Chief Operating Decision Maker in order to assess each segment's performance and to allocate resources to them. Currently the Bank presents segment information in respect of its business segments (see note 7). Under the management approach, the Bank will present segment information in respect of Consumer and Wholesale Banking.

- Revised IAS 23 Borrowing Costs removes the option to expense borrowing costs and requires that an entity capitalise borrowing costs directly attributable to the acquisition, construction or production of a Qualifying asset as part of the cost of that asset. The revised IAS 23 will become mandatory for the Bank's 2009 financial statements and will constitute a change in accounting policy for the Bank. In accordance with the transitional provisions the Bank will apply the revised IAS 23 to Qualifying assets for which capitalisation of borrowing costs commences on or after the effective date.

- IAS 27 (AC 132) Consolidated and Separate Financial Statements will become mandatory for the Bank's 2010 financial statements. This amendment relates mainly to accounting for changes in the non-controlling (minority) interest in a subsidiary and the loss of control in a subsidiary:

- Acquisitions of additional non-controlling equity interests after a business combination are accounted for as equity transactions. Disposals of equity interests while retaining control are accounted for as equity transactions.

- Transactions giving rise to a loss of control, through sale or otherwise, will result in a gain or loss being recognised in profit or loss. The gain or loss includes a remeasurement to fair value of any retained equity interest in the investee. The amendments to IAS 27 (AC 132) also require that losses (including negative “other comprehensive income” as detailed in the revised IAS 1 (AC 101)) have to be allocated to the non-controlling interest even if doing so causes the non-controlling interest to be in a deficit position. All these amendments have to be applied prospectively.

This standard is not expected to have any impact on the Bank's financial statements.

- IAS 32 (AC 125) Financial Instruments: Presentation and IAS 1 (AC 101) Presentation of Financial Statements: Puttable Financial Instruments and Obligations Arising on Liquidation will become mandatory for the 31 December 2009 financial statements. This amendment requires certain puttable instruments that meet the definition of a financial liability to be classified as equity if and only if they meet the required conditions. It is not expected to have any impact on the financial statements.

- IFRS2 (AC139) amendment Share based payment: vesting conditions and cancellations will become mandatory for the 31 December 2009 financial statements and applies retrospectively. The amendments apply to equity-settled share-based payment transactions and clarify what are vesting and “non-vesting conditions”. Vesting conditions are now limited to service conditions (as defined in the current IFRS 2 (AC139)) and performance conditions. Non-vesting conditions are conditions that do not determine whether the entity receives the services that entitle the counterparty to a share-based payment are non-vesting conditions. Non-vesting conditions are taken into account in measuring the grant date fair value and thereafter there is no “true-up” for differences between expected and actual outcomes. These changes will have no impact on the Bank's financial statements.

- IFRS 3 (AC 140) Business Combinations will become mandatory for the 31 December 2010 financial statements. This standard requires all future transaction costs relating to business combinations to be expensed and contingent purchase consideration recognised at fair value at acquisition date. For successive share purchases, any gain or loss for the difference between the fair value and the carrying amount of the previously held equity interest in the acquiree must be recognised in profit and loss. It is not expected to have any impact on the Bank's financial statements.

- IFRIC 13 Customer Loyalty Programmes addresses the accounting by entities that operate, or otherwise participate in, customer loyalty programmes for their customers. It relates to customer loyalty programmes under which the customer can redeem credits for awards such as free or discounted goods or services. IFRIC 13 becomes mandatory for the Bank's 2009 financial statements.

4. NON – PERFORMING LOANS RATIO

Percentage of gross non-performing loans ("substandard to loss") to total credit/advances portfolio (gross) is 5% (2007: 4%).

5. CONTINGENT LIABILITIES AND COMMITMENTS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Contingent Liabilities :			
Pending Legal Suits	509	96	15
Commitments for Capital Expenditure			
Under Contract	-	1,950	333
Unsecured Contingent liabilities and Commitments	82,425	102,493	138,498

6. SOCIAL RESPONSIBILITY COST

An amount of GH¢45,266 (2007: GH¢168,590) was spent as part of the social responsibility of the Bank.

7. SEGMENTAL REPORTING

Segmental information is presented in respect of the Bank's business segments. The Bank is organised into two main business segments: Wholesale Banking and Consumer Banking.

8. INTEREST INCOME:

(i) Classification

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Placements and special deposits	13,517	7,010	4,119
Investments securities	31,032	42,094	30,522
Loans and advances	65,853	45,762	41,412
	110,402	94,866	76,053

(ii) Categorisation

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Fiancial assets at fair value through profit and loss:			
Held for trading	6,241	7,494	-
Availuable for sale instruments	24,791	34,601	30,522
Loans and receivables	79,370	52,771	45,531
	110,402	94,866	76,053

Included under interest income on loans and receivable is a total amount of GH¢ Nil (2007: GH¢: Nil) accrued on impaired financial assets.

9. INTEREST EXPENSES

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Current accounts	-	228	197
Time and other deposits	15,274	21,266	10,773
Overnight and call accounts	8,465	4,097	3,561
Borrowings	10,395	5,136	3,818
	34,134	30,727	18,349

Total interest expense on financial liabilities held at amortised cost was GH¢34,134,000 (2007: GH¢30,727,000).

10. NET FEE AND COMMISSION INCOME

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Fee and commission Income	25,915	22,146	21,265
Fee and commission Expense	(3,150)	(3,021)	(2,614)
Net Fee and commission income	22,765	19,125	18,651
(ii) Fee and commission income			
Customer account serving fees	7,715	8,444	7,182
Letters of credit issued	5,610	3,606	3,282
Other	12,590	10,096	10,801
Total fee and commission income	25,915	22,146	21,265
(iii)Fee and commission expense			
Inter -bank transaction fees	(3,150)	(3,021)	(2,614)

The fee and commission income and expense disclosed above are fees other than those included in determining the effective interest rate.

11. OTHER OPERATING INCOME

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Gains on foreign exchange	18,082	9,468	8,554
	18,082	9,468	8,554

12. OTHER INCOME

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Rent	0	6	2
	0	6	2

13. OPERATING EXPENSES

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Staff Cost	33,836	22,923	18,645
Adverting and marketing	542	332	419
Administrative expenses	28,308	18,770	15,817
Training	588	420	306
Depreciation	1,595	1,510	1,127
Directors' emoluments	1,300	1,315	1,315
Auditors' remuneration	70	48	43
Donations and Sponsorship	182	170	94
Others	5,147	2,282	1,975
	71,568	47,770	39,741

14. STAFF COST

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Wages, salaries, bonus and allowances	25,452	19,262	15,697
Social security cost	2,137	1,720	1,427
Pension and retirement benefit	1,221	1,035	287
Other staff cost	1,694	774	1,115
Severance Pay	3,332	132	119
	33,836	22,791	18,645

15. IMPAIRMENT LOSS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Specific impairment	405	1,336	(1,629)
Portfolio impairment	3,047	1,562	177
Recoveries	(1,745)	(1,104)	-
Impairment loss	1,707	1,794	(1,452)

16. FINANCIAL INSTRUMENTS CLASSIFICATION SUMMARY

Financial instruments are classified between four recognition principles: held at fair value through profit or loss (comprising trading and designated), available-for-sale, held-to-maturity and loans and receivables. These categories of financial instruments have been combined for presentation on the face of the balance sheet.

The Bank's classification of its principal financial assets and liabilities are summarised below:

	Notes	Trading GH¢'000	Designated at fair value through prof or Loss GH¢'000	Available for Sale GH¢'000	Loans & Receivable GH¢'000	Total Carrying Amount GH¢'000
Cash and balances with with Bank of Ghana		-	-	-	146,843	146,843
Government securities		15,078	-	137,363	-	152,441
Due from other banks and financial institutions		-	-	-	117,447	117,447
Loans and advances		-	-	-	460,338	460,338
Equity investment		-	-	1,335	-	1,335
Total at 31/12/08		15,078	-	138,698	724,628	878,404
Cash and balances with with Bank of Ghana		-	-	-	97,930	97,930
Government securities		56,119	-	199,623	-	255,742
Due from other banks and financial institutions		-	-	-	80,308	80,308
Loans and advances		-	-	-	287,069	287,069
Equity investment		-	-	100	-	100
Other assets		903	-	-	-	903
Total at 31/12/07		57,022	-	199,723	465,307	722,052
Cash and balances with with Bank of Ghana		-	-	-	55,609	55,609
Government securities		-	-	277,561	-	277,561
Due from other banks and financial institutions		-	-	-	92,993	92,993
Loans and advances		-	-	-	239,918	239,918
Investment in subsidiaries		-	-	100	-	100
Total at 31/12/06		-	-	277,661	388,520	666,181

16. FINANCIAL INSTRUMENTS CLASSIFICATION SUMMARY (CONTD)

	Note	Trading GH¢'000	Designated at fair value through profit or Loss GH¢'000	Financial Liabilities Measured Amortised Cost GH¢'000	at Total Carrying Amount GH¢'000
Customer deposits		-	-	742,290	742,290
Due to other banks and financial institutions		-	-	10,018	10,018
Other liabilities		875	-	-	875
Borrowings		-	-	28,651	28,651
Total at 31/12/08		875	-	780,959	781,834
Customer deposits		-	-	534,840	534,840
Due to other banks and financial institutions		-	-	43,911	43,911
Borrowings		-	-	63,743	63,743
Total at 31/12/07		-	-	642,494	642,494

The fair values of financial assets and liabilities disclosed above, approximates their carrying values.

17. TAXATION

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
(i) Income tax expense			
Current tax	12,070	10,762	12748
Deferred tax	(1,417)	(626)	486
	10,653	10,136	13,234

(ii)**Taxation Payable**

	Balance at 1/1/08 GH¢'000	Payments during the year GH¢'000	Charge for the year GH¢'000	Balance at 31/12/08 GH¢'000
Income Tax:-				
2006	(1,539)	-	-	(1,539)
2007	1,265	(1,525)	193	(67)
2008	-	(11,420)	11,877	457
Capital Gains Tax:-				
2006	814	-	-	814
	540	(12,945)	12,070	(335)
National Reconstruction Levy:-				
2007	954	-261	-	693
	1,494	(13,206)	12,070	358

(iii)Reconciliation of Effective Tax Rate
Analysis of taxation charge in the year:

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
The charge for taxation based upon the profits for the year comprises:			
Current tax on income for the year	11,877	11,371	11549
Adjustments in respect of prior periods	193	(609)	1199
Total current tax	12,070	10,762	12,748
Deferred tax:			
Origination/reversal of temporary differences	(1417)	(626)	486
Tax on profits on ordinary activities	10,653	10,136	13,234
Effective tax rate	24%	23%	28%

The differences are explained below:

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Profit before tax	43,840	43,174	46,622
Tax at 25% (2007:25%)	10,960	10,793	11,655
Non-deductible expenses	1,409	1,073	1,323
Tax exempt revenues	(64)	(223)	(506)
Capital allowances	(428)	(272)	(205)
(Over)/Under provision in previous years	193	(609)	1,198
Deferred tax	(1417)	(626)	486
Other	-	-	(717)
Current tax charge	**10,653**	**10,136**	**13,234**

The income tax for the year is based on a tax rate of 25% on profit before tax. The national reconstruction levy has been abolished since 2006.

The tax liabilities up to 2004 have been agreed with the Internal Revenue Service. The remaining liabilities are subject to the agreement of the Internal Revenue Service

(iv) Tax Recognised Directly in Equity
Current tax credit/charge on available-for-sale assets for the year was Nil (2007: Nil).

18. DEFERRED TAXATION

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Balance at 1 January	2,916	3,931	1,734
Released for the year	(1,417)	(626)	486
Others (Note 33(i))	(601)	(389)	1,711
Balance at 31 December	**898**	**2,916**	**3,931**

(i)Recognised deferred tax assets and liabilities.
Deferred tax assets and liabilities are attributable to the following:

	Assets GH¢000	Liabilities GH¢000	2008 Net GH¢000	Assets GH¢000	Liabilities GH¢000	2007 Net GH¢000
Property and equipment		2,211	2,211	-	2,165	2,165
Portfolio impairment	(761)	-	(761)	(596)	-	(596)
Unrealised gains on trading investments		49	49	-	-	-
Available for sale assets	(601)	-	(601)	-	1,322	1,322
Other liabilities	-	-	-	-	223	223
Provisions	-	-	-	(198)	-	(198)
Net tax (assets)/liabilities	(1,362)	2,260	898	(794)	3,710	2,916

Included in deferred taxes are amounts of GH¢600,750 (2007: GH¢1,322,000) recognised directly in equity in respect of mark to market valuation on available for sale financial assets.

