



Independent auditors' report

To the members of Societe Generale Ghana 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 as at 31 December 2014, the statement of profit or loss and other comprehensive income, statement of changes in equity, and statement of cash flows for the year then ended, and a summary of significant accounting policies on pages 31 to 51 and other explanatory notes as set out on pages 52 to 89.

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 (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' Responsibilities

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 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 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 fair and true view of the financial position of Societe Generale Ghana Limited as at 31 December 2014, 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,



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1963 (Act 179), and the Banking Act, 2004 (Act 673), as amended by the Banking (Amendment) Act, 2007 (Act 738).

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; and
- ii. in our opinion proper books of accounts have been kept by the company, so far as appears from our examination of these books; and
- iii. the balance sheet and income statement of the company 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 generally complied with the provisions in the Banking Act, 2004 (Act 673) and the Banking (Amendment) Act, 2007 (Act 738).

Chartered Accountants
4 Liberation Road
Accra - Ghana
Licence Number: ICAG/F/129

26th February, 2015

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

Partners: A. Opuni-Ampong F. N. Sackey D. Owusu

Member of Deloitte Touche Tohmatsu Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

	Note	2014	2013
		GHC	GHC
Total Revenue	5	295,560,457	197,415,367
Interest & Similar Revenue	6	199,708,931	131,936,515
Interest & Similar Expense	7	(44,186,330)	(24,154,747)
Net Interest Income		155,522,601	107,781,768
Fees & Commission Income	8	57,487,422	41,310,760
Fees & Commission Expense	8a	(10,179,626)	(6,230,511)
Net Commission Income		47,307,796	35,080,249
Forex Trading Income	9	33,708,755	19,276,697
Investment Income	10	184,000	92,000
Other Income	11	6,148,012	4,799,395
Total Other Operating Income		40,040,767	24,168,092
Total Operating Income		242,871,164	167,030,109
Credit Loss Expenses	12	(38,625,775)	(16,825,569)
Net Operating Income		204,245,389	150,204,540
Personnel Expense	13	(60,184,066)	(53,557,884)
Other Operating Expenses	14	(65,210,074)	(40,756,849)
Depreciation	26	(7,187,280)	(5,014,204)
Amortization	26a	(647,350)	(726,126)
Total Operating Expenses		(133,228,770)	(100,055,063)
Profit before Tax		71,016,619	50,149,477
Income Tax Expenses	15	(17,654,243)	(12,617,420)
National Stabilization Levy	15b	(3,550,831)	(1,167,865)
Profit after Tax		49,811,545	36,364,192
<i>Other comprehensive income:</i>			
<i>Items that may be reclassified subsequently to profit & loss:</i>			
<i>- Available for sale financial assets</i>			
Net fair value (loss)/gain on available-for-sale financial assets during the year		(654,993)	973,184
Reclassification adjustment relating to available for sale financial assets disposed of in the year		(140,154)	(228,052)
	19	(795,147)	745,132
Total Comprehensive Income for the Year		49,016,398	37,109,324
Earnings Per Share:			
Basic and diluted earnings per share (GHC)	16	0.15	0.11

STATEMENT OF FINANCIAL POSITION

For The Year Ended 31 December 2014

	Note	2014 GH¢	2013 GH¢
Assets			
Cash and Balances with Bank of Ghana	17	180,766,261	144,920,392
Due from Other Banks and Financial Institutions	18	170,171,026	80,751,719
Financial Investments	19	337,196,973	139,981,046
Other Assets	20	19,754,058	14,336,008
Loans and Advances to Customers	21	883,044,221	740,402,911
Assets classified as held for sale		-	3,240,393
Unquoted Equity Investments	23	406,500	406,500
Current Tax Assets	24	136,354	3,609,729
National Stabilization Levy	24a	161,422	451,700
Long Term Operating Lease Prepaid	25	3,633,350	3,781,650
Property, Plant and Equipment	26	79,141,492	82,726,831
Intangible Assets	26a	1,537,707	987,580
Deferred Tax	15a	-	956,746
Total Assets		1,675,949,364	1,216,553,205
Liabilities			
Customer Deposits	27	1,127,429,783	926,129,603
Due to Banks & Other Financial Institutions	28	236,247,094	35,473,369
Interest Payable and Other Liabilities	29	89,485,714	61,949,832
Deferred Tax Liabilities	15a	803,608	-
Total Liabilities		1,453,966,199	1,023,552,804
Shareholders' Fund			
Stated Capital	31	62,393,558	62,393,558
Income Surplus Account	46c	50,345,751	35,978,519
Capital Surplus	46d	23,978,541	30,712,284
Share Deals Account	46e	2,943,755	2,943,755
Statutory Reserve Fund	46f	62,988,837	50,514,992
Regulatory Credit Reserve	46g	19,803,999	7,264,285
Other Reserves	32	(471,276)	3,193,008
Total Shareholders' Fund		221,983,165	193,000,401
Total Liabilities and Shareholders' Fund		1,675,949,364	1,216,553,205

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

Approved by the Board on 18th February, 2015 and signed on its behalf as follows:


