2013 | ANNUAL REPORT

CELEBRATING 10 YEARS · 2003 - 2013 · OF SOCIETE GENERALE IN GHANA

10

BUILDING TEAM SPIRIT TOGETHER

SOCIETE GENERALE
GHANA

P. O. Box 13119, Ring Road Central, Accra. Tel: 0302 214 314, info.sgghana@socgen.com, www.societegenerale.com .gh

SOCIETE GENERALE
GHANA

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

CELEBRATING 10 YEARS · 2003 - 2013 · OF SOCIETE GENERALE IN GHANA

MISSION STATEMENT

Our Mission is to create the Preferred
Banking Institution which employs
Professionalism, Team Spirit and Innovation to
provide
Quality Services
that best satisfy the needs of our Customers

OUR VALUES

Professionalism

Team Spirit

Innovation

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NOTICE AND AGENDA FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 34th Annual General Meeting of Societe Generale Ghana Limited will be held at the Accra International Conference Centre, Castle Road, Osu, Accra on Monday 31st March 2014 at 11.00 a.m. to transact the following business:

Ordinary Business

Ordinary Resolutions

1. To receive and adopt the Reports of the Directors, Auditors and the Financial Statements for the year ended 31 December 2013.

2. To declare a dividend for the period ended 31 December 2013.

3. To re-elect Directors.

4. To elect Directors

5. To approve Directors' fees.

6. To authorise the Directors to determine the remuneration of the Auditors.

Dated, this 14th day of February 2014.

BY ORDER OF THE BOARD

ANGELA NANANSAA BONSU
THE SECRETARY

NOTE
A member of the Company entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of him. A Proxy need not be a member. A form of Proxy is attached to the Annual Report for it to be valid for the purpose of the meeting it must be completed and deposited at the office of the Company Secretary Societe Generale Ghana, Head Office, Ring Road Central, P.O. Box 13119, Accra Ghana not less than 48 hours before the appointed time of the meeting.

DIRECTORS, OFFICIALS AND REGISTERED OFFICE

Directors:	Kofi Ampim	Chairman
	Gilbert Hie	Managing Director
	Borut Vujcic	Deputy Managing Director
	Jose Rebollar	Chief Operating Officer
	Michel Miaille	
	Pierre Wolmarans	
	Teresa Ntim	
	Nii Adja Nablah	
	Arnaud Alric	Resigned 21st November 2013
	Emmanuel Kyeremeh	Replaced 25th September 2013
	Christian Celin	Appointed 20th November 2013
	Kofi Asamoah	Appointed 20th November 2013

Company Secretary:

Angela Nanansaa Bonsu
Societe Generale Ghana Limited
Ring, Road Central
P.O. Box 13119
Accra, Ghana

Registered Office:

C796 A/3 Asylum Down
Ring Road Central,
P.O. Box 13119
Accra, Ghana

Registrars

NTHC Limited Martco House
P.O. Box KA 9563
Airport, Accra
Ghana

Auditors

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

PICTURES OF THE BOARD OF DIRECTORS

KOFI AMPIM
Chairman

BORUT VUJCIC
Deputy Managing

GILBERT HIE
Managing

JOSE REBOLLAR
Chief Operating Officer

NON EXECUTIVE DIRECTORS

ALEXANDRE MAYMAT
Member

TERESA NTIM
Member

CHRISTIAN CELIN
Member

NII ADJA NABLAH
Member

PIERRE WOLMARANS
Member

KOFI ASAMOAH
Member

MICHEL MIAILLE
Member

ANGELA NANANSAA BONSU
Company Secretary

PROFILE OF THE BOARD OF DIRECTORS

Kofi Ampim

He is the Chairman of the Board of Directors. He holds a Bachelors degree and a Masters degree in International Business and Finance. He is an Investment Banker and a Director of Total Oil Company. He is also the Chairman for Pan African Resources Development Company Limited, Accra and New York and Chairman of Allianz Insurance Ghana Limited. He joined the Board of Directors on 26th March, 2003.

Gilbert Hie

He is the Managing Director of the Bank. He holds a professional degree in Banking and a Masters degree in Banking from the Centre d'Etudes Supérieures de Banque, in Paris. He attended Executive Programs in Capital Markets and Corporate Finance at the Kellogg Graduate School of Management, North-Western University, Chicago. His career spans over 30 years with the Societe Generale Group serving in different capacities. He joined the Board of Directors of the Bank on 24th November 2010.

Borut Vujcic

He is the Deputy Managing Director of the Bank. He holds a Bachelor of Economics degree from Karl Franzens University in Austria. Prior to joining the Societe Generale Group he worked with Hypo Alpe Adria Bank AG holding the following positions. Customer Account Relationship Manager; Head of Loan Department (Leasing); Member of Project Team establishing Hypo Alpe, Adria Bank DD; Head of Corporate Finance; General Manager. Within the Societe Generale Group he has held the following positions. General Manager SKB Leasing; Executive Director Commercial Management SKB DD. He joined the Board of Directors on 27th July 2011.

Jose Rebollar

He is the Chief Operating Officer of the Bank. He is an Aeronautical Engineer by profession and holds a degree from the Polytechnic University of Madrid. He joined Societe Generale in 1994 and has held the following positions: Project Manager IT; Head of Corporate Actions; Head of Middle Office Securities; Head of Custody; Head of Sales; Head of Corporate Actions Back Office; Chief Operating Officer and Chief Administrative Officer in Spain, France and India respectively. He joined the Board of Directors on 27th July 2011.

Alexandre Maymat

He holds Statistics and Economic Administration degrees from the Polytechnics School and from the National School of Statistics and Economic Administration. He has a vast experience in the public service of France and of the European Union Economic. Within the Societe Generale Group, he has held the following positions. Chief Inspector, Regional Manager of the Franche-Comté area; Director and CEO of Société Générale de Banque in Cameroon; and he is now the Deputy Head of the Group's International Retail Banking Division. He joined the Board on 15th November 2012.

Michel Miaille

He holds Bachelor's degree in Law. He joined Société Générale in 1971. In 1980-1986 he was the General Manager of Société Générale Nigeria. From 1986 to 1990, he was the General Manager for a Société Générale affiliate in Oman in the Middle East. From 1990 to 1994 Mr Miaille was the General Manager for Société Générale Taiwan. From 1994 to 1999, he was the Managing Director for Société Générale Cameroon. His last position was Managing Director of Société Générale de Banques Cote d'Ivoire. He joined the Board of Directors on 26th March, 2003.

PROFILE OF THE BOARD OF DIRECTORS, Continued

Pierre Wolmarans

He holds LLB and B Com (Law, Economics and Accountancy 3A) and is an Attorney by profession. He joined Société Générale in 1990. He is presently the Chief Executive for Société Générale Corporate and Investment Bank, Southern Africa and Indian Ocean Region, Johannesburg. He joined the Board of Directors on 7th February, 2005.

Teresa Ntim (Mrs)

She holds a BSc and MSc. in Agricultural Economics. Her career spans over 33 years with the Bank of Ghana serving in different capacities in the Research, Rural Finance, Development Finance and Foreign Operations departments and was Head of Treasury from 1993 to 1997. She also served as Special Advisor to the Governor of the Bank of Ghana and retired in 2004. She joined the Board of Directors on 7th February, 2005.

Nii Adja Nablah

He is a Chartered Accountant by profession and holds an MBA (Finance) from the University of Wales and University of Manchester UK. He has extensive experience in the Implementation and Review of Accounting Systems, Procedures and Controls and Financial Systems Analysis. He is the General Manager of Finance at the Social Security and National Insurance Trust (SSNIT). Before joining SSNIT he worked with KPMG, a practicing firm of Chartered Accountants offering Audit, Taxation, Management Consultancy and other services. Directorships held are the Trust Bank, NTHC Company Limited, NTHC Properties, and Kumasi Catering Resthouse Limited. He joined the Bank's Board of Directors on 24th November 2010.

Christian Celin

He holds a Bachelors degree in Telecommunication Engineering from the National Superior School of Telecommunications Paris France and a Masters degree in Marketing and Communication strategy from the University of Paris France. Within the Societe Generale Group he has worked in various capacities at the Head Office and network including Managing Director at SG Securities Department after being an Internal Auditor at the Central Financial Controlling Department of SG Group; Internal Auditor Central Audit Department of French “Banques Populaires” Group; Engineer in telecommunication systems at French “Société Anonyme de Télécommunications”. He is currently the Regional Manager for subsidiaries in African countries at the International Banking and Financial Services Division of SG. He joined the Board of Directors of SG Ghana on 20th November 2013.

Kofi Asamoah

He is currently the Secretary General of the Trade Unions Congress (“TUC”). He holds an Honorary Doctorate degree for outstanding Leadership from Colombia University Washington DC Global Centre for Transformational Leadership. He also holds a Master of Arts degree in Philosophy and Labour Development from the Columbia University Washington District of Columbia; a Post Graduate Diploma in Labour Studies from the University of Histradrut Tel Aviv Israel; a Post Graduate Diploma in Socio Political Science Institute of Social Sciences Moscow Russia; a Post Graduate Diploma in Labour Policies Studies from the University of Cape Coast. He joined the Board of Directors on 20th November 2013.

KEY MANAGEMENT PERSONNEL

Gilbert Hie - Managing Director:
Please see section under Board of Directors.

Borut Vujcic - Deputy Managing Director:
Please see section under Board of Directors

Jose Rebollar - Chief Operating Officer:
Please see section under Board of Directors

Edmund Wireko Brobbey
Managing Director's Advisor
He holds a Master of Business Administration (Finance) from the Fordham University, New York USA and a BSC (Management) degree from the New York Institute of Technology USA. He joined the Bank in 1981 and has served in different capacities as Head Corporate Department; Head of Marketing Department; Head Business Development; Head Priority Banking Service; Head Privilege Banking Unit; Head Retail Sales Department and Head Development and Bank Strategy Department. He has over 30 years banking experience.

Yves Foucher
General Manager, Credit and Market Risk
He is a graduate of the Centre d'Etudes Superieures de Banques, Paris France. He joined Société Générale in 1985 and worked in several branches of the domestic network before being senior consultant for the Organization Department of Société Generale. He also held the following positions : Head of Organization & Support Societe Generale de Banques en Cote d'Ivoire, Abidjan Cote d'Ivoire; Large Corporate Relationship Manager, Societe Generale Paris France, Sales Manager of Real Estate Leasing Société Générale, Paris France; and Head of Corporate and Retail Banking Société Générale de Banques en Guinee, Conakry Guinee.