19. CASH AND BALANCES WITH BANK OF GHANA

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Cash on hand	25,974	20,084	7,911
Balances with Bank of Ghana	120,869	77,846	47,698
	146,843	**97,930**	**55,609**

20. INVESTMENT

(i). Short-term government securities (investment)

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Treasury Bills	20,359	850	1,389
Government bonds	16,449	92,911	85,913
	36,808	**93,761**	**87,302**

(ii). Medium-term investment in other securities

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Government bonds	115,633	161,981	190,259
	115,633	**161,981**	**190,259**

(iii) Equity Investment

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Investment in subsidiaries	100	100	-
Visa Inc.	1,235	-	-
	1,335	100	-

Investment in subsidiaries represents the Bank's equity interest in Standard Chartered Investment Services, a wholly owned subsidiary, which was incorporated in 2005.

21. DUE FROM OTHER BANKS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Due from other banks			
Nostro account balances	19,090	17,453	11,415
Items in course of collection	27,054	15,461	18,863
Placement with other banks	71,303	47,394	62,715
	117,447	80,308	92,993

22. LOANS AND ADVANCES

(i) Analysis by type

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Overdrafts	168,424	101,039	98,429
Term loans	304,130	196,539	150,204
Gross loans and advances	472,554	297,578	248,633
Impairment allowance	(12,216)	(10,509)	(8,715)
Net Loans and advances	460,338	287,069	239,918

The above constitutes loans and advances (including credit bills negotiated) to customers and staff.

(ii) Key ratios on Loans and Advances

a) Loan loss provision ratio 3% (2007:4%)

b) Gross- non performing loan ratio is 5% (2007: 4%)

c) Ratio of 50 largest exposure (gross funded and non- funded) to total exposure is 48% (2007:53%).

(iii) Analysis by business segments

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Agriculture, forestry and fishing	11,533	4,321	3,762
Mining and quarrying	5,857	2,586	3,882
Manufacturing	109,315	75,430	73,651
Construction	6,100	7,061	6,924
Electricity, gas and water	4,765	4,414	38,273
Commerce and finance	117,866	63,116	41,532
Transport, storage and communication	4,902	3,962	3,506
Services	22,604	16,944	10,194
Miscellaneous	189,612	119,744	66,909
Gross loans	472,554	297,578	248,633
Impairment allowance	(12,216)	(10,509)	(8,715)
Net loans and advances	460,338	287,069	239,918

(iv) Analysis by type of customer

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Individuals	48,303	17,058	30,298
Private enterprises	364,560	237,674	160,845
Joint private and state enterprises	28,989	17,972	4,287
Public institutions	4,816	4,790	38,289
Staff	25,886	20,084	14,914
Gross loans and advances	472,554	297,578	248,633
Impairment Allowance	(12,216)	(10,509)	(8,715)
Net loans and advances	460,338	287,069	239,918

(V) Movement in the Bank's impairment loss allowance were as follows:

Loans and advances

Balance at 1st January	10,509	8,715	10,167
Increase/(Decrease) in provision	3,452	2,898	1,284
Recoveries of amounts previously written off	(1,745)	(1,104)	(2,736)
Balance at 31st December	12,216	10,509	8,715

23. PROPERTY, PLANT AND EQUIPMENT

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Cost or Valuation			
Assets in course of construction	692	89	82
Leasehold Land and Buildings	11,643	11,559	12,178
Computers	9,493	7,867	7,528
Furniture & Equipment	5,048	4,513	3,340
Motor Vehicles	175	175	175
	27,051	24,203	23,303
Depreciation			
Leasehold Land and Buildings	3,033	2,546	2,280
Computers	7,733	7,191	6,715
Furniture & Equipment	3,127	2,654	2,262
Motor Vehicles	170	156	134
Total Depreciation	14,063	12,547	11,391
Net Book Value	12,988	11,656	11,912

(iii) Operating leases

Non cancellable operating lease rentals are payable as follows:

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Less than one year	469	165	-
Between one and 5 years	223	217	-
More than 5 years	496	410	-
	1,188	792	-

23. (PROFIT)/LOSS ON DISPOSAL OF PROPERTY, PLANT AND EQUIPMENT AROSE AS FOLLOWS:

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Gross value	-	731	2,772
Accumulated depreciation	-	(252)	(2,720)
Net book value	-	479	52
Proceeds of sale	-	(16)	-
Release of provision		(395)	-
Loss on disposal	-	68	52

24. INTANGIBLES

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Cost			
Balance at 1 January	3,008	3,008	3,008
Additions	-	-	
Gross value at 31 December	**3,008**	**3,008**	**3,008**
Amortisation			
Balance at 1 January	2,909	2,808	2,808
Charge for the year	79	101	0
Balance at 31 December	2,988	2,909	2,808
Carrying amount	**20**	**99**	**200**

This relates to the cost of purchased software.

25. OTHER ASSETS ACCOUNTS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Accounts receivable and prepayments	64,924	19,113	13,642
Accrued interest receivable	8,787	9,764	13,594
Others	-	923	-
Impersonal accounts	19,821	11,033	5,482
	93,532	40,833	32,718

26. CUSTOMER DEPOSIT AND CURRENT ACCOUNTS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Current accounts	398,049	284,714	242,517
Time deposit	71,046	38,877	51,925
Savings deposit	188,313	155,366	126,410
Call deposit	84,882	55,883	24,692
	742,290	534,840	445,544
Analysis by type of depositors			
Individuals and other private enterprises	694,169	533,488	444,418
Public enterprises	48,121	1,352	1,126
	742,290	534,840	445,544

27. DUE TO OTHER BANKS AND FINANCIAL INSTITUTIONS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Inter-bank Balance	10,018	40,173	14,000
Nostro account balances	-	3,738	6,780
	10,018	43,911	20,780

28. DIVIDENDS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Ordinary Dividend (2007)	25,513	22,875	20235
Preference Dividend	1,256	1,238	1052
	26,769	24,113	21,287
Payments during the year	(26,769)	(24,113)	(21287)
Balance at 31 December	-	-	-

29. INTEREST PAYABLE AND OTHER LIABILITIES

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Accrued interest payable	3,113	2,131	3,763
Other creditors and accruals	89,845	31,266	39,250
Others	875	-	-
	93,833	33,397	43,013

30. PROVISIONS

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Balance at 1 January	5,042	7394	4,568
Charged to income statement	77,334	12,387	7,453
	82,376	19,781	12,021
Utilised during the year	(62,941)	(14,739)	(4,627)
Balance at 31 December	19,435	5,042	7,394

31. BORROWING

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
Current Borrowing			
Inter-bank market (Intra-Group)	15,239	18,000	67,338
Subordinated Loan (Short Term loan)	13,412	45,743	5,000
	28,651	63,743	72,338

The short -term loan represents borrowing on the local market with interest rates bench marked against the 91-day Treasury Bill rate.

32. CAPITAL AND RESERVES

(i) Reconciliation of movement in capital and reserves

	Share Capital GH'000	Retained earnings GH'000	Statutory Reserves GH'000	Other reserves GH'000
Capital Surplus				
Balance as at 1st January 2008	13,131	41157	26,069	8,037
Total recognised income and expenses	-	33187	-	(7,688)
Transfer (from) / to reserve	-	(4,413)	4,148	265
Dividends to equity holders	-	(26,769)	-	-
Deferred tax	-	-	-	601
	-	-	-	1,736
Balance as at 31st December 2008	**13,131**	**43,162**	**30,217**	**2,951**
Balance as at 1st January 2007	13,131	38,330	21,940	7,235
Total recognised income and expenses	-	33,038	-	(1,556)
Transfer (from) / to reserve	-	(6,098)	4,129	1,969
Dividends to equity holders	-	(24,113)	-	-
Deferred tax	-	-	-	389
Balance as at 31st December 2007	**13,131**	**41,157**	**26,069**	**8,037**
Balance as at 1st January 2006	13,131	32,934	18,096	6,223
Total recognised income and expenses	-	30,748	-	2,502
Transfer (from) / to reserve	-	(4,065)	3,844	221
Dividends to equity holders	-	(21,287)	-	-
Deferred tax	-	-	-	(1,711)
Balance as at 31st December 2006	**13,131**	**38,330**	**21,940**	**7,235**

(ii) Stated capital

	2008 No of Shares '000	Proceeds GH¢000	2007 No of Shares '000	Proceeds GH¢000	2006 No of Shares '000	Proceeds GH¢000
(a) Ordinary Shares						
Authorised						
No. of Ordinary Shares of no par value	100,000		100,000		100000	
Issued and Fully Paid						
Issued for Cash Consideration	4,000	1	4,000	1	4,000	1
Transferred from Income Surplus Account	13,596	4,040	13,596	4,040	13,596	4,040
	17,596	4,041	17,596	4,041	17,596	4,041
(b) Preference Shares						
Issued and Fully Paid						
No. of Preference Shares	17,486	9,090	17,486	9,090	17,486	9,090
Total stated capital		13,131		13,131		13,131

There is no share in treasury and no call or instalment unpaid on any share.
The preference shares are irredeemable and non-cumulative with respect to dividend payments.

(iii) Income surplus (retained earnings)

This represents the residual of cumulative annual profits that are available for distribution to shareholders.

(iv) Statutory reserve

This represents amounts set aside as a non-distributable reserve from annual profits in accordance with section 29 of the Banking Act, 2004 (Act 673).

(v) Other reserves

This comprises marked -to- market gains/losses on available-for-sale investment securities of GH¢2,403,000 (2007: GH¢5,285,000), an amount of GH¢4,339,000 (2007: GH¢4,074,000) set aside from income surplus account to meet the minimum requirements of statutory impairment allowance for non -performing loans and advances, an amount of fair value of Visa Inc. shares donated by SCB of 1,736,000, as well as deferred taxes recognised directly in equity of GH¢601,750 (2007: GH¢1,322,000).

33. RELATED PARTY TRANSACTIONS

The company is a subsidiary of Standard Chartered Holdings (Africa) B.V and its ultimate parent company is Standard Chartered PLC.

(I) **Directors, officers and other employees:**

The following are Loan Balances due from Related Parties:

	2008 GH¢000	2007 GH¢000	2006 GH¢000
Directors	315	425	643
Officers and other Employees	25,571	19,659	14271
	25,886	20,084	14,914

(ii) **Associated companies**

Amounts due from associated companies at the balance sheet dates were as follows:

	2008 GH¢000	2007 GH¢000	2006 GH¢000
Nostros	19,034	17,453	11,312
Inter Bank advances	25,303	47,350	62,715
	44,337	64,803	74,027
Amounts due to associated companies at the Balance sheet date were as follows:			
Short -Term Borrowing	15,238	18,000	67,339
Other Creditors Outstanding	1,528	49,960	9,830
	16,766	67,960	77,169

(iii) Management and technical services fees

The Bank has two agreements with its parent company. Total charges and provisions made in respect of these agreements amounted to GH¢3,760,753 (2007: GH¢3,075,000). The Bank has three (3) new agreements with the Group under the Technology Transfer Regulation (LI1547) of Ghana which are pending registration/approval by the Ghana Investment Promotion Council (GIPC). Recharges accruing under these agreements totalling GH¢4,729,676 have been provided for by management on the basis of prudence.

iv) Share based payments

Included in staff cost is an amount of GH¢1,102,112 (2007: GH¢1,027,413) payable to the Holding company in respect of value of equity settled share based payments allocated to employees of the Bank on a Group arrangement basis.

35. FINANCIAL RISK MANAGEMENT

(i) Introduction and Overview

The Bank has exposure to the following risks from its use of financial instruments:

credit risk;
liquidity risk;
market risks; and
operational risks.

