

Independent auditors' report **To the members of SG-SSB Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of SG-SSB Limited, which comprise the Statement of Financial Position as of 31 December 2012, the Statement of Comprehensive Income and Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the

financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of SG-SSB Limited as of 31 December 2012, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards issued by the International Accounting Standards Board.

Independent auditors' report - continued To the members of SG-SSB Limited

Report on Other Legal and Regulatory Requirements

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

- i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books; and
- iii. The Statement of Financial Position and the Statement of Comprehensive Income and Income Surplus accounts of the Bank are in agreement with the books of account.



Andrew Opuni-Ampong
Practising Certificate: Licence No.
ICAG/P/1132

The Banking Act, 2004 (Act 673) section 78 (2) requires that we state certain matters in report. We confirm that:

- i. The accounts give a true and fair view of the state of affairs of the bank and its results for the period.
- ii. We were able to obtain all relevant information and explanations required for the efficient performance of our functions.
- iii. The Bank's transactions were within its powers and
- iv. The Bank has generally complied with the provisions of the Banking Act, 2004 (Act 673) as amended by Banking (Amendment) Act 2007 (Act 738) except for instances documented in note 49.

Deloitte & Touche
Licence No. ICAG/F/026
Chartered Accountants
Accra - Ghana

05 March, 2013

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2012

	NOTES	2012 GH¢	2011 GH¢
Total Revenue	5	150,244,718	124,080,061
Interest & Similar Revenue	6	91,998,759	81,912,452
Interest & Similar Expense	7	(17,461,225)	(13,556,856)
Net Interest Income		74,537,534	68,355,596
Fees & Commission Revenue	8a	34,283,596	26,956,477
Fees & Commission Expense	8b	(5,185,284)	(4,049,971)
Net Commission Income		29,098,312	22,906,506
Forex Trading Revenue	9	16,521,447	12,918,704
Investment Revenue	10	55,350	73,600
Other Operating Income	11	7,032,310	2,218,828
Total Other Operating Income		26,609,107	15,211,132
Total Operating Income		127,244,953	106,473,234
Credit Loss Expenses	12	(5,346,032)	(907,947)
Net Operating Income		121,898,921	105,565,287
Personnel Expenses	13	(44,290,406)	(36,658,980)
Other Operating Expenses	14a	(29,189,924)	(29,578,076)
Depreciation	26a	(4,619,448)	(3,630,842)
Amortization	26b	(3,069,046)	(3,058,140)
Total Operating Expenses		(81,168,824)	(72,926,038)
Net Operating Profit		40,730,097	32,639,249
Share of Profit of Associate	22	353,256	319,728
Profit before Tax		41,083,353	32,958,977
Income Tax Expenses	15a	(10,817,039)	(8,454,985)
National Reconstruction Levy	15c	—	(1,631,962)
Profit for the Year		30,266,314	22,872,030
Other Comprehensive Income	43	(274,054)	(1,506,992)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		29,992,260	21,365,038
Earnings Per Share:			
Equity shareholders of the Bank			
Basics (GH¢)	16	GH¢0.0906	GH¢0.0675
Profit for the Year attributable to:			
Owners of the Bank		15,811,122	11,948,348
Non-Controlling Interest		14,455,192	10,923,682
		30,266,314	22,872,030
Total Comprehensive Income for the Year attributable to:			
Owners of the Bank		15,667,957	11,161,096
Non-Controlling Interest		14,324,303	10,203,942
		29,992,260	21,365,038

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2012

	NOTES	2012 GH¢	2011 GH¢
Assets			
Cash on Hand and Cash Balances with Bank of Ghana	17	181,127,380	125,508,159
Due from Banks and Other Financial Institutions	18	180,787,174	110,457,803
Financial Investments	19	120,448,594	174,503,218
Other Assets	20	7,534,514	8,056,117
Loans and Advances	21	520,100,260	344,545,558
Investment in Associate	22	3,240,393	2,887,137
Unquoted Equity Investments	23	408,223	408,223
Current Tax Assets	24a	2,365,961	3,356,852
National Stabilization Levy	24b	195,653	271,718
Long Term Operating Lease Prepaid	25	3,929,950	4,078,250
Property, Plant & Equipment	26a	67,914,664	63,339,491
Intangible Assets	26b	711,146	3,664,678
Deferred Tax	15b	162,635	—
Total Assets		1,088,926,547	841,077,204
Liabilities			
Customer Deposits	27	859,085,205	625,822,657
Due to Banks, & other Financial Institutions	28	20,425,407	15,800,867
Interest Payable & Other Liabilities	29	39,601,630	48,055,374
Deferred Tax	15b	—	724,526
Total Liabilities		919,112,242	690,403,424
Equity			
Stated Capital	31	62,393,558	62,393,558
Share Deals Account	46	2,943,755	2,943,755
Capital Surplus	46	32,229,381	33,398,825
General Regulatory Credit Reserve	46	8,820,873	4,679,574
Income Surplus Account	46	18,987,445	17,988,516
Statutory Reserve Fund	46	41,423,944	26,290,786
Other Reserves	32	3,015,349	2,978,766
Total Equity		169,814,305	150,673,780
Total Liabilities and Equity		1,088,926,547	841,077,204