Irene Owiredu Akrofi
General Manager, Treasury
She holds an Executive Master of Business Administration (Finance) and a BSc Administration from the University of Ghana and two professional qualifications (ACIB) from the Chartered Institute of Bankers in London and (ACI) Association Cambiste Internationale based in Paris. Over her 20 year career she has built expertise in retail banking, product development, card payment systems, operational risk management and control, project management, treasury business development and sales, and executive management. She is charged with responsibility for managing the Bank's Assets and Liabilities.

Angela Nanansaa Bonsu
General Manager, Company Secretariat
She holds a Master of Business Administration degree from the Middlesex University Business School UK and an honours degree in Law from Birkbeck College, University of London UK. She is a professionally qualified member of good standing with the Institute of Directors Ghana. She is experienced in Company Secretaryship, Compliance, Corporate Governance, Business Integration, Global Employee Share Ownership Programmes, Legal Administration, Human Resource, and Project Management with over 20 years experience working in various capacities. As the Company Secretary, Ms Bonsu has oversight responsibility for the Legal Department, manages Communications, Sustainable Development & Corporate Social Responsibility.

Eric Mark Owusu
General Manager, Operational Risk & Permanent Control
He is an associate of the Institute of Bankers UK, a fellow and Council member of the Chartered Institute of Bankers Ghana, and holds an Executive Master of Business Administration from Ghana Institute of Management and Public Administration. He has a varied background in all areas of Banking i.e. Branch Management, International Banking, Credits and Relationship Management, Deputy Head of Business Banking Department. As Head of Permanent Control he has oversight responsibility for Operational Risk;

KEY MANAGEMENT PERSONNEL, Continued

Compliance; Anti-Money Laundering; Permanent Supervision; Business Continuity Planning and Crisis Management.

Bernice Allotey
Assistant General Manager, Organisation & Projects
She holds an Executive Masters in Business Administration (Finance) second degree and a BSC in Computer Science and Statistics from the University of Ghana, Legon and was accredited as a Prince 2 Practitioner by the Association of Project Managers Group in 2005. She has extensive knowledge and proven expertise in Project and Change Management and process improvement/ procedure writing with over 16 years experience in the Banking industry. She has handled projects relating to various functions of the banking industry and provided support for the Core Banking Application. As the Head of Organisation and Projects, she is responsible for the SG Ghana Project Portfolio and Methods & Procedures

Lawrence Ribeiro
Assistant General Manager, Logistics & Support
He holds BSc Electrical/Electronic Engineering degree from the Kwame Nkrumah University of Science and Technology and an Executive Master of Business Administration (Finance option) from the University of Ghana, Legon. In the last thirteen years he has built extensive experience in enterprise IT management. He worked in various capacities as Head of Data Centre Operations, Head of Network and Systems, Head of IT Security and business Continuity Planning and Head of Information Systems and Technology.

Ben Berko
Head Corporate Banking
He holds a Master of Business Administration (Finance) second degree obtained from University of Ghana and a BA Honours first degree in Political Science & Philosophy from the University of Ghana, Legon; a Diploma in Advance Economics of Banking [Fin Africa in 1990], and has over 25 years experience in Banking and Finance having joined the industry in 1984. Over the period, he has held Branch Manager positions with the responsibility for Branch operations and business development. Between 2001 and 2005, he joined the Business Banking Division and was a Relationship Manager in charge of a portfolio of corporate customers of the Bank, developing and maintaining profitable relationships for mutual benefit.

Kwaku Tweneboa Kodua
Head Retail Banking
He is a seasoned Banker with Retail Banking experience in the Banking industry in Ghana. He has managed teams spanning from few members to 4000 plus. His most famous role was the Head of Direct Sales in the banking industry where he championed the taking over of the market concept with a dedicated and well drilled sales force known as Direct Sales Agents. He left the Banking industry briefly in 2011 where he took up the position of Chief Operating Officer of the Roverman Productions, the most consistent theatre company in Ghana where he was able to obtain sponsorship syndications with corporate Ghana and thus bringing theatre on a regular basis to Ghanaians.

Albert Setor Ofori
Head Human Resources Management
He is a professionally qualified member of good standing with the Institute of Human Resource Management Practitioners (Ghana). He holds a Master's degree in Industrial-Organizational Psychology and a B. A. Degree in Psychology with Philosophy from the University of Ghana. He is an Associate member of the Institute of Professional Financial Managers (IPFM) and the Society for Human Resource Management (SHRM). He has over 15 years experience in Generalist and Specialist Roles in Human Resource Management and 6 years experience in Retail Banking.

CHAIRMAN'S STATEMENT

Dear Shareholder,

On behalf of the Board of Directors and Management of Societe Generale Ghana Limited, it is my pleasure to welcome you to the 34th Annual General meeting of our Bank and present to you, the Annual Report and Financial Statements of our Bank for the financial year ended 31 December 2013. Our Bank's financial performance remained robust within the context of an extremely competitive environment.

2013 THE YEAR OF CHANGE

The year 2013 was a time for change for our Bank as we celebrated 10 years of Societe Generale's presence in Ghana.

At the last Annual General Meeting, Shareholders passed a special resolution for the name of the Bank to be changed from SG-SSB Limited to Societe Generale Ghana Limited. This was duly approved by the Bank of Ghana. The name change was fully implemented and was followed by the rebranding of the whole of the Bank.

Further, new Branches were also opened in Kasoa and Osu respectively. Additionally, our Bank also implemented the Optimization of Activities and Selected Investment Sales ("OASIS") Project in the Western Sector of Ghana which was duly approved by the Bank of Ghana. I would mention that the 8 Points of Sales under the OASIS Project did not constitute the disposal of substantially the whole of the undertaking of the assets of our Bank and did not produce a fundamental change in our Banks business.

I am delighted to report that in the year 2013 a brand new ultramodern Head Office was completed to converge all the Head Office Departments from four different locations into one building.

Management of our Bank led by Mr Gilbert Hie achieved a tremendous amount in 2013 managing strategic change. It is a credit to the Management Team that our Bank achieved all these successes in the year 2013.

ECONOMIC ENVIRONMENT

The challenges of the global economy in 2012 adversely affected the widespread global economic growth; including the protracted Eurozone crisis, high unemployment and compounded by fiscal austerity. Over the year 2013, there was a pickup in the pace of global activity with improvements in interest rates, slowdown in the GDP and the restoration of financial and capital markets. However in 2014, activity and trade are projected to strengthen gradually but recovery is expected to be modest through the improvements in financial conditions, continued support from accommodative monetary policies and reduced drag from fiscal consolidation.

OPERATING ENVIRONMENT

Ghana continues to be one of the peaceful and stable nations in Sub-Saharan Africa emphasized during the election cycle which strengthened the country's democratic credentials given the level of transparency and independence. The year 2013 was characterized by high fiscal and current account deficits coupled with exchange rate pressures. This was worsened by the temporary power shortages which threatened prospects for economic growth. Nonetheless, the continued improvements in the energy sector and the expected increases in oil production, as well as the onset of gas production should influence the growth momentum into 2014.

The macroeconomic highlights for the year 2013 included a growth in GDP of 7.4% compared with 7.9% for year 2012. This is a slower growth than the 14.4% in 2011 which was due to the inclusion of oil production in the last quarter of 2010. The growth performance in 2012 was

CHAIRMAN'S STATEMENT, Continued

achieved despite lower cocoa and oil production. The projected outlook remains healthy, with real GDP growth estimated at 8% and 8.7% in 2013 and 2014 respectively. The Gross International Reserves stood at US$5.6 billion; equivalent to 2.9 months import cover. This may be compared to the December 2012 position of US$5.3 billion. These gains were attributed to numerous interventions the government introduced into the economy, such as the Eurobond and improvement in the energy sector.

The price and volume effects from the major export commodities i.e. cocoa, gold and oil have challenged export receipts. Gold prices decreased by 16.3% from an average of US$1,668.98 per ounce to US$1,396.93 per ounce. However, Cocoa prices remained unchanged increasing from a 2012 average of US$2,410.34 per tonne to US$2,435.94 per tonne. Crude Oil prices rose by 18% from US$93.99 per barrel in 2012 to US$110.92 per barrel. For exports, the outlook is positive given strong prospects for oil and gold production. Oil is likely to see strong real growth as the Jubilee oilfield moves towards peak production of 125,000 barrels per day in 2015.

The Bank of Ghana maintained policy measures to curb the increased volatility in the foreign exchange markets. These measures stabilized and sustained the level of confidence in the foreign exchange markets. The Cedi's performance over the year 2013 indicated depreciation against the major trading currencies; for the US dollar (16%), the Euro (19%) and the Pound Sterling (17%).

Inflationary pressures were driven on account of the upward adjustments in utility tariffs, petroleum prices and exchange rate pressures resulted in a shift onto a double digit trend over the period 2013. From 10% in January, inflation rose to 11.8% in July 2013 and in 13.2% in December 2013.

The monetary policy stance in 2012 for the mopping up of the excess cedi on the market continued to contribute to the upward trend over first half of 2013 in interest rate with a continued preference by local investors for short term instruments. However, over the last quarters of 2013 the Interest rates on the money market witnessed marginal declines across all security types. The yield on the benchmark 91-day Treasury bill fell from 23.03% at the beginning of the year to 19.22% at the end of December 2013. The Policy rate over the period was increased to 16.0 percent in May 2013 from 15%.

2013 OPERATING RESULTS

Our Bank recorded a Net Profit before Taxation of GHS50,149,477 from which taxation of GHS13,785,285 was deducted giving a Net Profit after Tax of GHS36,364,192 Net Banking Income increased by 31.27% and Current Operating Expenses grew by 23.27%. Shareholders' Funds increased from GHS169,814,305 to GHS193,701,316 representing an increase of 14.07%.

DIVIDEND

The Board of Directors have proposed a dividend of GHS0.06 (Six Ghana Pesewas) per share in line with the Regulations of our Bank. This would amount to GHS20,033,634 which represents 66% of the distributable profits of the Bank.

SHARE PERFORMANCE

Over the period 2013 our Bank's share price grew from a stable 2012 average share price of GHS0.45 to a high of GHS0.86 by the end of the first half of 2013. Societe Generale Ghana share price strong performance can be due to confidence in the Bank's prospects and goodwill associated with the Societe Generale Ghana brand. Thereafter the bank's share price remained stable during the third quarter, but then fell marginally and ended in December 2013 at GHS0.75.