This note presents information about the Bank's exposure to each of the above risks, the Bank's objectives, policies and processes for measuring and managing risk, and the Bank's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Bank's risk management framework. The Board has established the Asset and Liability Management Committee ("ALCO"), the Credit Committee and the Country Operational Risk Group ("CORG"), which are responsible for developing and monitoring the Bank's risk management policies in their specified areas. All these committees include members of executive management 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.

The Bank's Audit Risk Committee ("ARCO") is responsible for monitoring compliance with the Bank's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Bank. This committee is assisted in these functions by a risk management structure in all the units of the Bank which ensures a consistent assessment of risk management controls and procedures.

(ii) Credit Risk

Credit risk management:

Credit risk is the risk of financial loss to the Bank if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Bank's loans and advances to customers and other banks and investment securities.

The Credit Committee ("CC"), a sub-committee of the board has responsibility for credit risk issues. Procedures for managing credit risk are determined at the business levels with specific policies and procedures being adapted to different risk environment and business goals. Risk officers are located in the business to maximise the efficiency of decision making.

The businesses working with the risk offices take responsibility for managing pricing for risk, portfolio diversification and overall asset quality within the requirements of Bank's standards, policies and business strategy.

Wholesale Banking

Within the Wholesale Banking business, a numerical grading system of 1 – 14 with 1 being the highest quality is used for quantifying the risk associated with counterparty. The grading is based on a probability of default measure, with customers analysed against a range of quantitative and qualitative measures. Expected Loss is used for the further assessment of individual exposures and portfolio analysis. There is a clear segregation of duties with loan applications being prepared separately from the approval

Consumer Banking

For consumer banking standard credit application forms are generally used to process and approve loans. As with wholesale banking, origination and approval roles are segregated.

Problem Credit Management and Provisioning

Consumer banking

An account is considered to be in default when payment is not received on the due date. Accounts that are overdue by more than 30 days are considered delinquent. These accounts are closely monitored and subject to a collections process.

The process used for raising provisions is dependent on the product. For mortgages, individual impairment provisions (“IIP”) are generally raised at 150 days past due based on the difference between the outstanding amount of the loan and the present value of the estimated future cash flows. For unsecured products, individual provisions are raised for the entire outstanding amount at 150 days past due. For all products there are certain accounts, such as cases involving bankruptcy, fraud and death, where the loss recognition process is accelerated.

A Portfolio Impairment Provision (“PIP”) is held to cover the inherent risk of losses, which although not identified, are known through experience to be present in the loan portfolio. PIP covers both performing loans and loans overdue for less than 150 days. The provision is set with reference to past experience using flow rate methodology, as well as taking account of judgment factors such as the economic and business environment and the trends in a range of portfolio indicators.

Wholesale banking

In wholesale banking, accounts or portfolios are placed on “Early Alert” when they display signs of weakness. Such accounts and portfolios are subject to a dedicated process with oversight involving senior Risk Officers and Group Special Assets Management (“GSAM”). Account plans are re-evaluated and remedial actions are agreed and monitored until complete. Remedial actions include, but are not limited to, exposure reduction, security enhancement, exit of the account or immediate movement of the account into the control of GSAM, the specialist recovery unit.

Loans are designated as impaired and considered non-performing where recognised weakness indicates that full payment of either interest or principal becomes questionable. Impaired accounts are managed by GSAM, which is independent of the main businesses of the Bank. Where any amount is considered uncollectible, an individual impairment provision is raised, being the difference between the loan carrying amount and the present value of estimated future cash flows. In any decision relating to the raising of provisions, the Bank attempts to balance economic conditions, local knowledge and experience, and the results of independent asset reviews. Where it is considered that there is no realistic prospect of recovering an element of an account against which an impairment provision has been raised, than that amount will be written off.

A portfolio impairment provision is held to cover the inherent risk of losses, which although not identified, are known through experience to be present in any loan portfolio. In wholesale banking, the portfolio impairment provision is set with reference to past experience using loss rates, and judgmental factors such as the economic environment and the trends in key portfolio indicators.

Set out below is an analysis of various credit exposures.

Analysis by credit grade of loans and advances

Loans and Receivables

	2008 GH¢000	2007 GH¢000	2006 GH¢000
Impaired loans			
Individually impaired	29,639	27,261	
Allowance for impairment	(6,781)	(8,121)	
Impaired loans, net of individual provisions	22,858	19,140	5,602
Loans past due but not impaired			
Past due up to 30 days	-	7,057	14,674
Past due 31-60 days	8,637	2,390	5,456
Past due 61-90 days	-	779	2,640
Past due 91-120 days	-	810	1,693
Past due 121-150 days	-	420	751
Past due more than 150 days	-	494	180
	8,637	11,950	25,394
Loans neither past due nor impaired			
Credit grading 1-12 or equivalent	434,278	258,367	209,749
Less: Portfolio impairment provision	(5,435)	(2,388)	(827)
	428,843	255,979	208,922
Total net loans	460,338	287,069	239,918

Analysis of credit concentration risk

The concentration of loans and advances by business segment and customer types are disclosed in Note 22 (iii) and 22 (iv) respectively. Investment securities are held largely in Government instruments.

Maximum credit exposure

At the end of the relevant years, the maximum credit risk exposure of the Bank in the event of other parties failing to perform their obligations is detailed below. No account has been taken of any collateral held and the maximum exposure to loss is considered to be the instruments' balance sheet carrying amount or, for non-derivative off-balance sheet transactions, their contractual nominal amounts.

	2008 GH¢000	2007 GH¢000	2006 GH¢000
Short-term government securities	36,808	93,761	87,302
Placements with other banks	71,303	47,394	62,717
Loans and advances	460,338	287,069	239,918
Unsecured contingent liabilities and commitments	87,391	102,493	138,498
	655,840	530,717	528,435

Fair value of collateral held

The Bank holds collateral against loans and advances to customers in the form of mortgage interests over property, other registered securities over assets, and guarantees. Estimates of fair value are based on the value of collateral assessed at the time of borrowing, and generally are not updated except when a loan is individually assessed as impaired.

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

Loans and receivables

	2008 GH¢000	2007 GH¢000	2006 GH¢000
Against impaired assets	721,517	11,808	2,576
Against past due but not impaired assets	300,107	14,489	31,515
	1,021,624	26,297	34,091

(ii) Liquidity risk

The Bank defines liquidity risk as the risk that the Bank either does not have sufficient financial resources available to meet all its obligations and commitments as they fall due, or can access them only at excessive cost.

It is the policy of the Bank to maintain adequate liquidity at all times, and for all currencies. Hence the Bank aims to be in a position to meet all obligations, to repay depositors, to fulfil commitments to lend and to meet any other commitments.

Liquidity risk management is governed by the Bank's Asset and Liability Management Committee (ALCO), which is chaired by an Executive Director. ALCO is responsible for both statutory and prudential liquidity. These responsibilities include the provision of authorities, policies and procedures.

ALCO has primary responsibility for compliance with regulations and Bank policy and maintaining a liquidity crisis contingency plan.

A substantial portion of the Bank's assets are funded by customer deposits made up of current and savings accounts and other deposits. These customer deposits, which are widely diversified by type and maturity, represent a stable source of funds. Lending is normally funded by liabilities in the same currency.

The Bank also maintains significant levels of marketable securities either for compliance with local statutory requirements or as prudential investments of surplus funds.

ALCO oversees the structural foreign exchange and interest rate exposures that arise within the Bank. These responsibilities are managed through the provision of authorities, policies and procedures that are co-ordinated by ALCO. Compliance with Bank ratios is also monitored by ALCO.

(iii) Market risks

Management of market risk

The Bank recognises market risk as the exposure created by potential changes in market prices and rates, such as interest rates, equity prices and foreign exchange rates. The Bank is exposed to market risk arising principally from customer driven transactions.

Market risk is governed by the Bank's Market Risk unit which is supervised by ALCO, and which agrees policies, procedures and levels of risk appetite in terms of Value at Risk ("VaR"). The unit provides market risk oversight and guidance on policy setting. Policies cover both the trading and non-trading books of the Bank. The non trading book is defined as the Banking book. Limits are proposed by the businesses within the terms of agreed policy.

The unit also approves the limits within delegated authorities and monitors exposures against these limits. Additional limits are placed on specific instruments and currency concentrations where appropriate. Sensitivity measures are used in addition to VaR as risk management tools.

VaR models are back tested against actual results to ensure pre-determined levels of accuracy are maintained. Bank's Market Risk unit complements the VaR measurement by regularly stress testing market risk exposures to highlight potential risks that may arise from extreme market events that are rare but plausible. Stress testing is an integral part of the market risk management framework and considers both historical market events and forward-looking scenarios. Ad hoc scenarios are also prepared reflecting specific market conditions. A consistent stress testing methodology is applied to trading and non-trading books.

Stress scenarios are regularly updated to reflect changes in risk profile and economic events. The unit has responsibility for reviewing stress exposures and, where necessary, enforcing reductions in overall market risk exposure. It also considers stress-testing results as part of its supervision of risk appetite. The stress test methodology assumes that management action would be limited during a stress event, reflecting the decrease in liquidity that often occurs. Contingency plans are in place and can be relied on in place of any liquidity crisis. The Bank also has a liquidity crisis management committee which also monitors the application of its policies.

The Bank has not identified any limitations of the VaR methodology it is currently using.

Foreign Exchange Exposure

The Bank's foreign exchange exposures comprise trading and non-trading foreign currency translation exposures. Foreign exchange exposures are principally derived from customer driven transactions. Concentration of foreign currency denominated assets and liabilities are disclosed in note 36.

Sensitivity analysis

A 5% strengthening of the cedi against the following currencies at 31 December 2008 would have impacted equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2007.

	GH¢'000
31-Dec-08	
USD	(348)
GBP	52
EUR	(57)
Others	454
31-Dec-07	
USD	2,757
GBP	704
EUR	315
Others	1,457

A best case scenario 5% weakening of the cedi against the above currencies at 31 December would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

Interest rate exposure

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 instrument 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 reprising bands. The ALCO is the monitoring body for compliance with these limits and is assisted by the Bank's Market Risk unit in its day-to-day monitoring activities.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Bank's financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in market interest rates.

A change of a 100 basis points in interest rates at the reporting date would have impacted equity and profit or loss by the amounts shown below.

	100 bp Increase GH¢'000	100 bp Decrease GH¢'000
31-Dec-08		
Interest Income impact	1,100	(1100)
Interest Expense impact	(341)	341
Net impact	759	(759)
31-Dec-07		
Interest Income impact	5,184	(5184)
Interest Expense impact	(4270)	4,270
Net impact	914	(914)

(iv) Operational risks

Operational risk is the risk of direct or indirect loss due to an event or action resulting from the failure of internal processes, people and systems, or from external events. The Bank seeks to ensure that key operational risks are managed in a timely and effective manner through a framework of policies, procedures and tools to identify assess, monitor, control and report such risks.

CORG has been established to supervise and direct the management of operational risks across the Bank. CORG is also responsible for ensuring adequate and appropriate policies, procedures are in place for the identification, assessment, monitoring, control and reporting of operational risks.

The CORG is responsible for establishing and maintaining the overall operational risk framework and for monitoring the Bank's key operational risk exposures. This unit is supported by Wholesale Banking and Consumer Banking Operational Risk units. These units are responsible for ensuring compliance with policies and procedures in the business, monitoring key operational risk exposures, and the provisions of guidance to the respective business areas on operational risk.

(v) Compliance and regulatory risk

Compliance and regulatory risk includes the risk of non-compliance with regulatory requirements. The Bank's compliance and regulatory risk function is responsible for establishing and maintaining an appropriate framework of the Bank's compliance policies and procedures. Compliance with such policies and procedures is the responsibility of all managers.

(vi) Capital management

The Central Bank sets and monitors capital requirements for the Bank.

In implementing current capital requirements the Central Bank requires the Bank to maintain a prescribed ratio of total capital to total risk-weighted assets.

The Bank's capital is analysed into two tiers:

Tier 1 capital, which includes ordinary paid up share capital, permanent preference shares and disclosed reserves, after deducting some assets such as investments in capital of other banks and financial institutions.

