

Independent auditors' report

**To the members of Societe Generale Ghana Limited
(Formerly SG-SSB Limited)**

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Report on the financials statements

We have audited the financial statements of Societe Generale Ghana Limited which comprise the statement of financial position at 31 December 2013, the statement of profit and loss and other comprehensive income, statement of changes in equity, and statement cash flows for the year then ended, and notes to the financial statements, which include a summary of significant accounting policies on pages 27 to 43 and other explanatory notes as set out on pages 44 to 73.

Directors' responsibility for the financial statement

The Bank's Directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and in the manner required by the Companies Code, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738); and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 management, 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 give a true and fair view of the financial position of Societe Generale Ghana Limited at 31 December 2013, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, 1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738).

Independent auditors' report

To the members of Societe Generale Ghana Limited
(Formerly SG-SSB Limited) - cont.


Report on other legal and regulatory requirements

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

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. in our opinion proper books of accounts have been kept by the company, so far as appears from our examination of those books; and
- iii. the statement of financial position and statement of profit or loss and other comprehensive income of the Bank is in agreement with the books of accounts.

The Banking Act 2004 (Act 673) Section 78 (2) requires that we state certain matters in our report. We hereby state that:

- i. The accounts give a true and fair view of the state of affairs of the bank and its results for the period under review;
- ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;
- iii. The bank's transactions are within its powers; and
- iv. The bank has complied with the provisions in the Banking Act 2004 (Act 673) and the Banking (Amendment) Act 2007 (Act 738).


Chartered Accountants
Accra, Ghana
Licence Number: ICAG/F/129

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

26th February, 2014

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

Member of Deloitte Touche Tohmatsu Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2013

	Note	2013 GH¢	2012 GH¢
Total revenue	5	197,415,367	150,244,718
Interest & similar revenue	6	131,936,515	91,998,759
Interest & similar expense	7	(24,154,747)	(17,461,225)
Net interest income		107,781,768	74,537,534
Fees & commission income	8	41,310,760	34,283,596
Fees and commission expense	8a	(6,230,511)	(5,185,284)
Net commission income		35,080,249	29,098,312
Forex trading income	9	19,276,697	16,521,447
Investment income	10	92,000	55,350
Other income	11	4,799,395	7,032,310
Total other operating income		24,168,092	23,609,107
Total operating income		167,030,109	127,244,953
Credit loss expenses	12	(16,825,569)	(5,346,032)
Net operating income		150,204,540	121,898,921
Personnel expense	13	(53,557,884)	(44,290,406)
Other operating expenses	14	(40,756,849)	(29,189,924)
Depreciation	26	(5,014,204)	(4,619,448)
Amortization	26a	(726,126)	(3,069,046)
Total operating expenses		(100,055,063)	(81,168,824)
Net operating profit		50,149,477	40,730,097
Share of profit of associate	22b	-	353,256
Profit before tax		50,149,477	41,083,353
Income tax expenses	15	(12,617,420)	(10,817,039)
National stabilization levy	15b	(1,167,865)	-
Profit after tax		36,364,192	30,266,314
<i>Other comprehensive income:</i>			
Items that may be reclassified to profit & loss	40	745,132	(274,054)
Total comprehensive income for the year		37,109,324	29,992,260
Earnings per share:			
Basic and diluted earnings per share (GH¢)	16	0.1089	0.0906

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2013

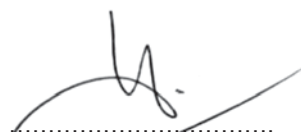
	Note	2013 GH¢	2012 GH¢
Assets			
Cash and balances with Bank of Ghana	17	144,920,392	181,127,380
Due from other banks and financial institutions	18	80,751,719	180,787,174
Financial investments	19	139,981,046	120,448,594
Other assets	20	14,336,008	7,534,514
Loans and advances to customers	21	740,402,911	520,100,260
Assets classified as held for sale	22	3,240,393	-
Investment in associate	22a	-	3,240,393
Unquoted equity investments	23	406,500	408,223
Current tax assets	24	3,609,729	2,365,961
National stabilization levy	24a	451,700	195,653
Long term operating lease prepaid	25	3,781,650	3,929,950
Property, plant and equipment	26	82,726,831	67,914,664
Intangible assets	26a	987,580	711,146
Deferred tax	15a	956,746	162,635
Total assets		1,216,553,205	1,088,926,547
Liabilities			
Customer deposits	27	926,129,603	859,085,205
Due to banks & other financial institutions	28	35,473,369	20,425,407
Interest payable and other liabilities	29	61,248,917	39,601,630
Total liabilities		1,022,851,889	919,112,242
Shareholders' fund			
Stated capital	31	62,393,558	62,393,558
Income surplus account	43c	35,978,519	18,987,445
Capital surplus	43d	30,712,284	32,229,381
Share deals account	43e	2,943,755	2,943,755
Statutory reserve fund	43f	50,514,992	41,423,944
General regulatory credit reserve	43g	7,264,285	8,820,873
Other reserves	32	3,893,923	3,015,349
Total shareholders' fund		193,701,316	169,814,305
Total liabilities and shareholders' fund		1,216,553,205	1,088,926,547