CHANGES IN THE BOARD OF DIRECTORS

During the year, Mr Arnaud Alric resigned and Mr Emmanuel Kyeremeh was replaced as a Director of our Bank. On behalf of the Board of Directors and Management of our Bank, I thank Messrs Alric and Kyeremeh for their contribution to the strategy of our Bank during their tenure and wish them well.

Mr Christian Celin and Mr Kofi Asamoah on the recommendation of the Board of Directors and with the approval of the Bank of Ghana were appointed as Directors. As required by the Regulations of our Bank they will be seeking election as Directors.

CORPORATE GOVERNANCE

Our Bank is committed to ensuring effective corporate governance as we believe that good corporate governance enhances shareholder value. The Companies Code, The Banking Act, Securities and Exchange Regulations as well as the Continuing Listing Requirements of the Ghana Stock Exchange provide us with the regulatory framework for ensuring effective corporate governance, anti money laundering and combating financing of terrorism efforts.

OUTLOOK FOR 2014

Societe Generale Ghana with its new international branding will continue to maintain sustained growth through the provision of Quality Products and Services. The year 2014 will be a year of Quality for our Bank. Our Bank will continue with the automation of its operations, continually invest in IT software to enhance and make more efficient its banking operations.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to thank our Shareholders and Customers for their support. I also wish to express my gratitude to Management and Staff of the Bank for their hard work in the year 2013. I would also like to thank our Regulators, the Bank of Ghana, the Securities and Exchange Commission and the Ghana Stock Exchange for their supervision and guidance.

Thank you for your attention.

KOFI AMPIM
CHAIRMAN

MANAGING DIRECTOR'S REVIEW

Once again another year has ended and it is my pleasant duty to review our Bank's operations in order to give shareholders an insight into the performance and operations of our Bank during the period under review.

2013 OPERATING RESULTS

Our Bank recorded a Net Profit before Taxation of GHS50,149,477 from which taxation of GHS13,785,285 was deducted giving a Net Profit after Tax of GHS36,364,192 Net Banking Income increased by 31.27% and Current Operating Expenses grew by 23.27%. Shareholders' Funds increased from GHS169,814,305 to GHS193,701,316 representing an increase of 14.07%.

OPERATIONAL REVIEW 2013

During the year 2013 our Bank continued with its strategy to achieve profitable and sustained growth through the following accomplishments:-

- Tremendous Growth at Treasury
- Impressive Performance at Corporate Banking
- Sustained Progression at Small Medium Enterprise
- Optimisation of the Branches Network
- Product Development and Channel Distribution
- Effective Quality Claims and Management
- Human Resource Management
- Sustainable Development & CSR

TREMENDOUS GROWTH AT TREASURY

Our Bank continued its activity as Primary Dealer, and bond trading saw volumes increase by 11% while income generated increased by 34%. Societe Generale South Africa launched international custody business in collaboration with SG Ghana. Our Bank remained true to its focus on private sector lending and grew its loan portfolio significantly. On the back of high Treasury yields competing for liquidity, cost of deposits was impacted. Our Bank remained net lender to the market, extending the number of local counterparty banks for money market activity. To develop funding products and options the bank used SWAPs to raise funding as well as the usual lines of credit extended by SG Group and International Financing Institutions.

IMPRESSIVE GROWTH AT CORPORATE BANKING

The Corporate Banking Department recorded impressive growth in 2013. The Department re-energized the team through recruitment, training and aligned its Procedures/Processes. The Department will continue with new Client acquisition and focus on Service quality issues and re-organized Client Service and Support to drive Sales.

Credit portfolio recorded a 44% growth and posted an average growth of 52% against 30% in 2012. All assets types recorded growth with Finance Lease recording 300% to constitute 9% of the portfolio, up from 4%. Term loans increased by 62% in 2013 against 30% in 2012. Trade business improved on account of Oil and Gas as well as Soft Commodity Financing. The growth was in local and foreign currencies and contributed to revenues out turn. Despite aggressive growth, discipline in Risk Management kept the NPL ratio in check. Deposits mobilization was challenging, as clients expected Treasury Bill benchmark. The growth was a moderate 7.5%, and in 2014 deposits mobilization will be a frontal sales objective.

Corporate Banking Department cooperated with Treasury, International Banking Centre and Retail Banking as immediate stakeholders in serving clients. The Foreign Exchange illiquidity in 2013 was challenging to the Bank; this was contained through various strategies to meet the needs of clients. In 2014, the FX Hedging solution, and

MANAGING DIRECTOR'S REVIEW, Continued

our financing support to serve Export oriented businesses will become a priority.

SUSTAINED PROGRESSION AT SMALL MEDIUM SIZED ENTERPRISE

The year 2013 continued with the agenda to revamp the SME business in terms of client acquisition and human resource strategy of recruiting and rewarding talents and high performers. Operational efficiency was high on our agenda. The result of Agence Française de Développement sponsored programs including the training of our staff; re-engineering our credit delivery processes to achieve better efficiency; and studying the market for better understanding led to the upswing of the SME business. The trend is to be sustained in the ensuing years.

The year 2013 saw a growth of 27% in the credit portfolio compared to a net drop of 5.8% in 2012. Average size of a credit file approved increased by 51% over last year. The unit also continued to take advantage of the Portfolio Risk participation arrangement with AFD by growing its term loan component to achieve a mix of 55% loans against overdraft of 45%. This is also in line with our strategy to skew the portfolio towards loans. The agreement has been renewed for another 2 years. Our lending margins remained strong with average non-performing loan (NPL) ratio trending down and enhancing the net yield of the portfolio. The growth in SME deposits in 2013 was slow reflecting the tightness of the market during the year with the Unit recording a growth of 3.8%. The slow growth resulted from competing high yields on Treasury bill, tight foreign currency and competition from deposit taking non-banking financial institutions (NBFIs). For the future, a lot more aggression and innovation will be adopted for deposit mobilization.

OPERATIONAL EFFICIENCY AT THE RETAIL BANKING DEPARTMENT:

Having laid the foundation through the implementation of a new organisation in 2012, we embarked on a few other projects to streamline the customer base and some of the processes, in an effort to improve sales and service. We first introduced Delta Portal, which is a customer-relationship management tool, allowing our Universal Relationship Officers to get relevant sales and service data at a glance. We then undertook the process of segmentation. This involves a complete assessment of the Retail customer base looking at the asset value per customers to assign them into specific groups. We then progressed to Portfolio Allocation which ensured that all customer classes within the network are allocated to specific relationship officers.

The goal is to ensure that all customers have active relationship managers who they can call on to attend to their needs. The business also continued with its drive to improve on operational efficiency and training of branch staff in various activities that impact on regulatory matters. Retail Banking Division also reorganized the Credit Monitoring and Control Unit, and initiated actions for early recovery; to further strengthen our ability to deal with the risk associated with the rapid expansion of the loan book arising from the RUBI initiative. The business will continue to reorganize and evolve to adequately meet the challenges and competition presented by the industry.

PRODUCTS DEVELOPMENT AND CHANNEL DISTRIBUTION

The Marketing Department was restructured to Products Development and Channel Distribution to position the Department to effectively support our Bank. The Department consisting of Channel Distribution Management to manage the Banks alternative distributions - E-banking products. The Product Development team will enhance product development through client approach and Branding and Communication to enhance product communication and branding at the various Branch

MANAGING DIRECTOR'S REVIEW, Continued

network. The year 2013 saw the Department developing new products, re-engineering old products and enhancing existing ones. The products launched during the year include Factoring, Master Card Acquiring and Happy Chat Loan. The new products being developed next year are Trade net, Bank Assurance and Mobile Payment. The Bank organized deposit mobilization campaign "Secure Your Future" to get Customers to improve their savings culture.

In celebration of 10 years of Societe Generale's presence in Ghana, Personal Loan and Remittance campaigns were also organized to reward the Bank's customers. A second Loan promotion "Happy Days at Societe Generale Ghana" was organized to aid the customers meet their needs during the Christmas festivities. Special branding was deployed at the bank's sponsored events such as Chinese New year Festival, Franco-German concert, 2013 Beaujolais Nouveau Wine Celebration at Novotel and TOTAL Petroleum Ghana Limited presentation of new Trucks financed by the Bank.

QUALITY CLAIMS AND MANAGEMENT

Quality Claims and Management initiated a Quality Project to improve service standards within our Bank. The focus was to review and redefine procedures and processes of the Bank to improve the mode of delivery of the various products and services of our Bank, to standardize all levels of operations and to improve the efficiency in our delivery at all levels of our operations. Quality Claims Management trained a network of quality ambassadors in branches tasking them to ensure that issues pertaining to the quality of our service were effectively disseminated.

Quality Claims and Management visited branches to discuss service issues with branch staff as well as to observe and monitor branch operations to determine the conformity to agreed standards. The Department collated information from branches and support units for the preparation of a monthly report which highlighted the trend of customer complaints on the bank's products and services, and the level of internal service support. Quality Claims and Management managed customer and staff complaints on various issues, liaising with all support units and business units for resolution.

HUMAN RESOURCE MANAGEMENT

The Human Resource Management Department embarked on a number of initiatives aimed at supporting the Bank's Change Management agenda during the year under review. The electronic appraisal system 'E-valuation Tool' which had been piloted in the Bank the previous year was successfully rolled out to all employees for both objective-setting and performance assessment, placing emphasis not only on operational objectives but also on behavioural objectives. In line with its strategy on operational efficiency, the Bank introduced a Health Insurance Scheme by signing an agreement with a service provider as an alternative to the existing arrangement of providing health care to staff and their dependants. As part of the successful conclusion of negotiations on the Collective Agreement with the Union, Management implemented an Early Leavers' Programme, which resulted in the exit of thirty-two (32) employees from the Bank with payment of appropriate remuneration packages.

In addition, the successful implementation of the Optimization of Activities and Selected Investment Sales (OASIS) Project, also witnessed the smooth seperation of 14 members of staff from the Bank. The Employee Barometer survey was conducted for the second time in the Bank during the year under review. The necessary communication was made to stakeholders, and an Action Plan developed for the implementation of key issues raised. In order to improve the capabilities of staff to make them more effective to achieve our vision, approximately 30,000 hours were spent on training, spanning both local and overseas programmes.