Tier 2 capital, which includes some reserves such as the element of the fair value reserve relating to unrealised gains on equity instruments classified as available-for-sale.

Various limits are applied to elements of the capital base, and other assets and liabilities are giving various classifications such as claims on government, claims on the central Bank and contingent liabilities and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

The Bank's policy is to maintain a strong capital base so as to maintain investor, and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also taken into consideration, and the Bank recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position.

The Bank has complied with all externally imposed capital requirements throughout the periods.

There have been no material changes in the Bank's management of capital during the periods.

35. CONCENTRATION OF GHANA CEDI EQUIVALENT OF FOREIGN CURRENCY DENOMINATED ASSETS, LIABILITIES AND OFF BALANCE SHEET ITEMS

	USD GH¢000	GBP GH¢000	EUR GH¢000	Others GH¢000	2008 GH¢000	2007 GH¢000	2006 GH¢000
Assets							
Cash and Balances with Bank of Ghana	108,022	1,896	2,274	7,919	120,111	59,934	24,429
Due from other Banks and Financial Institutions	12,658	10,594	2,914	172	26,338	64,848	73,348
Loans and Advances	163,936	3,035	33,073	-	200,044	84,492	88,644
Other Assets	2,644	685	2,421	1,753	7,503	8,072	1,380
Total Assets	287,260	16,210	40,682	9,844	353,996	217,346	187,801
Liabilities							
Customer Deposits	260,767	15,158	41,002	728	317,655	49,971	159,545
Due to other Banks and Financial Institutions	15,239	-	-	-	15,239	-	9,210
Interest Payable and other Liabilities	18,216	17	833	27	19,093	62,710	33,689
Total Liabilities	294,222	15,175	41,835	755	351,987	112,681	202,444
Net-on Balance Sheet Position	(6,962)	1,035	(1,153)	9,089	2,009	104,665	(14,643)
Off-Balance Sheet Credit Commitments	99,615	515	7,115	719	107,964		49,387
At 31 December 2007							
Total Assets	144,026	19,736	23,894	29,690		217,346	187,801
Total Liabilities	(88,873)	(5,645)	(17,603)	(560)		(112,681)	202,444
Net-on Balance Sheet Position	55,153	14,091	6,291	29,130	-	104,665	(14,643)
Off-balance Sheet Credit Commitments	78,686	1,000	11,603	594		91,883	117,592

37. DIRECTORS' SHAREHOLDING

The Director named below held the following number of shares in the Bank as at 31 December 2008:

	2008 GH¢'000	2007 GH¢'000	2006 GH¢'000
<u>Ordinary Shares</u>			
Ishmael Yamson	2,000	2,000	2,000
Henry Gilbert Del	274	274	274
	2,274	2,274	2,274

38. NUMBER OF SHARES IN ISSUE

(i) Dividend and net assets per share

Dividend and net assets per share are based on 17,596,042 (2007: 17,596,042) ordinary shares in issue during the year.

(ii) Basic and diluted earnings per share

The calculation of basic and diluted earnings per share at 31 December 2008 was based on the profit attributable to ordinary shareholders of GH¢33,187,000 (2007: GH¢33,038,000) and 17,596,042 (2007: 17,596,042) shares in issue.

38. NUMBER OF SHAREHOLDERS

The company had 4,780 ordinary and 1,041 preference shareholders at 31 December 2008 distributed as follows:

Ordinary Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	4,438	886,526	5.04
1,001 - 5,000	266	549,899	3.13
5,001 - 10,000	44	332,925	1.89
Over 10,000	32	15,826,692	89.94
	4,780	17,596,042	100

Preference Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	830	304,763	1.74
1,001 - 5,000	156	350,120	2
5,001 - 10,000	25	191,613	1.1
Over 10,000	30	16,639,587	95.16
	1,041	17,486,083	100

The company had 4,751 ordinary and 1,043 preference shareholders at 31 December 2007 distributed as

Ordinary Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	4,413	885,306	5.03
1,001 - 5,000	269	551,107	3.13
5,001 - 10,000	40	304,634	1.73
Over 10,000	29	15,854,995	90.11
	4,751	17,596,042	100

Preference Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	831	304,739	1.74
1,001 - 5,000	156	347,965	1.99
5,001 - 10,000	26	198,108	1.13
Over 10,000	30	16,635,271	95.14
	1,043	17,486,083	100

The company had 4,619 ordinary and 1,022 preference shareholders at 31 December 2006 distributed as follows:

Ordinary Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	4,291	883,738	5.02
1,001 - 5,000	259	536,970	3.05
5,001 - 10,000	43	333,346	1.90
Over 10,000	26	15,841,988	90.03
	4,619	17,596,042	100.00

Preference Shares

Range of shares	Number of Shareholders	Holding	Percentage
1 - 1,000	815	306,641	1.75
1,001 - 5,000	152	343,535	1.97
5,001 - 10,000	27	212,678	1.22
Over 10,000	28	16,619,413	95.06
	1,022	17,482,267	100.00

39. EMPLOYEE BENEFITS

(I) Defined Contribution Plans

(a) Social Security
Under a national pension scheme, the company contributes 12.5% of employee's basic salary to the Social Security and National Insurance Trust (SSNIT) for employee pensions. The Bank's obligation is limited to the relevant contributions, and these have been recognized in the financial statements. The pension liabilities and obligations, however, rest with SSNIT.

(b) Provident Fund
The Bank has a provident fund scheme for staff under which the Bank contributes 7% of staff basic salary. The Bank's obligations under the plan are limited to the relevant contributions and these have been recognised in the financial statements.

(ii) Defined Benefit Scheme

Retired Staff Medical Benefit
The Bank has a scheme to pay the medical cost of some retired staff and their spouses from the date of retirement till death. Under the scheme, the Bank pays the medical cost of eligible persons with a cost cap of GH¢500 per person. The scheme is accounted for as a defined benefit scheme. The total provision carried in the balance sheet in respect of this scheme was GH¢762,516 (2007: GH¢ 791,397). The scheme will be actuarially valued within a period of 3-5 years.

40. COMPARATIVE INFORMATION

The comparative financial information, where considered necessary, have been reclassified to achieve consistency with presentation of current year figures.

41. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The following sets out the Bank's basis of establishing fair values of the financial instruments disclosed under note 16.

Cash and balances at central banks

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using the prevailing money-market rates for debts with a similar credit risk and remaining maturity.

Loans and advances to customers

Loans and advances are net of provisions for impairment. The estimated fair value of loans and advances represents the discounted amount of estimated future cash flows expected to be received. Expected cash flows are discounted at current market rates to determine fair value.

Investment securities

Investment securities with observable market prices, including debt are fair valued using that information. Equity instruments held that do not have observable market data are presented at cost. Debt securities that do not have observable market data are fair valued by either discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity or using quoted market prices for securities with similar credit, maturity and yield characteristics.

Deposits and borrowings

The estimated fair value of deposits with no stated maturity is the amount repayable on demand. The estimated fair value of fixed interest bearing deposits and other borrowings without quoted market prices is based on discounting cash flows using the prevailing market rates for debts with a similar credit risk and remaining maturity.

Debt securities in issue subordinated liabilities and other borrowed funds

The aggregate fair values are calculated based on quoted market prices. For those notes were quoted market prices are not available, a discounted cash flow model is used based on a current market related yield curve appropriate for the remaining term of maturity.

Derivatives

The fair value of derivatives is based on discounted cash flows of using observable market quotes of similar credit risk and maturity.

Deloitte

Deloitte & Touche
Ibex Court , 4 Liberation Road
Dr. Ako Adjei Interchange
P.O. Box GP 453
Accra
Ghana

Tel: +233 (0) 21 775 355, 770559
Fax: +233 (0) 21 775 480
Email: administrator@deloitte-gh.com
www.deloitte.com

The Board of Directors
Standard Chartered Bank Ghana Limited
High Street
P. O. Box 768
Accra

Gentlemen,

STANDARD CHARTERED BANK GHANA LIMITED
INDEPENDENT REPORTING ACCOUNTANTS' REPORT

STATEMENT OF ADJUSTMENTS

Our review of the financial statements for the relevant period did not reveal significant adjustments to warrant restatement of the profit and loss accounts and the balance sheets for the respective years.

The review was for the purpose of our Accountants' Report to be included in the circular by SCBGL.

Yours faithfully,

Deloitte & Touche

3.25 Ratios

Performance Indicators

	2008	2007	2006
Return on total assets (PBT/Total Assets)	4%	6%	7%
Return on ordinary shareholders' funds (PBT/Total shareholders fund)	49%	49%	58%
Operating expenses to Operating income	61%	52%	47%
Total capital to total assets	9%	11%	11%
Non-performing advances to total gross advances	5%	4%	5%
Gross loans and advances to total deposits	64%	56%	56%
Loans and advances to total assets	47%	37%	34%

Financial Ratios

	2008	2007	2006
Net interest income to interest income	69%	68%	76%
Total debt to equity ratio	148%	160%	169%

Asset Quality

	2008	2007	2006
Charge for loan losses / Total gross loans	3%	4%	4%
Non-performing loans / Total gross loans	5%	4%	5%

Liquidity

	2008	2007	2006
Due from Banks / Total assets deposits and inter-bank liabilities	12%	10%	13%

Earnings

	2008	2007	2006
Net income before tax / total assets	4%	6%	7%
Net income before tax / equity	49%	49%	58%
Net interest income / total assets	8%	8%	8%
Interest expense / funding liabilities	4%	5%	3%
Staff costs / Total costs	47%	48%	47%
Depreciation / Total costs	2%	3%	3%

Capital

	2008	2007	2006
Capital Adequacy	12%	13%	17%

4.1 Introduction

In February 2008, the BoG issued a directive to all banks that require a Class 1 License to raise their stated capital to GH¢ 60 million. As a result of this directive foreign owned banks are required to achieve this level of capitalization by the end of December 2009 whilst local banks have until December 2010 to reach GH¢ 25 million and until December 2012 to reach GH¢ 60 million.

In line with SCBGL's strategy and the BoG directives to recapitalize, the shareholders of the Bank authorised the Directors to raise the Bank's stated capital to GH¢ 60 million.

4.2 Standard Chartered Bank Ghana Limited's Overall Strategic Objectives

SCBGL has over 700 people employed in more than 21 strategic locations. The Bank is well positioned to achieve significant growth from opportunities in the Ghanaian market. The Bank aspires to:

- be the core bank to our wholesale banking clients;
- consistently deliver excellent consumer banking service by providing financial solutions which meet our customers' evolving needs; and
- Be the right partner to its regulators and the communities it which it works.

To achieve its goals, the Bank is building its foundation for accelerated growth by:

- Deepening relationships with wholesale banking clients, providing them with a broader range of solutions and services;
- Deepening relationships with consumer banking customers by increasing the average number of products and services bought by each customer; and
- Continuing to drive performance through productivity and engagement.

4.3 Expected Use of Funds

The proceeds from the Offer will enable the Bank to comply with the BoG's directive to recapitalize while strengthening the Bank's working capital as it seeks to increase its growth potential in the wholesale and consumer banking segments.

Exhibit 19 summarizes SCBGL's proposed use of the Offer proceeds:

Use of Funds	Estimated Amount (GH¢ '000)
Trade Loans and Contingents	35,000
Investment in Liquid Assets	12,000
Offer Expenses	1,000
Total	**48,000**

Exhibit 19: Use of Offer Proceeds

Deloitte.

Deloitte & Touche
Ibex Court, 4 Liberation Road
Dr. Ako Adjei Interchange
P.O. Box GP 453
Accra
Ghana

Tel: +233 (0) 21 775 355, 770559
Fax: +233 (0) 21 775 480
Email: administrator@deloitte-gh.com
www.deloitte.com

The Board of Directors
Standard Chartered Bank Ghana Limited
P. O. Box 768
Accra

Gentlemen,

REPORTING ACCOUNTANT'S REPORT ON FORECAST AND PROJECTIONS

We have examined the accounting policies and calculations for the profit forecast and projections of SCBGL for the three years ending 31 December 2011, set out on Pages 84 to 86 of this report in accordance with the Listing Rules of the GSE, The Company's Code, Act 179 and L.I.1728 of the SEC applicable to the examination of prospective financial information. The directors are responsible for the forecast and projections, including the assumptions set out on pages 81 to 83 on which it is based.