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

Approved by the Board on 14th February, 2014 and signed on its behalf as follows:



Chairman



Managing Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2013

	Stated Capital	Income surplus	Capital surplus	Share deals account	Statutory reserve fund	General regulatory credit reserve	Other reserves	Total shareholders' fund
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as 1 January 2013	62,393,558	18,987,445	32,229,381	2,943,755	41,423,944	8,820,873	3,015,349	169,814,305
Movements during the Year :								
Total Comprehensive Income	-	36,364,192	-	-	-	-	745,132	37,109,324
Other Movements in Equity								
Transfer of Revaluation Gain on Assets disposed of	-	1,517,097	(1,517,097)	-	-	-	-	-
Share Based Option Payments	-	-	-	-	-	-	133,442	133,442
Dividend Paid	-	(13,355,755)	-	-	-	-	-	(13,355,755)
Transfer to Statutory Reserve	-	(9,091,048)	-	-	9,091,048	-	-	-
Transfer from General Regulatory Credit Reserve	-	1,556,588	-	-	-	(1,556,588)	-	-
Balance at 31 December 2013	62,393,558	35,978,519	30,712,284	2,943,755	50,514,992	7,264,285	3,893,923	193,701,316
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
Movements during the Year :								
Total Comprehensive Income	-	30,266,314	-	-	-	-	(274,054)	29,992,260
Other Movements in Equity:								
Transfer of Revaluation Gain on Assets disposed of	-	1,169,444	(1,169,444)	-	-	-	-	-
Prior Year Adjustment (Note 45)	-	2,193,383	-	-	-	-	-	2,193,383
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 at 31 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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2013

	Note	2013 GH¢	2012 GH¢
Cash flow from operating activities			
Operating profit before taxation		50,149,477	40,730,097
Adjustments for:			
Depreciation	26	5,014,204	4,619,448
Amortization	26a	726,126	3,069,046
Long term operating lease amortization	25	148,300	148,300
Provision for share option payment		183,480	410,760
Unrealized gains/losses		66,775	(1,215,535)
Unquoted equity investments written off		1,723	-
Dividend from investments		(92,000)	(55,350)
Profit on sales of property, plant and equipment		(3,380,364)	(1,216,896)
Other non cash movement		(507,963)	2,187,258
Operating profit before working capital changes		52,309,758	48,677,128
Changes in operating and other assets and liabilities			
(Increase)/decrease in other assets		(6,801,495)	521,601
Increase/(decrease) in other liabilities		21,647,287	(8,502,448)
Increase in customer deposit		67,044,398	233,311,253
(Increase) in loans and advances to customers		(220,302,651)	(175,554,702)
(Increase)/decrease in government securities		(18,604,769)	53,716,845
Increase amount due to banks and other financial institutions		15,047,962	4,624,541
Changes in working capital		(141,969,268)	108,117,090
Income tax paid		(14,881,298)	(10,646,013)
National stabilization levy paid		(1,423,912)	-
Total tax paid		(16,305,210)	(10,646,013)
Net cash (utilised by)/generated from operating activities		(105,964,720)	146,148,205
Cash flow from investing activities			
Purchase of property, plant and equipment	26	(22,497,204)	(11,714,893)
Purchase of intangible assets	26a	(1,002,560)	(115,514)
Proceeds from sale of property, plant and equipment		6,486,754	3,737,168
Dividend received		92,000	55,350
Net cash used in investing activities		(16,921,010)	(8,037,889)
Cash flow from financing activities			
Dividend paid	33	(13,355,755)	(13,355,755)
Net cash used in financing activities		(13,355,755)	(13,355,755)
(Decrease)/increase in cash and cash equivalents		(136,241,485)	124,754,561
Net foreign exchange difference		(958)	1,194,031
Cash & cash equivalents as 1 January		361,914,554	235,965,962
		-	-
Cash and cash equivalents at 31 December	41	225,672,111	361,914,554
Operational cash flows from interest:			
Interest received		131,936,515	91,998,759
Interest paid		24,154,747	17,461,225