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY ("CSR")

At our Bank we interpret CSR to mean, to Care, to Share and to Respect. Staff of our Bank under the celebration of its Citizens Commitment Week, visited the Shelter for Abused Children in Osu Accra on a weekend to interact, motivate and play with the children at the Shelter. Our Bank also built a new canteen for the Shelter. Management and Staff TOGETHER cleaned the surroundings of the shelter, painted, and treated the children to a feast.

As part of its CSR activities our bank also embarked on an HIV/AIDS Awareness Campaign dubbed "Let's Talk About it". The campaign was to sensitise staff on HIV/AIDS and to discuss the bank's policy on the disease; the responsibilities of the employer and rights of the employee.

Also Management and Staff together made a donation to the Ghana Heart Foundation during the period under review

ENVIRONMENTAL AND SOCIAL MANAGEMENT SYSTEMS

Our Bank aims to be a reference point in the Ghanaian Banking Industry for our clients by adopting a responsible attitude; By incorporating social and environmental considerations into our business practices; By being a responsible employer, conscious of the well-being and professional development of our staff and managing staff development; By being an efficient manager of resources used to achieve its objectives; By monitoring and minimizing the direct impact of our Banks activities on the environment; through managing and reducing the direct impact of our activities on the society. Our Bank is committed to and respects the environment and fundamental human rights and social principles in all its operational areas.

The year 2013 saw the structured implementation of Environmental and Social Management Systems ("ESMS") in our Bank. ESMS seeks to ensure that projects are undertaken in an environmentally and socially responsible manner. Currently our Bank has an ESMS Charter, an ESMS Directive, Tools for assessing ESMS.

APPRECIATION

I would like to thank the Board of Directors, my Executive Management Team and all staff for their commitment in 2013. I would also like to thank our customers for their loyalty. I am confident that with the change management undertaken in 2013, the bank will achieve sustained organic growth as we continue BUILDING TEAM SPIRIT TOGETHER.

Thank you.

GILBERT HIE
MANAGING DIRECTOR

REPORT OF THE DIRECTORS'

The directors in submitting to the shareholders the financial statements of the Bank For the year ended 31 December 2013 reports as follows:

	2013 GH¢	2012 GH¢
The Bank recorded net profit before taxation	**50,149,477**	41,083,353
From which is deducted taxation of	**(13,785,285)**	(10,817,039)
Giving a net profit after taxation of	**36,364,192**	30,266,314
There was transfer to statutory reserves of	**(9,091,048)**	(15,133,158)
Leaving a profit for the year after taxation and transfer to statutory reserves of	**27,273,144**	15,133,156
When added to the opening balance on the income surplus account as of 1 January of	**18,987,445**	17,988,516
And adjusting it with transfer from capital surplus	**1,517,097**	1,169,444
And adjusting it with prior year adjustment	**-**	2,193,383
From which is deducted final dividend paid of	**(13,355,755)**	(13,355,755)
Leaving a balance of	**34,421,931**	23,128,744
Out of which transfer to general regulatory credit reserve of	**1,556,588**	(4,141,299)
It leaves a closing balance on the income surplus account of	**35,978,519**	18,987,445

Nature of business
There has been no change in the nature of the business of the Bank. The Bank is a public company under the provisions of the Companies Code 1963, (Act 179) and is listed on the Ghana Stock Exchange.

Holding company
Societe Generale through its wholly owned investment subsidiary SG Financial Services Holding owns 52% of the issued capital of the bank, thus making Societe Generale Ghana Limited, a subsidiary of Societe Generale.

Stated capital
The Bank has complied with the minimum stated capital requirement for universal banking as directed by the Bank of Ghana.

Changes in Board of Directors and Senior Management Re-election of Directors
In accordance with Section 88 (1) of the Regulations of the Bank, Mr. Pierre Wolmarans, Mr. Michel Mialle and Mr. Kofi Ampim retire by rotation and being eligible; offer themselves for re-election as directors.

Pierre Wolmarans
He holds LLB and B Com (Law, Economics and Accountancy 3A) and is an Attorney by profession. He joined Societe Générale in 1990. He is presently the Chief Executive for Societe Generale Corporate and Investment Bank, Southern Africa and Indian Ocean Region, Johannesburg. He joined the Board of Directors on 7th February, 2005.

Michel Miaille
He holds Bachelor's degree in Law. He joined Societe Generale in 1971. In 1980-1986 he was the General Manager of Societe Generale Nigeria.

REPORT OF THE DIRECTORS', Continued

He held various managerial positions successfully in Nigeria, Oman, Taiwan, and Cameroon. His last position was Managing Director of Societe Generale de Banquets Cote d'Ivoire. He joined the Board of Directors on 26th March, 2003.

Kofi Ampim
He holds BBA Degree and a Masters in International Business and Finance. He is an Investment Banker and a Director of Total Oil Company. He is also the Chairman for Pan African Resources Development Company Limited, Accra and New York and Chairman of Allianz Insurance Ghana Limited. He joined the Board of Directors on 26th March, 2003.

Election of Directors
In accordance with Regulation 72(1) of the Regulations of the bank Mr Christian Celin and Mr. Kofi Asamoah who were appointed during the year offer themselves for election.

Christian Celin
He holds a Bachelors degree in Telecommunication Engineering from the National Superior School of Telecommunications in Paris France and a Masters degree in Marketing & Communication strategy from the University of Paris France. Within the Societe Generale Group he has worked in various departments at the Head Office and network including Managing Director at SG Securities Department after being an Internal Auditor at the Central Financial Controlling Department of SG Group; Internal Auditor Central Audit Department of French "Banques Populaires" Group; Engineer in telecommunication systems at French "Societe Anonyme de Télécommunications". He is currently Regional Manager for subsidiaries countries at the International Banking and Financial Services Division of SG. He joined the Board of Directors of SG Ghana on 20th November 2013.

Kofi Asamoah
He is currently the Secretary General of the Trade Unions Congress ("TUC"). He holds an Honorary Doctorate degree for outstanding Leadership from Colombia University Washington DC Global Centre for Transformational Leadership. He also holds a Master of Arts degree in Philosophy and Labour Development from the Columbia University Washington District of Columbia; a Post Graduate Diploma in Labour Studies from the University of Histradrut Tel Aviv Israel; a Post Graduate Diploma in Socio Political Science Institute of Social Sciences Moscow Russia; a Post Graduate Diploma in Labour Policies Studies from the University of Cape Coast. He joined the Board of Directors on 20th November 2013.

Directors' Interest
One director holding office at the end of the year owned 1,940 shares of the Bank's total shares of 333,893,894. None of the directors had a material interest in any contract of significance with the Bank during the year.

Dividend
The Board of Directors have proposed a dividend of GH¢0.06 (Six Ghana Pesewas) per share in line with the Regulations of the Bank. This would amount to GH¢20,033,634 which represents 66% of distributable profits.

Auditors
In accordance with Section 134(5) of the Companies Code 1963, Deloitte and Touche has agreed to continue in office as the bank's auditors. A resolution to authorise the directors to determine the remuneration for the year ended 31 December 2013 will be proposed at the Annual General Meeting.

Substantial Shareholders
Details of the Bank's twenty largest shareholders are disclosed in Note 48 to the financial statements.

Corporate governance
Societe Generale Ghana Limited respects the standards of good corporate governance, which include transparency, accountability and rights of all its stakeholders.

REPORT OF THE DIRECTORS, Continued

Credit Risk Committee
In line with its Corporate Governance principles, the Board of Directors has a Credit Risk Committee made up of the following directors:

Alexander Maymat	-	Chairman
Christian Celin	-	Member
Gilbert Hie	-	Member
Borut Vujcic	-	Member

This committee reviews and makes recommendations to the Board of Directors on all aspects of the Credit and Market risks. In attendance is the General Manager for Credit and Market Risk of the Bank. The Committee analyses on a periodical basis the organisation and functioning of the Bank's risks departments; Reviews the portfolio of credit and market risks to which the Bank is exposed; As regards counterparty risks, the Credit Risk Committee reviews the content of and changes to the portfolio per type of facility and debtor, the regulatory ratios and key indicators, changes to the quality of commitments: sensitive, irregular, non-performing files, Compliance with the conditional authorizations issued by the Societe Generale Group, adequacy of the level of provision for the risks incurred and the efficiency of debt collection.

The Committee reports its findings to the Board of Directors with the requisite recommendations.

AUDIT AND ACCOUNTS COMMITTEE
In line with its Corporate Governance principles, the Board of Directors has an Audit and Accounts Committee made up of the following directors:

Michel Miaille	-	Chairman
Kofi Ampim	-	Member
Teresa Ntim	-	Member
Arnaud Alric	-	Member
Nii Adja Nablah	-	Member

This committee reviews and makes recommendations to the Board on all aspects of the audit and financial reporting processes. In attendance at Audit Committee meetings are the Managing Director, Deputy Managing Director, Chief Operating Officer, Head of Audit Department, Head of Permanent Control Department and where necessary, the Bank's External Auditors.

NOMINATION AND COMPENSATION COMMITTEE
In line with its Corporate Governance principles the Board of Directors has a Nomination and Compensation committee made up of the following directors:

Teresa Ntim	-	Member
Kofi Ampim	-	Member
Nii Adja Nablah	-	Member
Michel Miaille	-	Member
Gilbert Hie	-	Member

This committee ensures the bank has a board of competent and effective composition and is adequately charged to carry out its responsibility in the best interest of the bank and its shareholders. The committee makes recommendations to the Board in respect of succession plans, appointments and competitive compensation packages for Management officers of the Bank.

COMPLIANCE WITH SECURITIES AND EXCHANGE COMMISSION REGULATIONS
The Bank has complied with the regulations of the Securities and Exchange Commission (L.I. 1728 Regulation 61) and has submitted to the Commission as requested, two (2) reports of the Audit and Accounts Committee for the year 2012. The Audit Committee held four meetings during the year under review. In fulfilment of the Securities and Exchange Commission requirements, we present a summary of the reports so submitted:

- Report on the Credit Risk, Operational Risk, and Market Risk Activities
- Report on Structural Risks and Statutory Ratios

- Report on Bank of Ghana's Prudential Ratios
- Report on an overview of the Audit Division and its functions
- Report on Compliance Monitoring, Anti Money Laundering and Permanent Supervision ensuring continuous monitoring of operational activities.
- Report on Counterparty Risks
- Report on Changes in Organisational Structure
- Report on Business Continuity Plan
- Audit Reports on Branches submitted.