The forecasts include results shown by unaudited interim financial statements for the six months to June 30, 2009.

The forecasts and projections have been prepared for inclusion in the Circular for a renounceable rights issue of the Bank. These forecasts and projections have been prepared using a set of assumptions that include hypothetical assumption about future events and management's actions that are not necessarily expected to occur. Consequently, readers are cautioned that these assumptions may not be appropriate for purposes other than described above.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the projections.
In our opinion the forecast financial statements, so far as the accounting policies and calculations are concerned, have been properly compiled on the basis of the assumptions made by the Directors of the Bank, and are presented on a basis consistent with the accounting policies normally adopted by the Bank.
We do not express an opinion as to whether the actual results for the forecast period will approximate the forecast because events and circumstances do not frequently occur as expected, and those differences may be material.

Yours faithfully,

Deloitte & Touche

Partners: F. N. Sackey A. Opuni-Ampong J. Ohemeng

Member of Deloitte Touche Tohmatsu

5.2 *Assumptions*

STANDARD CHARTERED BANK GHANA LIMITED
ASSUMPTIONS UNDERLYING FORECAST AND PROJECTION OF THE FINANCIALS 2009 – 2011

SCBGL's financial projections have been developed on the premise that the Government of Ghana's monetary and fiscal policy will largely be geared towards ensuring macroeconomic stability, development and revenue generation in addition to disciplined government spending. It also takes into consideration that the company will be able to carry out its strategic plan to enable it to grow business in its key target segments.

Some of the material factors that have been taken into consideration as underlying assumptions for the period 2009 to 2011 to formalize the projections include:

- No material regulatory changes - this includes matters relevant to banking, taxation and general business regulation;
- Ghana achieves positive GDP growth;
- Ghana continues to have social stability and deepening democracy; and
- Government of Ghana continues its efforts in addressing the fiscal and current account deficits and declining foreign exchange reserves.

The forecast should be read in conjunction with the disclaimer on page 1 of this Circular.

Interest Income and Earning Assets
SCBGL expects interest income to increase by 25% between 2008 and 2009 having restructured its balance sheet in 2008 to ensure appropriate pricing for risk and cost of funds. At the end of June 2009, SCBGL reported interest income was GH¢66.6 million, representing 48% of the projected interest income. It is expected that the remaining 52% of the projected interest income will be generated in the second half of the year in line with the observed trend in the past, and as asset volumes build up.

In 2010 and 2011, as interest rates and inflation ease downwards, interest income is expected to increase by 18% and 16% respectively.

Interest income is expected to be driven by income from investments in Government securities and bonds, interest from corporate loans and advances and consumer loans and advances.

1. Investments in Government Securities and Bonds
Income from investment in Government securities and bonds is expected to grow by 25% between 2008 and 2009. By the end of June 2009, 53% of the projected income for 2009 has been achieved. The remaining 47% is expected to be achieved during the second half of the year.

In 2010 and 2011, income from these instruments is expected to grow by 16% and 14% respectively. This growth will be supported by 15% and 12% growth in volumes.

2. Corporate Loans and Advances
Income from corporate loans and advances is expected to increase by 25% between 2008 and 2009. 59% of the projected income from corporate loans and advances has already been achieved in the first half of the year. It is expected that the remaining 41% will be achieved in the second half of the year.

The projected growth of 20% and 17% in corporate loans and advances for 2010 and 2011 respectively, is expected to drive the income growth of 32% and 30% as the increased capital enables the Bank do bigger deals. We are also positioning ourselves to take advantage of the opportunities in the emerging oil sector.

3. Consumer Loans and Advances

Interest income from consumer loans and advances is projected to increase by 25% in 2009 compared to 2008. At the end of June 2009, 43% of the projected interest income has been achieved. It is expected that as interest rates come down in the second half of the year, asset volumes will pick up, and the remaining 57% of the projected income will be achieved.

For 2010 and 2011, projected growth in interest income from consumer loans and advances is expected to increase by 15% and 13% respectively. Total consumer loans and advances are expected to grow by 11% and 8% in 2010 and 2011 respectively. The products expected to drive this growth strategy are loans for SME, unsecured loans and instalment loans.

Interest Expense and Interest Bearing Liabilities

Interest expense is expected to increase by 24% between 2008 and 2009. 38% of this projected increase has been achieved in the first half of the year. As competition pressures plus market dynamics continue to increase cost of funds, the remaining 62% will be achieved in the second half of the year with the expected growth in liabilities.

In 2010 and 2011, as demand for wholesale deposits reduces as a result of the increased capital, interest expense is projected to increase by 17% and 15% respectively.
Interest expense will continue to be driven by volume growth in individual and SME deposits, corporate deposits and other borrowings.

1. Individual and SME Deposits

Between 2008 and 2009, interest expense on individual and SME deposits is expected to increase by 26%. 57% of this has been incurred at the end of the first half of the year, and the remaining 43% will be incurred during the second half of the year. In 2010 and 2011 as the Bank continues to pay competitive interest rates and as consumer deposit increases by 10% and 8% respectively, interest expense is projected to increase by 16% and 14%.

2. Corporate Deposits and Other Borrowings

Corporate deposits are made up of fixed deposits and call accounts. These products are price sensitive, they will therefore by priced at a premium to attract more of such deposits.
Between 2008 and 2009, interest expense on corporate deposits and other borrowings is expected to increase by 23%. 32% of this projection has been incurred at the end of June 2009. The remaining 68% will be incurred during the second half of the year. As proceeds from the Offer are put to work, the need for other borrowings will reduce as well as its associated interest expense.

In 2010 and 2011, interest expense on corporate deposits and other borrowings will increase by 17% and 15% respectively, with volume growth of 10% and 8%.

Non-interest income

Management has made a strategic decision to increase the proportion of non-interest in our income mix. This is to reduce the variability in interest income as interest rates move up and down. Non-interest income is therefore expected to increase by 34% in 2009. 69% of this projection has been achieved as at the end of June 2009. The remaining 31% is expected to be achieved in the second half of the year.

In 2010 and 2011, non-interest income is expected to grow by 20% and 19% in line with the expected increase in the volume of transactions.
Non-interest income is principally made up of forex revenue, trade fees and Commission on Turnover ("COT").

1. Forex revenue

Forex revenue for 2009 is expected to increase by 51% and 50% of this projection has been achieved at the end of June 2009. The remaining 50% is expected to be achieved in the second half of the year as business activity picks up towards the festive season.

In 2010 and 2011, forex revenue is expected to increase by 18% and 17% respectively as we position ourselves to take advantage of opportunities in the oil sector.

2. Trade fees and commission on turnover

Trade fees and COT is expected to increase by 20% in 2009. Already 87% of this year's projections have been achieved in the first half of the year. The remaining 13% is expected to be achieved during the second half of the year.

In 2010 and 2011, trade fees and COT is expected to increase by 22% and 20% respectively as Consumer Banking grows its trade business with the SMEs and transaction volume also increases.

Operating Expenses

Included in operating expenses for 2008 are one-off costs totalling approximately GH¢8 million which will not be repeated in 2009. Operating expenses are expected to increase marginally by 3% between 2008 and 2009. However, discounting the one-off costs, the real increase is 16%. 56% of this projection has been incurred during the first half of the year. Operating expenses are principally made up of staff costs, premises and equipment costs and other cost of operations such as communication, advertising, stationery etc.

In 2010 and 2011, operating expenses are expected to grow by 15% and 13% respectively in line with inflation. The key components of operating expenses are:

1. Staff costs

Staff costs are made up of salaries, social security contributions, training, medical expenses, etc. In 2009, staff costs are expected to increase by 3%.

In 2010 and 2011, staff costs are expected to increase by an average of 18% as salaries are aligned to the market.

2. Premises and Equipment costs

Premises costs are made up of depreciation for landed property, utilities, cost of security, etc, whilst equipment costs includes depreciation for office equipment, motor vehicles, furniture and fittings, etc. Premises and equipment costs are expected to increase marginally by 3% in 2009. 46% of this projected expenditure has been incurred at the end of the first half of the year. The remaining 54% will be incurred during the second half of the year.

Projected growth in 2010 and 2011 is 12% and 10% respectively.

3. Other costs

Other costs are made up of cost of operations such as telephone and fax, advertising, travelling, stationery, etc. For 2009, other costs were projected to increase marginally by 3%. 63% of this projection has been incurred in the first half, which includes a one-off expenditure on a systems upgrade. The remaining 37% will be incurred during the second half of the year.

Increases in 2010 and 2011 are expected to average 10%.

5.3 Consolidated Financial Projections

STANDARD CHARTERED BANK GHANA LIMITED

FORECASTS AND PROJECTIONS
PROFIT AND LOSS ACCOUNT FOR THE FOUR YEARS TO 31ST DECEMBER 2011

	Actual June '09 GH¢'000	2009 GH¢'000	2010 GH¢'000	2011 GH¢'000
Interest income	66,616	138,003	162,783	189,379
Interest expense	(16,170)	(42,203)	(49,276)	(56,549)
Net interest income	**50,446**	**95,800**	**113,507**	**132,830**
Non-interest income	37,589	54,600	65,634	77,792
Net Revenue	**88,035**	**150,400**	**179,141**	**210,622**
Operating expenses	(40,994)	(73,800)	(84,870)	(95,903)
Operating profit before impairment loss and taxation	**47,041**	**76,600**	**94,271**	**114,719**
Loan Impairment	(6,065)			
Credit /(charge) for bad and doubtful debts		(13,100)	(15,603)	(17,943)
Operating Profit	**40,976**	**63,500**	**78,668**	**96,776**
Taxation	(10,244)	(15,875)	(19,667)	(24,194)
Profit after taxation	**30,732**	**47,625**	**59,001**	**72,582**
Transfer to Statutory Reserve Fund		(11,906)	(14,750)	(18,145)
Retained Profit		35,719	44,251	54,436

BALANCE SHEET FOR THE FOUR YEARS TO 31ST DECEMBER 2011

	Actual June 2009 GH¢'000	2009 GH¢'000	2010 GH¢'000	2011 GH¢'000
Assets				
Cash	209,207	207,723	196,877	198,846
Government securities	32,840	198,173	227,899	255,247
Due from other banks and financial institutions	82,398	119,796	117,006	122,856
Loans and advances	475,916	578,389	680,358	782,412
Other assets	233,277	28,605	27,294	25,610
Total assets	**1,033,638**	**1,132,686**	**1,249,435**	**1,384,972**
Equity and liabilities				
Customer deposits	760,378	801,634	881,797	952,341
Due to other banks and financial institutions	30,930	30,054	40,863	42,089
Borrowing	-	-	-	-
Other liabilities	142,620	133,822	121,169	138,015
Total Liabilities	**933,928**	**965,510**	**1,043,829**	**1,132,445**
Equity				
Stated capital	13,131	60,000	60,000	60,000
Income surplus	46,187	61,748	85,031	113,362
Statutory reserve	30,217	42,123	56,873	75,019
Other reserves	10,175	3,305	3,702	4,146
Shareholders' funds	**99,710**	**167,177**	**205,606**	**252,527**
Total liabilities and shareholders' funds	**1,033,638**	**1,132,686**	**1,249,435**	**1,384,971**