Chairman


Managing Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

	Stated Capital	Income surplus	Capital surplus	Share deals account	Statutory reserve fund	Regulatory credit reseve	Other reserves	Total shareholders' equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as 1 January 2014	62,393,558	35,978,519	30,712,284	2,943,755	50,514,992	7,264,285	3,193,008	193,000,401
<i>Movements during the Year:</i>								
Total Comprehensive Income	-	49,811,545	-	-	-	-	(795,147)	49,016,398
<i>Other Movements in Equity</i>								
Transfer of Revaluation Gain on Assets disposed of	-	6,733,743	(6,733,743)	-	-	-	-	-
Transfer of Gain on Sale of Investment in Associate	-	2,869,137	-	-	-	-	(2,869,137)	-
Dividend Paid	-	(20,033,634)	-	-	-	-	-	(20,033,634)
Transfer to Statutory Reserve	-	(12,473,845)	-	-	12,473,845	-	-	-
Transfer to General Regulatory Credit Reserve	-	(12,539,714)	-	-	-	12,539,714	-	-
Balance at 31 December 2014	<u>62,393,558</u>	<u>50,345,751</u>	<u>23,978,541</u>	<u>2,943,755</u>	<u>62,988,837</u>	<u>19,803,999</u>	<u>(471,276)</u>	<u>221,983,165</u>
Balance as 1 January 2013	62,393,558	18,987,445	32,229,381	2,943,755	41,423,944	8,820,873	2,447,876	169,246,832
<i>Movements during the Year:</i>								
Total Comprehensive Income	-	36,364,192	-	-	-	-	745,132	37,109,324
<i>Other Movements in Equity:</i>								
Transfer of Revaluation Gain on Assets disposed of	-	1,517,097	(1,517,097)	-	-	-	-	-
Dividend Paid	-	(13,355,755)	-	-	-	-	-	(13,355,755)
Transfer to Statutory Reserve	-	(9,091,048)	-	-	9,091,048	-	-	-
Transfer to General Regulatory Credit Reserve	-	1,556,588	-	-	-	(1,556,588)	-	-
Balance at 31 December 2013	<u>62,393,558</u>	<u>35,978,519</u>	<u>30,712,284</u>	<u>2,943,755</u>	<u>50,514,992</u>	<u>7,264,285</u>	<u>3,193,008</u>	<u>193,000,401</u>

STATEMENT OF CASH FLOWS

For the year ended 31 December 2014

		2014	2013
	Note	GH¢	GH¢
Cash flow from Operating Activities			
Operating Profit before taxation		71,016,619	50,149,477
Adjustments for:			
Depreciation	26	7,187,280	5,014,204
Amortization	26a	647,350	726,126
Credit impairment charge	22	38,625,775	16,825,569
Loan and advances written off	22	(735,349)	(4,314,719)
Interest in suspense	21	10,628,985	3,249,418
Long term operating lease amortization	25	148,300	148,300
Unrealized gains/losses		9,468,530	66,775
Dividend from investments	10	(184,000)	(92,000)
Profit on sales of property, plant and equipment	11	(13,382,948)	(3,380,364)
Other non cash movement		(142,403)	(324,483)
Operating Profit before Working Capital Changes		123,278,139	52,308,035
Changes in Operating and Other Assets and Liabilities			
Increase in other assets	20	(5,418,050)	(6,801,495)
Increase in other liabilities	29	27,535,882	21,647,289
Increase in customer deposit	27	201,300,180	67,044,398
Increase in loans and advances to customers	21	(191,160,721)	(236,062,964)
Increase in financial investments	19	(198,332,229)	(18,604,769)
Decrease unquoted equity investments		-	1,723
Increase in amount due to banks and other financial institutions	28	200,773,725	15,047,962
Changes in working capital		34,698,787	(141,967,543)
Income tax paid	24	(10,524,673)	(14,881,298)
Capital Gains Tax paid	24	(1,676,663)	-
National Stabilization Levy paid	24a	(3,260,553)	(1,423,912)
		(15,461,889)	(16,305,210)
Net Cash generated from Operating Activities		142,515,037	(105,964,718)
Cash flow from Investing Activities			
Purchase of property, plant and equipment	26	(11,858,423)	(22,497,204)
Purchase of intangible assets	26a	(457,227)	(1,002,560)
Proceeds from sale of property, plant and equipment		13,132,047	6,486,754
Proceeds from sale of investments		11,195,800	-
Dividend received		184,000	92,000
Net Cash used in Investing Activities		12,196,197	(16,921,010)

STATEMENT OF CASH FLOWS - continued

	2014	2013
Note	GH¢	GH¢
Cash flow from Financing Activities		
Dividend Paid	33 (20,033,634)	(13,355,756)
Net Cash used in Financing Activities		
	(20,033,634)	(13,355,756)
Increase in cash and cash equivalents	134,677,600	(136,241,484)
Net foreign exchange difference	(9,412,424)	(959)
Cash & cash equivalents as 1 January	225,672,111	361,914,554
Cash and Cash Equivalents at 31 December 2014	41 <u>350,937,287</u>	<u>225,672,111</u>
Operational Cash Flows from Interest:		
Interest Received	<u>199,708,931</u>	<u>131,936,515</u>
Interest Paid	<u>44,186,330</u>	<u>24,154,747</u>