The External Auditors submitted their audit plan for the year and concluded that the audit approach will be risk based and control focused and that the audit will be in accordance with International Standards on Auditing.

By order of the board

....	....
CHAIRMAN	MANAGING DIRECTOR
(Kofi Ampim)	(Gilbert Hie)
ACCRA	ACCRA

14 February 2014

STATEMENT OF DIRECTORS RESPONSIBILITIES

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

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

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

The above statement, which should be read in conjunction with the statement of the auditors' responsibilities on page 21, which is made with a view to distinguishing for shareholders the respective responsibilities of the directors and the auditors, in relation to the financial statements.

Deloitte.

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Independent auditors' report

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

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).

Deloitte.

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).

Deloitte & Touche

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

26th February 2014

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

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
Other comprehensive income:			
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:

Kampirj ....
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 reseve	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

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

1. Reporting entity
Societe Generale Ghana Limited (the Bank) is a limited liability company incorporated in Ghana under the Companies Code 1963, Act 179. The Bank is domiciled in Ghana with its registered office at C796 N3 Asylum Down, Ring Road Central, Accra. The Bank is authorized and licensed to carry out the business of banking and provides retail banking, corporate banking, investment banking and other financial intermediation activities and specialized financing activities such as leasing and consumer credits through its network of branches and outlets including divisions across Ghana.

The principal activities of the Bank are described in the Directors' Report. Societe Generale (Group), a bank incorporated in France, is the ultimate parent of the Bank.

The Bank is listed on the Ghana Stock Exchange (GSE). This has enabled the equity shares of the Bank to be traded publicly on the GSE.

1.1 Authorization for publication
The financial statements of the Bank for the year ended 31 December 2013 were authorized for issue in accordance with a resolution of the directors on 14 February 2013.

1.2 Statement of compliance
The financial statements of the Bank For the year ended 31 December 2013 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

1.2.1 Presentation of Financial Statements
The Bank presents its statement of financial position in order of liquidity. An analysis regarding recovery or settlement within 12 months after the reporting date and more than 12 months after the date is presented in note 39.

1.3 Accounting policies
The accounting policies adopted are consistent with those of the previous financial year.

2. Summary of significant accounting policies
The significant accounting policies applied by Societe Generale Ghana Limited in the preparation of the financial statements are set out below:

2.1 Basis of preparation
The financial statements of the Bank have been prepared on a historical cost basis, except for available for sale investments, other financial assets and financial liabilities held for trading which is at fair value. Land & buildings are also carried under the revaluation model.

2.2 Investment in associate
An associate is an entity over which the Bank has significant influence and that is neither a subsidiary nor an interest in joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Bank incorporates the results and the assets and liabilities of the associate in its financial statements using the equity method. Under the equity method, investment in associates is carried in the statement of financial position at the Bank's share of the net assets of the associate less impairment and distribution by way of dividend. The most recent available financial statements of the associate are used by the Bank in applying the equity method.

2.3 Functional and presentation currency
The financial statements are presented in Ghana Cedis [GH¢], which is the functional and presentational currency of the Bank.

2.4 Foreign currency transactions
Transactions denominated in foreign currencies are recorded in the functional currency using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rate of exchange ruling at the reporting date.

Foreign exchange gains and losses resulting from the settlement of foreign currency transactions are recognized in profit or loss under the heading "forex"

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

trading revenue". Foreign exchange gains and losses resulting from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss under the heading "other operating income''.

The effect of exchange rate changes on cash and cash equivalents held or due in a foreign currency is reported in the statement of cash flow as part of the reconciliation of cash and cash equivalents at the beginning and end of the period. This amount is presented separately from cash flows from operating, investing and financing activities and includes the differences, if any, had those cash flows been reported at end of period exchange rates.

2.5 Segmental reporting

IFRS 8 requires the identification of operating segments to be on the basis of internal reports that are reviewed by an entity's Chief Operating Decision Maker (CODM) to allocate resources to the segment and assess its performance.

IFRS 8 requires entities whose shares or debts are traded publicly to produce segmental report.

Societe Generale Ghana limited is managed on a basis that takes account of the different business lines that dominate the operating activities of the Bank. Major business lines of the Bank are:

a Retail banking
b Corporate banking
c SME banking
d Treasury

The banking activities of the Bank have been segmented into various business lines. The profitability of these business lines is assessed based on the Profit and Loss statement produced. These are illustrated in Note 42.

2.6 Property, plant and equipment

The Bank recognizes an item of property, plant and equipment as an asset when it is probable that future economic benefits will flow to it and the cost of the item can be measured reliably.

"Land and buildings held for use in the provision of services, or for administrative purposes, are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed every five years to ensure that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period. "Any revaluation increase arising on the revaluation of such land and buildings is recognised in other comprehensive income and accumulated in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such land and buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the properties revaluation reserve relating to a previous revaluation of that asset.

Properties in the course of construction for provision of services or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the bank's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

"Depreciation on revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings.

Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets (other than freehold land and properties under construction) less their residual

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values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The current annual depreciation rates for each class of property, plant and equipment are as follows:

Buildings	3.00%
Furniture and equipment	20.00%
Computer	33.33%
Household furniture	25.00%
Motor vehicles	33.33%
Leasehold land amortized over leased period	

Freehold land not depreciated

Costs associated with routine servicing and maintenance of assets are expensed as incurred. Subsequent expenditure is only capitalized if it is probable that future economic benefits associated with the item will flow to the Bank.

The carrying values of property and equipment are reviewed for indications of impairment annually, or when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of property and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognizing of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the year the item is derecognized.

Residual values, useful lives and methods of depreciation for property and equipment are reviewed, and adjusted if appropriate, at each reporting date.

2.7 Intangible assets: Computer software

Costs incurred to acquire and bring to use specific computer software licenses are capitalized. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any impairment losses. The amortization period and method for an intangible asset, in this case computer software, are reviewed at least at each reporting date. Changes in the expected useful life in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. The amortization expense on the intangible assets is recognized in profit or loss in the expense category consistent with the function of the intangible asset. Amortisation is calculated using the straight line method on the basis of the expected useful lives of the assets which range between 4 and 5 years.

The carrying values of intangible assets are reviewed for indications of impairment annually or when events or changes in circumstances indicate the carrying value may not be recoverable.

If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of intangible assets is the greater of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Gains or losses arising from de- recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

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2.8 Provisions

The Bank recognizes provisions when it has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Bank expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain.

The expense relating to any provision is presented in profit or loss net of any reimbursement.

If the effect of the time value of money is material, 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.

2.9 Employee benefits

The Bank contributes to two defined contribution schemes (the Social Security Fund and the Provident Fund) on behalf of employees.

a Social security contributions

This is a national pension scheme under which the Bank pays 13% of qualifying employees' basic monthly salaries to a state managed Social Security Fund for the benefit of the employees. All employer contributions are charged to profit or loss as incurred and included under personnel expenses.

b Provident Fund

This is Societe Generale Ghana Limited's specific defined contribution schemes under which the Bank contributes 10% of qualifying employees' basic monthly salaries to a fund managed by a trustee on behalf of, and for the benefit of the employees. All employer contributions are charged to profit or loss as incurred and included under personnel expenses with no further or future obligation on the part of the Bank.

2.10 Non-current assets held for sale

Non-current assets whose carrying amount will be recovered principally through a sale transaction rather than through continuing use are classified as held for sale. In general, the following conditions must be met for an asset (or 'disposal group') to be classified as held for sale : management must be committed to a plan to sell, the asset must be available for immediate sale, an active program to locate a buyer must be initiated, the sale must be highly probable, within 12 months of classification as held for sale, the asset must be actively marketed for sale at a sales price reasonable in relation to its fair value and actions required to complete the plan indicate that it is unlikely that plan will be significantly changed or withdrawn.

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are not depreciated.

2.11 Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Bank and the revenue can be reliably measured. The following specific recognition criteria are met before revenue is recognized:

a Interest income

Interest income is recognized in profit or loss for all interest-bearing financial instruments measured at amortized cost, including loans and advances, as interest accrues using the effective interest method.

The effective interest method is a basis of calculating the amortized cost of a financial asset and allocating the interest income. The effective interest rate is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset.
The effective interest rate is calculated on initial recognition of the financial asset or liability, estimating the future cash flows after considering all the contractual terms of the instrument but not future credit losses.

The calculation includes all amounts for processing and commitment fees paid or received by the Bank that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

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Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

Loan syndication fees are recognized as revenue when the syndication has been completed and the Bank retains no part of the loan package for itself or retains a part at the same effective interest rate for all interest-bearing financial instruments, including loans and advances, as for the other participants.

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

b Commissions and fees

Commission and fees revenues and expenses that are integral part of financial instruments and are included in the measurement of the effective interest rate are spread over the period of the financial instruments. Commission and fees in respect of services are recognized in the income statement when the related services are performed.

The Bank earns commission and fees from a diverse range of services provided to its customers. Fee revenue is accounted as follows:

- Revenue is earned on execution of discrete act (such as funds transfers, special clearing and fees arising from negotiating transactions with third parties) is recognized as revenue when the act is completed.

- Income earned from the provision of services (such as request for special statements, safe custody, COTs and advisory services) is recognized as revenue as the services are provided.

- Fees which form an integral part of the effective interest rate of a financial instrument (such as commitment and processing fees on corporate loans) is recognized as an adjustment to the effective interest rate.

c Dividends

Revenue is recognized when the Bank's right to receive the dividend is established and treated as investment revenue.

d Rental income

Rental revenue is recognized on accrual basis.

e Other operating income

This is made up of other operating income including bad debts recovered, profit or loss on sale of property, plant and equipment, other miscellaneous incomes and exchange gains.

2.12 Interest expense

Interest expense is recognized in profit or loss for all interest-bearing financial instruments measured at amortized cost, including loans and advances, as interest accrues using the effective interest rate method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating the interest expense.

The effective interest rate is the rate that exactly discounts the estimated future cash payments over the expected life of the instrument or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

The effective interest rate is calculated on initial recognition of the financial liability, estimating the future cash flows after considering all the contractual terms of the instrument. The calculation includes all amounts for processing and commitment fees paid by the Bank that are an integral part of the overall return, direct incremental transaction costs related to the acquisition, issue or disposal of a financial instrument and all other premiums or discounts.