CASHFLOW STATEMENT FOR THE THREE YEARS TO 31st DECEMBER 2011

	2009 GH¢'000	2010 GH¢'000	2011 GH¢'000
Profit before tax for the period	63,500	78,668	96,776
Adjustments for:			
Depreciation and amortisation	1,758	1,850	2,120
Net interest income	(95,800)	(113,507)	(132,830)
	(30,542)	**(32,989)**	**(33,935)**
Change in investment	(45,732)	(29,726)	(27,348)
Change in loans and advances	(118,051)	(101,970)	(102,054)
Change in other assets	80,770	4,811	5,434
Change in customer deposits	59,343	80,163	70,544
Change in amounts due to other banks	14,663	10,809	1,226
Change in interest payable, other liabilities and provisions	35,173	644	33,316
Change in borrowing	(28,651)	-	-
Interest income	138,003	162,783	189,379
Interest expense	(42,203)	(49,276)	(56,549)
	62,774	**45,250**	**80,014**
Income tax paid	(15,875)	(19,667)	(24,194)
Net cash used from operating activities	**46,899**	**25,583**	**55,820**
Cash flows from investing activities			
Purchase of property and equipment	(3,250)	(3,500)	(3,750)
Proceeds from sale of investment	1,750	-	-
Net cash used in investing activities	**(1,500)**	**(3,500)**	**(3,750)**
Cash flows from financing activities			
Dividends paid	(29,039)	(35,719)	(44,251)
Proceeds from rights issue	46,869	-	-
Net cash used in financing activities	**17,830**	**(35,719)**	**(44,251)**
Net increase in cash and cash equivalents	**63,229**	**(13,636)**	**7,819**
Analysis of changes in cash and cash equivalents during the year			
Cash and cash equivalents at 1 January	264,290	327,519	313,883
Net increase in cash and cash equivalents	63,229	(13,636)	7,819
Cash and cash equivalents at 31 December	**327,519**	**313,883**	**321,702**
Analysis of cash and cash equivalents during the year			
Cash and balances with Bank of Ghana	207,723	196,877	198,846
Balances with other banks	119,796	117,006	122,856
	327,519	**313,883**	**321,702**

6.1 Overview of the Ghana Stock Exchange

The GSE was incorporated as a company limited by guarantee in July 1989 with trading commencing two years later on November 12, 1990. The GSE is governed by a thirteen (13) member Council which represents the Licensed Dealing Members (LDMs), listed companies, banks, money market institutions, insurance companies and the general public. The operations of the GSE are regulated by the SEC. Criteria for listing on the GSE include capital adequacy, profitability, spread of shares, years of existence and management efficiency.

6.2 Developments and Trends

The GSE started operating with 11 listed companies; the list increased to 26 listed stocks, 4 corporate bonds and 22 government bonds. As of October 2009, the Exchange had 35 listed equities, 2 corporate bonds and a number of Government securities. The year 2008 saw the listing of three new equities on the First Official List of the GSE and two rights issues. SIC Insurance Company Limited, UT Financial Services Limited and Golden Star Resources Limited were listed onto the bourse while HFC Bank (Ghana) Limited and Ecobank Transnational Corporation conducted rights issues. The latter went to the market with the nation's first hybrid offer.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed permitting the issue by a company of uncertificated or dematerialised shares where its shareholders and board of directors have authorised this. The passing of the law paved the way for the Exchange to achieve several milestones in its development. These milestones include:

- The completion of the Automated Trading System Project;
- The incorporation and operation of the GSE Securities Depository Company Ltd;
- The installation of a Clearing and Settlement System; and
- The establishment of a Clearing House.

The first of the milestones was part of the Government of Ghana's Economic Management and Capacity Building (EMCB) Project, which provided funding for it.

6.3 Performance of the GSE

The GSE has performed well over the last five years, except for 2005. The bourse's benchmark index, the All Share Index, returned an all time high of 155% in 2003. This strong growth continued in 2004, driven by four new listings, two rights issues and two bonus issues including the initial public offerings ("IPOs") of CAL Bank and Benso Oil Palm Plantation, which were oversubscribed by 342% and 144% respectively. The GSE All Share Index increased by 91% to 6,799 points in 2004 but dipped by 30% in the following year.

The bourse started its recovery in 2006 following the listings of Ecobank Transnational Incorporated, Ecobank Ghana, Ayrton Drugs and Transol which pushed the equities component of the market up by 22% resulting in a market capitalization of GH¢ 11 billion by the end of 2006. The market continued its recovery in 2007 with a 32% gain, driven by a rights issue for Ghana Commercial Bank in the first half of the year and three IPOs in the second half. Generally driven by strong operating results of listed companies, the impressive growth in the GSE All Share Index continued through 2008, posting a 58.1% gain for the year. However, market prices began to decline at the beginning of 2009 as a result of weak fundamentals, overselling by foreign shareholders and some profit taking. In the first quarter of 2009, the benchmark index dipped 11.4% compared to a gain of 18.9% in the same period of the previous year. As of the date of this Circular, the benchmark index had fallen by 47.2%. Below is a summary of the GSE's performance since 2003 to 28th October 2009.[5]

[5] Source: IC Securities Research

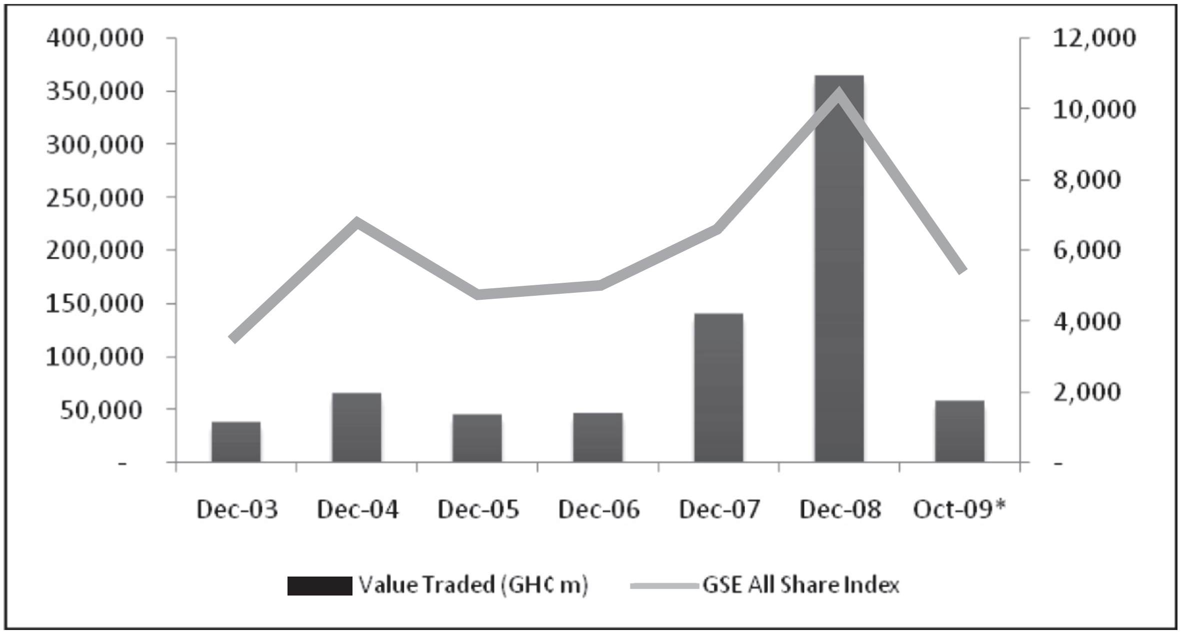

Exhibit 20: Summary of GSE performance [6]

	Dec-08	Dec-07	Dec-06	Dec-05	Dec-04	Dec-03
GSE All Share Index	10,431.6	6,599.8	5,006.0	4,769.0	6,798.6	3,553.4
GSE All Share Index (y-o-y)	58.1%	31.5%	5.0%	-29.9%	91.3%	154.7%
Market Capitalisation (GH¢ million)	17,844	12,370	11,250	9,186	9,761	1,262
Value Traded (GH¢ million)	380,170,327	140,710,000	47,599,000	46,436,000	65,590,000	38,930,000
Volume Traded	544,024,105	287,221,700	98,285,000	814,000,000	104,349,300	96,330,000
Average Daily Value	1,532,947	569,576	192,709	239,361	425,909	252,792
Average Daily Volume	2,193,646	1,162,841	397,919	419,588	677,593	625,519
Sources: GSE Factbook 2008, IC Securities Research						

Exhibit 21: Statistical summary of the GSE

6.4 Outlook

The GSE has recently experienced some level of correction as stock prices have retreated to levels that reflect their fundamentals and the necessity for many institutional shareholders to liquidate their respective positions. The fall in stock prices should attract bargain hunters who are looking to profit from a bottomed out market. The introduction of the automated trading system should also improve the efficiency of the market and increase trading volumes. These factors coupled with new listings expected from the banking and insurance sectors, where firms are expected to increase their capital, are expected to increase activity on the bourse in the near term.

[6] Source: IC Securities Research

7.1 Application

A Qualifying Applicant is any natural person who is 18 years or over, or a corporation, partnership or other unincorporated associations who are resident/incorporated in Ghana or some other state, or country (and including a Qualifying SCBGL Shareholder) provided that the offer to and acceptance by such an applicant of this Offer is not in contravention of the laws of either that state or country.

Qualifying Shareholders

Qualifying SCBGL Shareholders are entitled to subscribe to one (1) new ordinary share for every 10.6309 ordinary shares registered in their name as at the close of business on 4th November 2009 under this Offer.

Qualifying Shareholders may take any one of the following actions under this Offer:

a) **Fully subscribe to their Rights under this Offer**: Qualifying SCBGL Shareholders complete the Application Form and pay for their entire allocation under this Offer, returning same to the Receiving Agents not later than 5 pm on 1st December 2009.

   Qualifying SCBGL Shareholders exercising this option must complete Section A of the Application Form, in accordance with the instructions set out under the enclosed Guide to Completing the Application.

b) **Fully subscribe for their Rights AND apply for additional shares outside of what they are entitled to under the Offer**: In addition to 1a above, Qualifying SCBGL Shareholders may apply to subscribe to additional shares (extra shares above what they are entitled to under this Offer) and pay for such additional shares, returning the duly completed Application Form and payment covering both their Rights and additional shares applied for to the Receiving Agents not later than 5 pm 1st December 2009.

   Qualifying Shareholders choosing this option must complete Section A of the Application Form, in accordance with the instructions set out under the enclosed Guide to Completing the Application.

c) **Partially subscribe to their Rights only**: Qualifying SCBGL Shareholders may apply for only part of the shares they are entitled to under this Offer and return the duly completed Application Form together with payment to the Receiving Agents not later than 5 pm on 1st December 2009. Qualifying SCBGL Shareholders may take no further action on their remaining Rights under the Offer and empower the Directors of the Bank to allot such unsubscribed portion of their Rights as the Directors deem fit.

   Qualifying Shareholders must complete Sections A and B of the Application Form, in accordance with the instructions set out under the Guide to Completing the Application Form.

d) **Partially subscribe to their Rights under the Offer and renounce their unsubscribed Rights in favour of Qualifying third parties, who may or may not be shareholders of SCBGL (Renouncees)**: Qualifying SCBGL Shareholders may apply for only part of the shares they are entitled to under this Offer, renouncing the remainder of their Rights in favour of Qualifying third parties who now have to apply for and pay for those shares. The Application Form completed by both the Qualifying Shareholder and the Renouncee, together with payment for the shares must be returned to the Receiving Agents not later than 5 pm on 1st December 2009.

   Qualifying SCBGL Shareholders choosing this option must complete Sections A and B, whilst each named Renouncee must complete a copy of Section C of the Application Form in accordance with the instructions set out under the Guide to Completing the Application.

Should Qualifying SCBGL Shareholders desire to renounce the remainder of their Rights in favour of more than one person, they should state the number of shares to be allotted to each Renouncee on a separate row in Section B of the Application Form. The completed Sections A, B and C of the Application Form together with payment for all shares applied for should then be lodged with the Receiving Agents not later than 5 pm on 1st December 2009.

e) **Renounce all their Rights in favour of qualifying third parties, who may or may not be shareholders of SCBGL**: Qualifying SCBGL Shareholders may decide not to partake in the Offer and may renounce all their Rights under this Offer in favour of Renouncees who may or may not be shareholders of SCBGL. The Renouncees must complete and return the Application Form together with payment for the shares being applied for to the Receiving Agents not later than 5 pm on 1st December 2009.

Qualifying SCBGL Shareholders choosing this option must complete Sections A and B, whilst each named Renouncee under Section B must complete a copy of Section C of the Application Form in accordance with the instructions set out under the Guide to Completing the Application Form.