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31ST DECEMBER 2012

	NOTES	2012 GH ¢	2011 GH ¢
OPERATING ACTIVITIES			
Operating Profit before Taxation		40,730,097	32,639,249
Adjustments for:			
Depreciation	26a	4,619,448	3,630,842
Amortization	26b	3,069,046	3,058,140
Long term Operating Lease Amortization	25a	148,300	148,300
Provision for Share Option Payment		410,760	304,703
Unrealized Gains/ Losses		(1,215,535)	(477,157)
Dividend from Investments		(55,350)	(73,600)
Profit on Sales of Property, Plant and Equipment		(1,216,896)	(248,965)
Other Non Cash Movement		2,187,258	(2,184,198)
Operating Profit before Working Capital Changes		48,677,128	36,797,314
Decrease in Other Assets		521,601	5,020,285
(Decrease) in Other Liabilities		(8,502,448)	(2,851,323)
Increase in Customer Deposit		233,311,253	130,376,233
(Increase) in Loans and Advances to Customers		(175,554,702)	(45,795,216)
Decrease/(Increase) in Government Securities		53,716,845	(72,019,574)
(Increase) in Investment in Equity Securities		—	(136,500)
Increase /(Decrease) Amount due to Banks and Other Financial Institutions		4,624,541	(6,213,826)
Changes in Working Capital		108,117,090	8,380,079
Cash from Operations		156,794,218	45,177,393
Income Tax Paid		(10,646,013)	(9,119,804)
National Reconstruction Levy Paid		—	(1,827,615)
Net Cash Flow from Operating Activities		146,148,205	34,229,974
INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment	26a	(11,714,893)	(17,998,785)
Purchase of Intangible Assets	26b	(115,514)	(313,865)
Proceeds from Sale of Property, Plant and Equipment		3,737,168	765,467
Dividend Received		55,350	73,600
Net Cash Used in Investing Activities		(8,037,889)	(17,473,583)
FINANCING ACTIVITIES			
Dividend Paid	33	(13,355,755)	(11,686,286)
Net Cash Used in Financing Activities		(13,355,755)	(11,686,286)
Increase in Cash & Cash Equivalents		124,754,561	5,070,105
Net Foreign Exchange Difference		1,194,031	477,155
Cash & Cash Equivalents as at 1 January		235,965,962	230,418,702
Cash & Cash Equivalents as at 31st December 2012	37	361,914,554	235,965,962

STATEMENT OF CHANGES IN EQUITY AS AT 31ST DECEMBER 2012

DECEMBER 2012

Note	Stated Capital GH¢	Income Surplus GH¢	Capital Surplus GH¢	Share Deals Account GH¢	Statutory Reserve Fund GH¢	General Regulatory Credit Reserve GH¢	Other Reserves GH¢	Total Equity holders of the Bank GH¢
Balance as 1 January 2012	62,393,558	17,988,516	33,398,825	2,943,755	26,290,786	4,679,574	2,978,766	150,673,780
Prior Year Adjustment	48	-	2,193,383	-	-	-	-	2,193,383
Movements during the Year								
Total Comprehensive Income	-	30,266,314	-	-	-	-	(274,054)	29,992,262
Revaluation Gain on Assets Disposed	-	1,169,444	(1,169,444)	-	-	-	-	-
Other Movements in Equity								
Share Based Option Payments	-	-	-	-	-	-	310,637	310,637
Dividend Paid	-	(13,355,755)	-	-	-	-	-	(13,355,755)
Transfer to Statutory Reserve	-	(15,133,158)	-	-	15,133,158	-	-	-
Transfer to General Regulatory Credit Reserve	-	(4,141,299)	-	-	-	4,141,299	-	-
Balance as at 31st December 2012	62,393,558	18,987,445	32,229,381	2,943,755	41,423,944	8,820,873	3,015,349	169,814,305

DECEMBER 2011

	Stated Capital GH¢	Income Surplus GH¢	Capital Surplus GH¢	Share Deals Account GH¢	Statutory Reserve Fund GH¢	General Regulatory Credit Reserve GH¢	Other Reserves GH¢	Total Equity holders of the Bank GH¢
Balance as 1 January 2011	62,393,558	17,305,300	9,232,693	2,943,755	21,290,786	1,370,429	4,257,231	118,885,752
Movements during the Year								
Total Comprehensive Income	-	22,872,030	-	-	-	-	(1,506,992)	21,273,038
Revaluation of Land and Buildings	-	-	24,166,132	-	-	-	-	24,166,132
Other Movements in Equity								
Share Based Option Payments	-	-	-	-	-	-	228,527	228,527
Dividend Paid	-	(11,686,286)	-	-	-	-	-	(11,686,286)
Transfer to Statutory Reserve	-	(5,000,000)	-	-	5,000,000	-	-	-
Transfer to General Regulatory Credit Reserve	-	(3,309,145)	-	-	-	3,309,145	-	-
Other Equity movements during the Year	-	(2,193,383)	-	-	-	-	-	(2,193,383)
Balance as at 31st December 2011	62,393,558	17,988,516	33,398,825	2,943,755	26,290,786	4,679,574	2,978,766	150,673,780