2.13 Taxation

Income tax charged to the profit or loss account for the year comprises current tax and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in shareholders' equity or other comprehensive income, in which case it is recognized in shareholders' equity or other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS
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a Current income tax
Current tax is the tax expected to be payable under the Internal Revenue Act, on the taxable profit for the year, calculated using the tax rates enacted or substantially enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Bank intends to settle on net basis and the legal right to set off exists.

Current income tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

b Deferred income tax
Deferred tax liabilities are recognized for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is calculated using the rate expected to apply in the period in which the assets will be realized or the liabilities settled. Deferred tax assets and liabilities are offset when they arise in the same tax reporting entities and relate to income taxes levied by the same taxation authority, and when a legal right to set off exists in the entity.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax relating to items recognized directly in equity or other comprehensive income is recognized in equity or other comprehensive income and not in profit or loss.

c Value Added Tax -VAT
Revenues, expenses and assets are recognized net of the amount of VAT except:

- Where the value added tax incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the value added tax is recognized as part of the cost of acquisition of the asset or as part of the expense item as applicable; and receivables and payables are stated with the amount of value added tax included.

- The net amount of value added tax recoverable from, or payable to, the Ghana Revenue Authority is included as part of receivables or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

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2.14 National stabilization levy

Under the National Fiscal Stabilization Levy Act, 2013 of Ghana, financial institutions and some large firms were required to pay a levy of 5% of their profit before tax towards fiscal stabilization with effect from July 2013. This Act was repealed in 2012 but re-introduced in July 2013 for the 2013 and 2014 years of assessment. The Bank has complied with this statutory obligation.

2.15 Classification of financial assets and liabilities

The Bank classifies its financial assets as follows: financial assets held at fair value through profit or loss; loans and receivable; held-to-maturity and available for sale financial assets. However, the classification of financial liabilities is restricted to either held at fair value through profit or loss, or at amortized cost.

2.16 Financial instruments - Initial recognition and subsequent measurement

a Date of recognition

Purchases and sale of financial instruments that require delivery of assets within the time frame generally established by regulation or convention in the market place are recognized on the trade date, i.e. the date the Bank commits to purchase or sell the asset.

b Initial recognition of financial instruments

Financial instruments are initially recognized at their fair value, plus in the case of financial assets or financial liabilities not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

c Financial assets designated at fair value through profit and loss

Financial instruments held at fair value through profit and loss include all instruments classified as held for trading and those instruments designated as held at fair value through profit and loss.

Debt securities and equity shares acquired principally for the purpose of selling in the short term or which are part of a portfolio which is managed for short-term gains are classified as trading securities and recognized in the statement of financial position at their fair value.

Gains and losses arising from changes in their fair value are recognized in the profit and loss in the period in which they occur. Other financial assets at fair value through profit or loss are designated as such by management upon initial recognition.

Such assets are carried in the statement of financial position at their fair value and gains and losses recognized in the profit and loss in the period in which they occur.

Financial assets are only designated as at fair value through profit or loss when doing so results in more relevant information because it eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognizing gains or losses on them on a different basis.

d Available for sale assets

Debt securities including investments in money market and equity shares, other than those classified as trading securities or at fair value through profit or loss, are classified as available-for- sale and recognized in the statement of financial position at their fair value.

Available for sale financial assets are measured at fair value on the statement of financial position, with gains and losses arising from changes in the fair value of investments recognized in other comprehensive income and accumulated in other reserves in equity, until the financial asset is either sold, becomes impaired or matures, at which time the cumulative gain or loss previously recognized in equity is recognized through other comprehensive income into profit and loss.

Interest calculated using the effective interest method is recognized in profit or loss. Dividends on available-for-sale equity instruments are recognized in profit or loss when the Bank's right to receive payment is established.

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e Held-to-maturity assets
Held-to-maturity assets are non-derivative financial instruments with fixed or determinable payments and maturity dates.

Financial assets including Government of Ghana Index Linked Bond that the Bank has the positive intent and ability to hold to maturity are classified as held-to-maturity and are measured at amortized cost using the effective interest method, less impairment losses.

f Due from banks and loans and advances to customers
Loans and advances to banks and customers are accounted for at amortized cost using the effective interest method, except those which the Bank intends to sell in the short term and which are accounted for at fair value, with the gains and losses arising from changes in their fair value reflected in profit or loss. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees and costs that are integral part of the effective interest rate.

Subsequent to initial recognition, loans and advances to banks and customers are stated on the statement of financial position at amortized cost using the effective interest method less impairment losses. The amortization is included in 'Interest and similar revenue' in profit or loss and losses arising from impairment are recognized in profit or loss in 'interest and similar expense'.

g Financial liabilities
Financial liabilities are classified as non-trading, held for trading or designated as held at fair value through profit and loss.

Non-trading liabilities are recorded at amortized cost applying the effective interest method. Held for trading liabilities or liabilities designated as held at fair value through profit and loss, are accounted for as indicated above.

h Determination of fair value of financial instruments

i) Availability of active market
The fair value of a financial instrument traded in active markets such as the Ghana Stock Exchange (GSE) at the reporting date is based on their quoted market price without any deduction of transaction costs.

ii) Non-availability of active market
Where market prices are not available, the Bank establishes a fair value by using valuation techniques. These include the use of recent arm's- length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants.

For private equity investments that are not publicly traded, management uses comparisons to similar companies, relevant third party arm's length transactions and other information specific to the investment.

i De-recognition of financial assets and liabilities
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired
- The Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either when the bank have a legal right to offset the amount and have the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

(a) the Bank has transferred substantially all the risks and rewards of the asset, or

(b) the Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

In that case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Bank could be required to repay. A financial liability is derecognized when the obligation is discharged, cancelled or expired.

(j) Offsetting

Financial assets and liabilities are off set and the net amount is shown in the statement of financial position, and only when the bank have a legal right to offset the amount and have the intention to settle on a net basis or to realize the asset and settle the liability simultaneously.

2.17 Impairment of financial assets

a Framework for impairing financial assets

At each reporting date the Bank assesses whether, as a result of one or more events occurring after initial recognition, there is objective evidence that a financial asset or group of financial assets have become impaired. Evidence of impairment may include indications that the borrower or group of borrowers are experiencing significant financial difficulty, default or delinquency in interest or principal payments, or the fact that the debt is being restructured to reduce the burden on the borrower.

b Available-for-sale financial assets

For available-for-sale financial investments, the Bank assesses at each reporting date whether there is objective evidence that an investment or group of investments is impaired.

In the case of equity investments classified as available-for-sale, objective evidence would include significant or prolonged decline in the fair value of the investment below its cost.

Where there is evidence of impairment, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss) is removed from available for sale reserve and recognized through other comprehensive income into profit or loss.

Impairment losses on equity investments are not reversed through profit or loss. Increases in fair value after impairment are recognized directly in other comprehensive income.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortized cost. Interest continues to be accrued at the original effective interest rate on the reduced carrying amount of the asset and is recorded as part of 'Interest and similar income'.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the profit and loss statement.

c Loans and advances and due from banks & other financial institutions

For loans and advances to customers and amounts due from banks and other financial institutions carried at amortized cost, the Bank first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, 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

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

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows (excluding future expected credit losses that have not yet been incurred).

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. Interest income continues to be accrued on the reduced carrying amount based on the original effective interest rate of the asset until the asset is impaired (90 days overdue) ; after 90 days the interest is on a non-accrual basis.

Loans together with the associated allowances are written off when there is no realistic prospect of future recovery and all collaterals have been utilized or have been transferred to the Bank and all the necessary procedures have been completed.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a previous write-off is later recovered, the recovery is credited to the 'other operating income'.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. For the purposes of collective evaluation of impairment, financial assets are grouped on the basis of the Bank's internal credit grading system that considers credit risk characteristics, such as asset type, industry, geographical location, collateral type, past- due status and other relevant factors.

2.18 General Regulatory Credit Reserve Loans & Advances

To cater for any excess of Bank of Ghana's credit loss provision requirements over loans and advances impairments based on IFRS principles, a transfer is made from the income surplus (distributable reserves) to a non- distributable reserves in the statement of changes in equity, being the General Regulatory Credit Reserve.

The non-distributable General Regulatory Credit Reserve ensures that minimum regulatory provisioning requirements as established by the Bank of Ghana are maintained.

2.19 Employees share arrangement

IFRS 2 Share based payments requires the recognition of equity settled-shared based payments at fair value at the date of grant and the recognition of liability for cash settled share based payments at fair value at each reporting date.

The SG-Group has a share option scheme for all employees of the Group. The SG Group issues equity settled share - based options to all employees.

The Group records an expense and a provision through equity, based on the estimates of the expense related to the shares to be granted on a straight line basis over the vesting period. The related deferred tax of the share-based payments expense is recognized through equity at the current corporate tax rate.

As part of Bank policy, the Bank has purchased a number of its own shares to be allocated to its employees. Shares not yet allocated to employees are classified as treasury shares and do not rank for dividend.

2.20 Dividend

Dividends declared are treated as an appropriation of profit in the year of approval while dividends proposed are disclosed as a note to the financial statements.

2.21 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise cash on hand,

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cash and balances with the Central bank of Ghana and amounts due from banks and other financial institutions.

2.22 Leasing

The determination of whether an arrangement is a lease or not is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

Leases which do not transfer to the bank substantially all the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in profit or loss on the straight line basis over the lease term. Contingent rental payable are recognized as expense in the period in which they occurred.

2.23 Borrowing

Borrowings by the Bank are initially recognized at fair value and there after stated at amortized cost. Associated net transaction costs of borrowings are recognized in profit or loss over the maturity period of the borrowings.

2.24 Repurchase and reverse repurchase agreements

Securities sold under agreements to repurchase at a specified future date are not derecognized in the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with corresponding obligation to return it, including accrued interest as a liability within Cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the Effective Interest Rate (EIR). When the counterparty has the right to sell or re- pledge the securities, the Bank reclassifies those securities in its statement of financial position to Financial assets held for trading pledged as collateral or to Financial investments available-for- sale pledged as collateral, as appropriate.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within Cash collateral on securities borrowed and reverse repurchase agreements, reflecting the transaction's economic substance as a loan by the Bank. The difference between the purchase and resale prices is recorded in Net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within Financial liabilities held for trading and measured at fair value with any gains or losses included in Net trading income.