Should Qualifying SCBGL Shareholders want to renounce their Rights in favour of more than one person, they should state the number of shares to be allotted to each Renouncee on a separate row in Section B of the Application Form.

f) **Take no action**: Qualifying SCBGL Shareholders who choose not to apply for shares under this Offer, or who fail to make payment for the shares they have applied for under this Offer, or who fail to meet the deadline of 5 pm on 1st December 2009 for returning the Application Form and making payment to the Receiving Agents, may be deemed to have not taken any action under this Offer. Qualifying SCBGL Shareholders who take no action under these terms empower the Directors of the Bank to allot such unsubscribed Rights as the Directors deem fit.

7.2 Offer to Purchase Shares

a) As an applicant, you offer to subscribe to the number of shares indicated on your Application Form under the terms and conditions of this Offer and on the basis of the information set out in this Document and subject to the Regulations of SCBGL.

b) You agree that your application to acquire shares cannot be revoked after 1st December 2009 or such later date as the Directors and Advisors may agree, and promise that any cheque, banker's draft or money or postal order will be honoured on first presentation and that this paragraph constitutes an agreement between you and SCBGL. It becomes binding when your application is posted, or in the case of delivery by hand, received by the Receiving Agents. However, the Bank will not be held liable if you use a wrong address in posting. You must pay all bank commissions, transfers and other bank charges related to your application.

c) A thumbprint on an Application Form will be accepted instead of a signature thereon only if it is duly certified in accordance with the Laws of Ghana.

d) If your Application Form is not completed correctly or is amended, or if any cheque, banker's draft, money or postal order is found to be less than the amount stated on your Application Form, it may still be treated as valid. In such case, the Bank's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having applied to purchase a number of shares which, when multiplied by the offer price, gives a value greater than the amount remitted.

e) An application may be rejected in whole or in part at the discretion of the Advisors and Management of SCBGL if the application is incomplete or illegible, or if it is determined that the applicant is not eligible to participate in this offer.

7.3 Acceptance of the Offer

a) Acceptance of your offer will be made (if your application is received, valid, processed and not rejected) by notifying the SEC and GSE of the basis of allocation and by notifying acceptance to the Receiving Agents.

b) Acceptance of your offer may be of the whole or any part thereof.

c) If your application to purchase shares is accepted (in whole or in part), there will be a binding contract under which you will be required to purchase the shares in respect of which your application has been accepted.

7.4 Payment for Shares

a) You undertake to pay the purchase price of the shares in respect of which your application is accepted. The cheque or banker's draft or other remittances may be presented for payment before acceptance of your application, but this will not constitute acceptance of your application, either in whole or in part.

b) In the case of excess applications, if your application is invalid, rejected or not accepted in full, or if the amount of the application divided by the offer price does not result in a whole number of shares, the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded to you without interest.

c) If the remittances are not honoured on first presentation, then at any time until the Bank has received cleared funds in respect of your application, the Advisors, on behalf of SCBGL may terminate the agreement to purchase that share. The termination will be effected by notifying the Receiving Agent whom you submitted your application to.

7.5 Renunciation

a) The right to subscribe to the shares under the Offer may be renounced in whole or in part only by completing the Application Form in accordance with the instructions therein, or by taking no action.

b) Qualifying SCBGL Shareholders, who wish to purchase some of their Rights and to renounce the remainder in favour of a different person or persons, may complete Sections A and B of the Application Form in accordance with the instructions provided in the Guide to Completing the Application Form.

The Application Form must then be lodged with any of the Receiving Agents, together with payment for the shares to be received not later than 5 pm on 1st December 2009.

7.6 Procedure in Respect of Rights not Taken up or Renounced

If a properly completed Application Form and payment in full is not received by 5 pm 1st December 2009 the Rights will be deemed to have been declined by the shareholders. These shares will then be available to shareholders applying for extra shares under the Offer.

In respect of applications for unsubscribed shares all duly completed applications from Qualifying SCBGL Shareholders and Renouncees for any unsubscribed shares will be satisfied. Provided however that if applications for extra shares are more than the available number of unsubscribed shares under the Offer, the directors of SCBGL may allocate fewer extra shares than applied for by each applicant, on the basis of a pro-rata allotment.

7.7 Warranties

You warrant that:

a) You are qualified to apply;

b) The applicant on whose behalf you are applying is qualified to apply;

c) You will submit a completed application including all supporting documents required under the terms of this offer;

d) In making your application you are not relying on any information or representation concerning the Bank not contained in this document. You agree that no person responsible for this document or any part of it will have liability for any such other information or representation;

e) If any person signing, or making a thumb print on the Application Form is not the applicant, that person warrants that he/she has authority to do so on behalf of the applicant and that this authority is vested in him or her;

f) If the applicant is other than a natural person, the person signing the Application Form warrants that he/she has authority to do so on behalf of the applicant.

7.8 Supply and Disclosure of Information

The Bank, Directors, Advisors and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application and its processing. If the Directors or their agents request any information about your application you must promptly disclose it to them.

7.9 Listing of New Ordinary Shares

The GSE has granted permission to list up to 1,655,172 new SCBGL shares to be issued under the Offer on the First Official List of the GSE, in addition to the existing 17,596,042 ordinary shares listed. It is expected that dealings in the additional shares will commence alongside the existing shares on the GSE by 16th December 2009.

7.10 Issued Shares

Shares in respect of the new ordinary shares to be issued pursuant to the Offer will be deposited into the applicant's depository account by 11th December 2009.

Letters of Entitlement will be issued to those shareholders who do not hold a securities depository account, by 11th December 2009.

7.11 Implications of Dematerialised Securities

All Qualifying Shareholders will receive letters of allotment indicating how many shares they are entitled to under this Offer.

Shareholders with GSE depository accounts upon successfully exercising their Rights after the offer will have their accounts credited with their new shares.

Shareholders without GSE depository accounts can use their letters of allotment to open GSE depository accounts at the offices of the Receiving Agents to the offer. Upon successfully exercising their Rights, these shareholders will have their accounts credited with their new shares.

Shareholders who do not have GSE depository accounts and fail to open an account during the offer period will be issued with letters of entitlement at the close of the offer. These shareholders can use these letters to open GSE depository accounts at any licensed broker in Ghana.

7.12 Exchange Controls

Exchange control is currently governed by the Foreign Exchange Act 2006, Act 723 which legalises payments in foreign currency to and from Ghana between residents and non-residents and between non-residents made through banks. Furthermore, under BoG Notice BG/GOV/SEC/2007/3 there are no restrictions on the purchase of capital market instruments by non-residents save as stated in 7.13 below.

7.13 Restrictions on Ownership in Banks

The Banking Act imposes certain restrictions on the acquisition and disposal of shares in a bank. Under section 34 of the Banking Act, notification to and the prior approval of the Bank of Ghana is required for a direct or indirect acquisition and the sale or disposal of a "significant shareholding" in a bank. A "significant shareholding" is "a direct or indirect holding in a bank which represents 10% or more of the capital or of the voting right[s]' or which makes it possible to exercise a significant influence over the management of a bank."

Further under section 35 of the Banking Act, the Bank of Ghana may disapprove a proposed transfer of shares in the interest of sound and prudent management of a bank by preventing:

(a) acquisition of shares by a person who, in the opinion of the Bank of Ghana, may exercise influence to the detriment of that bank;

(b) the sale or disposal of shares by a promoter or a director, or a person who has a controlling interest which could be detrimental to that bank, or

(c) a transaction in any other situation in which the Bank of Ghana has reason to believe that the transaction will be detrimental to that bank.

7.14 Taxation

The following information on Ghanaian tax law is relevant for the Offer:

a) Withholding Tax on Dividend

Under current Ghanaian tax law, all dividend payments are subject to a dividend withholding tax of 8%. No further tax is payable on dividends received.

b) Capital Gains

The securities of a company listed on the GSE are currently exempt from capital gains tax in Ghana until 2010. No capital gains tax would therefore be payable on any realisation of capital gain from the sale of shares in SCBGL up to November 2010.

c) Stamp Duty

Under the Stamp Duty Act, 2005 (Act 689), a transfer of shares is exempt from stamp duty.

d) Corporate Tax

The Issuer is subject to corporate income tax of 25%.

The information provided under this section or elsewhere in this Circular is not intended to be professional advice on the tax consequences of purchasing any shares under the Offer. Persons intending to purchase shares under the Offer are advised to seek professional tax advice as to tax obligations relating to investing in the shares issued under the Offer.

IC SECURITIES (GHANA) LIMITED
2, 2nd Ridge Link, North Ridge, Accra
Postal Address: PMB GP 104, Accra
Telephone No: +233 21 252 621
Facsimile No: +233 21 252 517
Email: andrew.sackey@icsecurities.com
Website: www.icsecurities.com

STANDARD CHARTERED BANK GHANA LIMITED BRANCHES

ABEKA
Accra Meacham House
Abeka
P. O. Box 768
Phone: +233 21 7011077
Fax: +233 21 238338

ACCRA HIGH STREET
Accra Ground Floor
Head Office Building,
High Street
P.O . Box 59
Phone: +233 21 664591-8
Fax: +233 21 667751

DANSOMAN
Opposite The Comm. Mkt.
P.O . Box DC 215
Phone: +233 21 308186

HARPER ROAD
Kumasi Central Post Office
Harper Road
P.O . Box 1930
Phone: +233 51 24234-6
Fax: +233 51 23674

KEJETIA
Kumasi Former Unicorn House
Kejetia
P.O . Box 563
Phone: +233 51 23878
Fax: +233 51 26527

KORLE DUDOR
Accra Galloway
Ayalolo
P.O . Box 2328
Phone: +233 21 666885
Fax: +233 21 666660

LEGON
Legon near University
Bookshop, Legon Campus
P.O . Box 16
Phone: +233 21 500297
Fax: +233 21 501198

LIBERATION ROAD
Opp. TUC Building
Accra
PMB TUC
Phone: +233 21 666956
Fax: +233 21 543294

OBUASI
Obuasi AGC Main Gate,
Obuasi
P.O . Box 163
Phone: +233 58 240259
Fax: +233 58 240402

OPEIBEA HOUSE
Airport Accra, Liberation Road
Opeibea House
P.O . Box 9031
Phone: +233 21 774195
Fax: +233 21 774195

OSU
Adjacent to Frankies Restaurant
Osu
PMB, Osu
Phone: +233 21 762816
Fax: +233 21 762817

RING ROAD CENTRAL
2 Blocks from Bus Stop Restaurant,
Ring Road
PMB, GPO
Phone: +233 21 249223-5
Fax: +233 21 249221

SPINTEX ROAD
Teshie-Nungua Est,
Spintex Road,
P.O . Box TN 2051
Phone: +233 21 811201-3

TAKORADI HARBOUR
Takoradi Near Timber Export Devt. Co.
P.O . Box 253
Phone: +233 31 23064
Fax: +233 31 24861

TAMALE
Tamale Near Rivoli,
Tamale
P.O . Box 102
Phone: +233 71 22578
Fax: +233 81 22366

TARKWA
Tarkwa Adjacent UAC Building
Tarkwa
P.O . Box 98
Phone: +233 36 220210
Fax: +233 36 220292

TEMA
Tema Opp. Tema Comm. Centre
Tema
P.O . Box 20
Phone: +233 22 202520
Fax: +233 22 204393

TUDU
Accra Opp. MBC Kojo Thompson Road
P.O . Box 729
Phone: +233 21 664524
Fax: +233 21 666755

ACHIMOTA
P.O. Box 768
Accra

Phone: +233 21 410233
Fax: +233 21 410830

TEMA
Tema Opp. Tema Comm. Centre
Tema
P.O . Box 20
Phone: +233 22 202520
Fax: +233 22 204393

MADINA
P.O . Box 59
Accra

Phone: +233 289 546006
Fax: +233 21 522006

It is important that this Application Form be correctly completed. Applicants in doubt should consult any of the receiving agents for assistance. The Offer is open from 9am on 10 November 2009 and closes at 5pm on 1 December 2009. Applications received after the Offer has closed may not be considered.

1 General Instructions for Completing the Application Form

Please read the instructions carefully before completing the relevant sections of the Application Form.

i) There are various sections to this Application Form. Please ensure you complete all the relevant and appropriate sections of the Application Form in accordance with your choices, and return the completed Application Form together with payment for your subscription to the Receiving Agents.

ii) Use block capital letters in completing the Application Form and return the completed Application Form together with payment for your subscription to a receiving agent by 5pm on 1 December 2009.

iii) Only people over 18 years of age can buy shares in their own name. Shares may be bought for a child by a parent, grandparent or guardian of the child who may complete another Application Form to buy shares in his/her own name.

iv) Power(s) of attorney must be enclosed if anyone is signing on behalf of a Qualifying Applicant other than a minor.

v) Photocopies of Application Forms will be accepted only when they are clear and legible. The submission of a photocopied Application Form presumes that the applicant understands and accepts the terms and conditions of this offer.

2 Sections of the Application Form

The Application Form has the following sections:

Section A

To be completed by all Qualifying SCBGL Shareholders taking part in the Offer. This section includes a letter, giving each shareholder's entitlement in this Offer. Each Qualifying SCBGL Shareholder must indicate their preferred option and update their contact information under this section.

Section B

To be completed by all Qualifying SCBGL Shareholders renouncing some or all their rights, giving details of the renouncee(s).

Section C

A copy of this section to be completed by each Renouncee named in Section B.

3 Guide to Completing the Application Form for Qualifying SCBGL Shareholders

a) Provisional Allotment

The Directors of Standard Chartered Bank Ghana Limited ("SCBGL") have provisionally allotted to you the number of new ordinary shares set out under the Letter of Allotment in Section A of the Application Form to you. Your allotment is in the proportion of one (1) new ordinary shares for every ten point six three zero nine (10.6309) ordinary shares registered in your name at the close of business on 4 November 2009.

You may accept all or any number of the new ordinary shares offered you, or renounce your rights in favour of another person(s), or take no action.

If you do not wish to partake in this offer, you do not have to do anything. Kindly note that all Qualifying SCBGL Shareholders who do not submit by 5 pm on 1 December 2009, a duly completed Application Form will be deemed to have elected not to participate in this Offer. The Directors of SCBGL will allot the shares declined by such Qualifying SCBGL Shareholders as they deem fit.

b) Available Options If You Wish to Partake

You may do **only one** of the following:

1. Accept all the new shares offered you: if you elect this option, kindly complete **Section A** of the Application Form.
2. Accept all the new shares offered you and apply for more shares: if you elect this option, kindly complete **Section A** of the Application Form.
3. Accept part of the new shares offered you and renounce the remainder in favour of another party (ies): if you elect this option, kindly complete **Sections A and B** of the Application Form. Have each Renouncee named under **Section B** complete a copy of **Section C** of the Application Form.
4. Accept part of the new shares offered you and leave the remainder to be allotted by the Directors of SCBGL in line with the Offer allotment policy: if you elect this option, kindly complete **Section A** of the Application Form.
5. Renounce all the new shares offered you in favour of another party (ies): if you elect this option, kindly complete **Sections A and B** of the Application Form. Every Renouncee named under **Section B** must complete a copy of **Section C** of the Application Form.

4 Guide to Completing the Application Form for Renouncees

Renouncees

If a Qualifying SCBGL Shareholder has renounced a portion or all of his/her rights in your favour under this Offer by naming you in **Section B** of the Application Form, you must complete a copy of **Section C** of the Application Form.

You must provide responses for all items of **Section C** of the Application Form, with the exception of item 4 (GSD Account Details) and item 5 (Dividend Mandate), which must only be completed if you have an existing GSD Account as at the date of your application, or wish to receive any dividends due you directly into the bank account details you provide.

General instructions for completing **Section C** of the Application Form are as follows:

APPLICATION

Indicate the number of shares renounced in your favour.

Please write the amount payable in figures (in the appropriate currency) for the total number of shares you have applied for. Renouncees must then fill in the name and address of the Renouncer.

Box 1. *Personal Details*
Complete 1 with your surname (i.e. family name)/company name, all your forenames (i.e. first/other names) and the title by which you are addressed. Also fill in your date of birth or incorporation, your nationality and country of residence.

Box 2. *ID Number/ Company Registration Number*
Applicants to the Offer must provide a valid ID. For the purposes of this Offer, a valid ID includes a national passport, driver's license and voter's ID card for individuals, and registration documents, Registrar General's Form A or Form 3 or a duly executed resolution from the organisation for institutions, clubs and other bodies.

Box 3. *Address*
Complete 3 with your full residential (*if applicable*) and postal address. The address must be current and reliable and in case of any change in address you should immediately inform SCBGL Registrars of your new address.

Box 4. *GSD Account Details*
Complete 4 if you have a GSD Account as at the date of your application. You may contact any broker to open a GSD Account prior to your submission of your completed Application Form.

Box 5. *Dividend Mandate*
Complete 5 if you wish SCBGL to pay dividends due you directly into your bank account. Fill in the name of the bank, branch, the account name and the account number.

Box 6. *Declaration*
Please read the declaration carefully before signing (or thumb printing) on the line and dating the form in the space provided.

The Application Form may be signed by someone else on your behalf if he/she is duly authorised to do so. An agent must enclose the original power of attorney appointing him/her (or copy certified by a notary public) unless he/she is a selling agent or financial intermediary and states the capacity in which he/she signs.

5 Payment for Shares and Delivery of Application Form

For applicants resident in Ghana, payment may be made by cash, cheque, postal or money order, which should be presented at the offices of IC Securities (Ghana) Limited or any SCBGL Branch where the Application Form is lodged. All cheques, postal or money orders should be crossed **SCBGL RIGHTS ISSUE PROCEEDS** and endorsed **Commission to Drawer's Account**. This endorsement must be signed by the drawer. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, or for which funds do not clear for the full amount payable on the application by 5 pm on 1 December 2009, may be treated as invalid.

Applicants who are not residents in Ghana should remit funds for the benefit of the **SCBGL RIGHTS ISSUE** by bank transfer to SCBGL using the transfer details below:

Currency	Account No.	Bank Name and Address	Swift ID	BIC Code
In USD	8766599211400	Standard Chartered Bank Ghana Limited Standard Chartered Building Accra	SCBLGHAC	SCBLGHAC
In GBP	2866599211400			
In EURO	9366599211400			

Any application from a person not resident in Ghana, which is not received in a form which will realise cleared funds for the full amount payable on the application by 5 pm on 1 December 2009, may be treated as invalid. Bank commissions and transfer charges on application monies must be paid by the applicant. Applications, in respect of which cheques are returned unpaid, for any reason whatsoever, will be rejected.

All Qualifying Applicants resident in Ghana must deliver or lodge their duly completed Application Form at the offices of the receiving agents named on page 95 of the Offer Circular by 5 pm on 1 December 2009.

Qualifying Applicants who choose to mail their Application Form to the Receiving Agents are advised to use registered mail services. However, all documents mailed to the Receiving Agents by Qualifying Applicants will be at the applicant's own risk, and SCBGL may treat applications not received by 5 pm on 1 December 2009 as invalid.

Qualifying Applicants are to note that Application Forms must be lodged at the same Receiving Agent office where payment is made for the shares applied for. The Receiving Agent will acknowledge receipt of Application Form and funds from each applicant.

SECTION A *(To Be Completed By Qualifying SCBGL Shareholders Only)*

I. LETTER OF ALLOTMENT

1. Surname/Company Name

Other Names Title

2. Address

3. Number of shares already held Number of Rights entitled t o

4. Amount payable on subscription of Rights, GH¢

II. SUBSCRIPTION INSTRUCTIONS *(Please choose only one of the options stated below):*

Option 1 *Please tick your option*

I wish to subscribe fully for my Rights only

Kindly sign the de claration below and return this signed form together with the amount in I4 above to the receiving agents.

Option 2

I wish to subscribe fully for my Rights and apply for extra shares

If you ticked Yes, please put in the number of extra sha res you wish to apply for and amount payable covering your total application below:

I/We wish to subscribe for ………………………………………………………. extra shares in addition to my allotted Rights.

I/We make payment of GH¢/$/£/€…………………………………………………. covering my rights and the extra shares .

I/We understand and accept that receiving these additional shares depends upon the number of unsubscribed shares available af ter the closure of the Offer and will be at the discretion of the Directors of SCBGL.

Option 3

I wish to partially subscribe for my Rights and renounce the remainder in favour of others

Kindly sign this form and complete and attach Section B to this form . Each renounc ee must also complete a copy of Section C of this form.

Option 4

I wish to partially subscribe for my Rights and leave the remainder for the Directors to allot

Kindly sign the declaration below and return this signed form together with the amount in 4 above to the receiving agents.

Option 5

I wish to fully renounce my Rights in favour of others

Kindly sign this form and complete and attach Section B to this form. Each renouncee must also complete a copy of Section C of this form.

DECLARATION

I/We hereby apply for shares of SCBGL under the te rms and conditions set out in the Offer Circular. I/We certify that all statements made in this application to enable me take -up/reject/split my rights in the SCBGL Rights Issue are correct and the responses are my own.

Shareholder’s Signatu re | Date | Receiving Agent ’s Stamp/Signature

II. SHAREHOLDER DETAILS UPDATE *(All Qualifying SCBGL Shareholders should kindly provide an update of their contact details):*

SURNAME/COMPANY NAME:

FIRST NAME:

MIDDLE NAME:

TITLE:

ADDRESS (PHYSICAL ADDRESS):

ADDRESS (POSTAL BOX):

TELEPHONE NUMBER: *EMAIL:*

GSD ACCOUNT DETAILS (if applicable)

Broker Code:

Client Account Code:

DIVIDEND MANDATE

Bank Name:

Branch Name:

Account Number:

Please Tear Along This Line

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application **SCBGL RIGHTS ISSUE APPLICATION FORM COUNTER FOIL**		
Applicant's Name and Address	**Applicants Signature or Thumbprint**	**Receiving Agent's Stamp/Signature/Date**
Name:		
Address:		
No. of Shares Applied For:	Amt paid (GH¢/$/£/€):	

SECTION B *(To Be Completed **ONLY** By Qualifying SCBGL Shareholders renouncing some or all of their rights)*

i. I/We wish to take up [ ] shares under my Rights

ii. I/We wish to renounce the remaining [ ] shares in favour of the following persons:

Name	Number of Shares

Shareholder's Signature	Date	Receiving Agent's Stamp/Signature

Please Tear Along This Line

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application

SCBGL RIGHTS ISSUE APPLICATION FORM COUNTER FOIL

Applicant's Name and Address	**Applicant's Signature or Thumbprint**	**Receiving Agent's Stamp/Signature/Date**
Name:		
Address:		
No. of Shares Applied For:	Amt paid (GH¢/$/£/€):	
No. of Shares Renounced:		

SECTION C *(A Copy of This Section Must Be Completed By Each Renouncee Named Under Section Bii)*

a) No. of Shares Renounced in Favour of Renouncee

Amount Payable (No. of shares under (a) above times GH¢/$/£/€ per share)

Name & Address of Renouncer

1. Surname/Company Name

First Name

Middle Name

Title	Mr	Mrs	Ms	Dr		Sex	M	F

Date of Birth/Incorporation *(dd/mm/yyyy)*

Nationality / Country of Residence

2. Identification No./Company Reg. No.

Passport | National ID | Driver's Licence | Other

3. Address

Email | Phone

4. Broker Code | Client Account Code

5. DIVIDEND MANDATE Bank Name:

Branch Name:

Account Name:

Account Number:

6. **Declaration:**

I/We hereby apply for shares on the terms and conditions set out in the Offer Circular. I/We certify that all statements made in this application to enable me/us take up these shares are correct and that the responses are my/our own.

Shareholder's Signature | Date | Receiving Agent's Stamp/Signature

Please Tear Along This Line

To be completed by the Receiving Agent and then signed and retained by applicant as evidence of application

SCBGL RIGHTS ISSUE APPLICATION FORM COUNTERFOIL

Applicant's Name and Address	**Applicant's Signature or Thumbprint**	**Receiving Agent's Stamp/Signature/Date**
Name:		
Address:		
No. of Shares Applied For:	Amt paid (GH¢/$/£/€):	