2.25 Financial guarantees

In the ordinary course of business, the Bank gives financial guarantees, consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognized in the financial statements (within' other liabilities') at fair value, being the premium received. Subsequent to initial recognition, the Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the income statement, and the best estimate of expenditure required to settle any financial obligation arising as a result of the guarantee. Any increase in the liability relating to financial guarantees is recorded in the income statement in general expenses. The premium received is recognized in the income statement in Net fees and commission income on straight line basis over the life of the guarantee.

2.26 Fiduciary assets

The Bank provides trust and other fiduciary services that result in the holding or investing of assets on behalf of its clients. Assets held in a fiduciary capacity are not reported in the financial statements, as they are not the assets of the Bank.

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3 Significant Accounting Estimates, Assumptions & Judgments

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

3.1 Going concern

The management of the Bank has made an assessment of the Bank's ability to continue as a going concern and is satisfied that the Bank has the required resources to continue in business for the foreseeable future.

Furthermore, the Bank's management is not aware of any material uncertainties that may cast significant doubt upon the Bank's ability to continue as a going concern. Consequently, the financial statements continue to be prepared on the going concern basis.

3.2 Fair value of unquoted equity instruments

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

3.3 Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized based upon the likely timing and level of future taxable profits together with future tax planning strategies. Deferred tax is shown in Note 15.

3.4 Impairment of financial assets

The Bank makes an allowance for unrecoverable loans and receivables, held-to-maturity investments and available for sale financial assets when there is objective evidence that the carrying amount may not be recoverable. Significant management judgment is required to determine when objective evidence of impairment exists, and also in estimating future cash flows from the assets. Refer to 2.16(b) and (c) for details.

3.5 Impairment of non financial assets (Including PPE)

The Bank assesses at least at each reporting date whether there is any evidence that non financial assets (including PPE) may be impaired.

Where indicators of impairment exist, an impairment test is performed. This requires an estimation of the 'value in use' of the asset or the cash-generating units to which the asset belong. Estimating the value in use amount requires management to make an estimate of the expected future cash flows from the asset or the cash generating unit and also to select a suitable discount rate in order to calculate the present value discount rates in order to calculate the present value of those cash flows.

4 Application of new and revised International Financial Reporting Standards (IFRSs)

4.1 Standards and Interpretations effective in the current period

The following amendments to the existing standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretations Committee are effective for the current period:

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IFRS 10 "Consolidated Financial Statements" (effective for annual periods beginning on or after 1 January 2013).
IFRS 10 "Consolidated Financial Statements" published by IASB on 12 May 2011. IFRS 10 replaces the consolidation guidance in IAS 27 Consolidated and Separate Financial Statements and SIC-12 Consolidation – Special Purpose Entities by introducing a single consolidation model for all entities based on control, irrespective of the nature of the investee (i.e., whether an entity is controlled through voting rights of investors or through other contractual arrangements as is common in special purpose entities). Under IFRS 10, control is based on whether an investor has 1) power over the investee; 2) exposure, or rights, to variable returns from its involvement with the investee; and 3) the ability to use its power over the investee to affect the amount of the returns.

IFRS 11 "Joint Arrangements" (effective for annual periods beginning on or after 1 January 2013).
IFRS 11 "Joint Arrangements" published by IASB on 12 May 2011. IFRS 11 introduces new accounting requirements for joint arrangements, replacing IAS 31 Interests in Joint Ventures. The option to apply the proportional consolidation method when accounting for jointly controlled entities is removed. Additionally, IFRS 11 eliminates jointly controlled assets to now only differentiate between joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities. A joint venture is a joint arrangement whereby the parties that have joint control have rights to the net assets.

IFRS 12 "Disclosures of Interests in Other Entities" (effective for annual periods beginning on or after 1 January 2013).
IFRS 12 "Disclosures of Interests in Other Entities" published by IASB on 12 May 2011. IFRS 12 will require enhanced disclosures about both consolidated entities and unconsolidated entities in which an entity has involvement. The objective of IFRS 12 is to require information so that financial statement users may evaluate the basis of control, any restrictions on consolidated assets and liabilities, risk exposures arising from involvements with unconsolidated structured entities and non-controlling interest holders' involvement in the activities of consolidated entities.

IFRS 13 "Fair Value Measurement" (effective for annual periods beginning on or after 1 January 2013),
IFRS 13 "Fair Value Measurement" published by IASB on 12 May 2011. IFRS 13 defines fair value, provides guidance on how to determine fair value and requires disclosures about fair value measurements. However, IFRS 13 does not change the requirements regarding which items should be measured or disclosed at fair value.

IAS 27 (revised in 2011) "Separate Financial Statements" (effective for annual periods beginning on or after 1 January 2013)
IAS 27 "Separate Financial Statements" (revised in 2011) published by IASB on 12 May 2011. The requirements relating to separate financial statements are unchanged and are included in the amended IAS 27. The other portions of IAS 27 are replaced by IFRS 10.

IAS 28 (revised in 2011) "Investments in Associates and Joint Ventures" (effective for annual periods beginning on or after 1 January 2013),
IAS 28 "Investments in Associates and Joint Ventures" (revised in 2011) published by IASB on 12 May 2011. IAS 28 is amended for conforming changes based on the issuance of IFRS 10, IFRS 11 and IFRS 12.

Amendments to IFRS 1 "First-time Adoption of IFRS" – Government Loans (effective for annual periods beginning on or after 1 January 2013).
Amendments to IFRS 1 "First-time Adoption of IFRS" – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters published by IASB on 20 December 2010. The first amendment replaces references to a fixed date of "1 January 2004" with "the date of transition to IFRSs", thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs. The second amendment provides guidance on how an entity should resume presenting financial statements in accordance

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with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

Amendments to IFRS 1 "First-time Adoption of IFRS" – Government Loans published by IASB on 13 March 2012. This amendment addresses how a first-time adopter would account for a government loan with a below-market rate of interest when transitioning to IFRSs. It also adds an exception to the retrospective e application of IFRS, which provides the same relief to first-time adopters granted to existing preparers of IFRS financial statements when the requirement was incorporated into IAS 20 "Accounting for Government Grants and Disclosure of Government Assistance" in 2008.

Amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2013.

Amendments to IFRS 7 "Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities published by IASB on 16 December 2011. The amendments require information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32. The amendments also require disclosure of information about recognised financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance (effective for annual periods beginning on or after 1 January 2013).

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 11 "Joint Arrangements" and IFRS 12 "Disclosures of Interests in Other Entities" – Transition Guidance published by IASB on 28 June 2012. The amendments are intended to provide additional transition relief in IFRS 10, IFRS 11 and IFRS 12, by "limiting the requirement to provide adjusted comparative information to only the preceding comparative period". Also, amendments were made to IFRS 11 and IFRS 12 to eliminate the requirement to provide comparative information for periods prior to the immediately preceding period.

Amendments to IAS 1 "Presentation of financial statements" – Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after 1 July 2012).

Amendments to IAS 1 "Presentation of financial statements" – Presentation of Items of Other Comprehensive Income published by IASB on 16 June 2011. The amendments require companies preparing financial statements in accordance with IFRSs to group together items within OCI that may be reclassified to the profit or loss section of the income statement. The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements.

Amendments to IAS 19 "Employee Benefits" – Improvements to the Accounting for Post-employment Benefits (effective for annual periods beginning on or after 1 January 2013).

Amendments to IAS 19 "Employee Benefits" – Improvements to the Accounting for Post-employment Benefits published by IASB on 16 June 2011. The amendments make important improvements by: (1) eliminating an option to defer the recognition of gains and losses, known as the "corridor method", improving comparability and faithfulness of presentation; (2) streamlining the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income, thereby separating those changes from changes that many perceive to be the result of an entity's day-to-day operations; (3) enhancing the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans.

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Amendments to various standards "Improvements to IFRSs (cycle 2009-2011)" resulting from the annual improvement project of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32, IAS 34) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 January 2013).

Amendments to various standards "Improvements to IFRSs (cycle 2009-2011)" published by IASB on 17 May 2012. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted.

The most important changes include new or revised requirements regarding: (i) Repeated application of IFRS 1, (ii) Borrowing costs under IFRS 1, (iii) Clarification of the requirements for comparative information, (iv) classification of servicing equipment, (v) tax effect of distribution to holders of equity instruments, (vi) Interim financial reporting and segment information for total assets and liabilities.

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" (effective for annual periods beginning on or after 1 January 2013).

IFRIC 20 "Stripping Costs in the Production Phase of a Surface Mine" published by IASB on 19 October 2011. The interpretation states that costs associated with a "stripping activity" should be accounted for as an addition to, or an enhancement of, an existing asset, and that this component should be amortised over the expected useful life of the of the identified component of the ore body that becomes more accessible as a result of the stripping activity (using the units of production method unless another method is more appropriate).

The adoption of these amendments to the existing standards and interpretations has not led to any changes in the Entity's accounting policies.

4.2 Standards and interpretations in issue not yet adopted

At the date of authorisation of these financial statements the following standards, amendments to existing standards and interpretations were in issue, but not yet effective:

IFRS 9 "Financial Instruments" and subsequent amendments (effective date was not yet determined).

IFRS 9 "Financial Instruments" published by IASB on 12 November 2009. On 28 October 2010 IASB reissued IFRS 9, incorporating new requirements on accounting for financial liabilities and carrying over from IAS 39 the requirements for derecognition of financial assets and financial liabilities.

On 19 November 2013 IASB issued another package of amendments to the accounting requirements for financial instruments. Standard uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in IAS 39. The new requirements on accounting for financial liabilities address the problem of volatility in profit or loss arising from an issuer choosing to measure its own debt at fair value.

The IASB decided to maintain the existing amortised cost measurement for most liabilities, limiting change to that required to address the own credit problem. With the new requirements, an entity choosing to measure a liability at fair value will present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income section of the income statement, rather than within profit or loss.

The amendments from November 2013 bring into effect a substantial overhaul of hedge accounting that will allow entities to better reflect their risk management activities in the financial statements.

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For the year ended 31 December 2013

It allows the changes to address the so-called 'own credit' issue that were already included in IFRS 9 Financial Instruments to be applied in isolation without the need to change any other accounting for financial instruments. It also removes the 1 January 2015 mandatory effective date of IFRS 9, to provide sufficient time for preparers of financial statements to make the transition to the new requirements.

IFRS 9 "Financial Instruments" and subsequent amendments (effective date was not yet determined).

Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" - Mandatory Effective Date and Transition Disclosures published by IASB on 16 December 2011. Amendments defer the mandatory effective date from 1 January 2013 to 1 January 2015. The amendments also provide relief from the requirement to restate comparative financial statements for the effect of applying IFRS 9. This relief was originally only available to companies that chose to apply IFRS 9 prior to 2012. Instead, additional transition disclosures will be required to help investors understand the effect that the initial application of IFRS 9 has on the classification and measurement of financial instruments.

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements" – Investment Entities (effective for annual periods beginning on or after 1 January 2014)

Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosures of Interests in Other Entities" and IAS 27 "Separate Financial Statements" – Investment Entities published by IASB on 31 October 2012. The amendments provide an exception to the consolidation requirements in IFRS 10 and require investment entities to measure particular subsidiaries at fair value through profit or loss, rather than consolidate them. The amendments also set out disclosure requirements for investment entities.

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014).

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions published by IASB on 21 November 2013. The narrow scope amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after 1 January 2014).

Amendments to IAS 32 "Financial instruments: presentation" – Offsetting Financial Assets and Financial Liabilities published by IASB on 16 December 2011. Amendments provide clarifications on the application of the offsetting rules and focus on four main areas (a) the meaning of "currently has a legally enforceable right of set-off"; (b) the application of simultaneous realisation and settlement; (c) the offsetting of collateral amounts; (d) the unit of account for applying the offsetting requirements.

Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014).

Amendments to IAS 36 "Impairment of assets" - Recoverable Amount Disclosures for Non-Financial Assets published by IASB on 29 May 2013. These narrow-scope amendments to IAS 36 address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 Fair Value Measurement, the IASB decided to amend IAS 36 to require disclosures about the recoverable amount of impaired assets. Current amendments clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting (effective for annual periods beginning on or after 1 January 2014).

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" – Novation of Derivatives and Continuation of Hedge Accounting published by IASB on 27 June 2013. The narrow-scope amendments allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met (in this context, a novation indicates that parties to a contract agree to replace their original counterparty with a new one).

Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014).

Amendments to various standards "Improvements to IFRSs (cycle 2010-2012)" published by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted.

The most important changes include new or revised requirements regarding: (i) definition of 'vesting condition'; (ii) accounting for contingent consideration in a business combination; (iii) aggregation of operating segments and reconciliation of the total of the reportable segments' assets to the entity's assets; (iv) measuring short-term receivables and payables; (v) proportionate restatement of accumulated depreciation application in revaluation method and (vi) clarification on key management personnel.

Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording (amendments are to be applied for annual periods beginning on or after 1 July 2014).

Amendments to various standards "Improvements to IFRSs (cycle 2011-2013)" published by IASB on 12 December 2013. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 1, IFRS 3, IFRS 13 and IAS 40) primarily with a view to removing inconsistencies and clarifying wording. The revisions clarify the required accounting recognition in cases where free interpretation used to be permitted. The most important changes include new or revised requirements regarding: (i) meaning of effective IFRSs in IFRS 1; (ii) scope of exception for joint ventures; (iii) scope of paragraph 52 if IFRS 13 (portfolio exception) and (iv) clarifying the interrelationship of IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property.

IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014).

IFRIC 21 "Levies" published by IASB on 20 May 2013. IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

The bank has elected not to adopt these standards, revisions and interpretations in advance of their effective dates.

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For the year ended 31 December 2013

		2013	2012
5	**Revenue**	**GH¢**	GH¢
	Interest and similar revenue	**131,936,515**	91,998,759
	Fee & commission revenue	**41,310,760**	34,283,596
	Forex trading revenue	**19,276,697**	16,521,447
	Other income	**4,891,395**	7,440,916
		197,415,367	150,244,718

		2013	2012
6	**Interest and similar revenue**	**GH¢**	GH¢
	Cash & short term funds	**6,246,592**	2,628,934
	Investments securities (6a)	**14,788,294**	16,951,050
	Loans & advances	**110,901,629**	72,418,775
		131,936,515	91,998,759

		2013	2012
6a	**Investments securities**	**GH¢**	GH¢
	Bank of Ghana/Treasury bills	**14,763,109**	16,315,269
	Other securities	**25,185**	635,781
		14,788,294	16,951,050

		2013	2012
7	**Interest and similar expense**	**GH¢**	GH¢
	Savings accounts	**15,197,447**	13,698,936
	Current accounts	**287,867**	477,638
	Term deposits	**6,632,361**	749,635
	Borrowings	**2,037,072**	2,535,016
		24,154,747	17,461,225

		2013	2012
8	**Fees and commission revenue**	**GH¢**	GH¢
	Domestic operations	**30,471,253**	26,616,902
	Remittance	**1,325,632**	1,160,118
	Cards operations	**5,203,337**	3,334,680
	Brokerage	**269,014**	156,779
	Margin on bond trading	**4,041,524**	3,015,117
		41,310,760	34,283,596

		2013	2012
8a	**Fees and commission expense**	**GH¢**	GH¢
	Ezwich	**-**	1,127
	Visa expense	**3,866,745**	3,024,864
	Remittance	**207,647**	304,721
	ATM expense	**871,855**	700,981
	Cheque books	**502,441**	407,210
	Cash collection	**781,823**	746,381
		6,230,511	5,185,284

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For the year ended 31 December 2013

		2013	2012
9	**Forex trading income**	**GH¢**	GH¢
	Forex trading gains	**30,333,561**	27,329,083
	Forex trading losses	**(11,056,864)**	(10,807,636)
		19,276,697	16,521,447

		2013	2012
10	**Investment income**	**GH¢**	GH¢
	Dividend received from investment in associate	**92,000**	55,350

		2013	2012
11	**Other income**	**GH¢**	GH¢
	Bad debt recoveries	**891,379**	1,496,013
	Profit on sale of plant, property and equipment	**3,380,364**	1,216,896
	Miscellaneous & others (Note: 11b)	**528,612**	3,125,369
	Exchange (loss)/gain	**(960)**	1,194,032
		4,799,395	7,032,310

Included in other income is a profit of GH¢3,240,164 as a result of the disposal of 8 points of sale under the Optimization of Activities and Selected Investment Sales (OASIS) Project in the Western Sector of Ghana. The 8 Points of Sales under the OASIS Project did not constitute the disposal of substantially the whole of the undertaking of the assets of the Bank and did not result in a fundamental change in the Banks business, hence this has not been accounted for as a discontinued operation.

		2013	2012
11b	**Miscellaneous & others**	**GH¢**	GH¢
	Miscellaneous	**333,165**	2,941,242
	Rent/Hiring fees	**49,157**	13,458
	Postages	**15,973**	15,709
	Non-operating income	**-**	60,995
	Fees received-insurance	**130,317**	93,965
		528,612	3,125,369

		2013	2012
12	**Credit loss expenses**	**GH¢**	GH¢
	Individual impairment	**17,209,000**	6,383,252
	Portfolio impairment	**2,475,569**	723,780
	Reversals during the year	**(2,859,000)**	(1,761,000)
		16,825,569	5,346,032

		2013	2012
13	**Personnel expenses**	**GH¢**	GH¢
	Salaries, bonuses and staff allowances	**41,774,898**	34,644,080
	Social security fund contribution	**2,956,453**	2,592,719
	Provident fund contribution	**2,286,163**	2,011,641
	Medicals	**767,599**	1,080,749
	Insurance	**295,728**	263,388
	Other employee costs	**5,477,043**	3,697,829
		53,557,884	44,290,406

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14 Other operating expenses

		2013 GH¢	2012 GH¢
Directors and key management emoluments (14b)		**2,300,712**	1,502,734
Donations		**187,290**	91,987
Advertising and marketing		**2,009,703**	1,186,376
Training		**644,121**	469,648
Auditors remuneration (14c)		**175,560**	177,180
Others :	Office expenses	**17,852,337**	13,817,134
	Administrative expenses	**4,798,009**	4,621,584
	General expenses	**12,789,117**	7,323,281
		40,756,849	29,189,924

14b Details of directors and key management emoluments are those disclosed under related party transactions under note 34c.

14c Auditors' remuneration

Auditors' remuneration in relation to statutory audit amounted to GH¢175,560 (2012: GH¢177,180).

	2013 GH¢	2012 GH¢
Audit services		
Statutory audit	**175,560**	177,180

The description of the types of services within the category above include: Audit related regulatory reporting services include services for assurance and other services that are reasonably related to the performance of the audit or review of financial statements.

15 Income tax expense

Analysis of charge for the year

	2013 GH¢	2012 GH¢
Current tax (15c & 24)	**13,387,530**	11,712,968
Deferred tax (15a)	**(1,092,515)**	(895,929)
Tax audit adjustment	**250,000**	-
Capital gains tax incurred and paid during the year	**72,405**	-
Income tax expense for the year	**12,617,420**	10,817,039

The current tax charge on the profit is based on Ghana's corporate tax rate of 25% (2012:25%).

15a Deferred tax

	2013 GH¢	2012 GH¢
Balance as at 1 January	**(162,635)**	724,526
Charge to income statement	**(1,092,515)**	(895,929)
Charge to equity	**298,404**	8,768
Balance as at 31 December	**(956,746)**	(162,635)

Deferred tax assets and liabilities are attributable to the following:

	2013 Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000	2012 Assets GH¢ '000	Liabilities GH¢ '000	Net GH¢ '000
Property and equipment	**(343,802)**	**-**	**(343,802)**	(314,522)	-	(314,522)
Provisions and contingencies	**(1,063,236)**	**-**	**(1,063,236)**	-	-	-
Gains/losses on AFS investments	**-**	**450,292**	**450,292**	-	151,887	151,887
Net tax (assets) / liabilities	**(1,407,038)**	**450,292**	**(956,746)**	(314,522)	151,887	(162,635)

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15b National stabilization levy

	2013	2012
Analysis of charge for the year	GH¢	GH¢
Charge for the year	**1,167,865**	-

The National Stabilization Levy was re- introduced during the year. The Law came into force on 15th July 2013, payable in respect of profits for the 2013 and 2014 years of assessment. In accordance with the National Fiscal Stabilization Act, 2013, (Act 862) all companies in Banking, Non Bank Financial Institutions, Insurance, Mining, Brewery and Communication are supposed to pay a levy of 5% of profit before tax towards National Fiscal Stability . There was no charge in 2012 because the former tax regime ended in 2011.

15c Factors affecting the current tax charged for the year

A reconciliation of the charge that would result from applying the standard Ghana corporate tax rate to profit before tax to tax charge for the year is given below:

	2013 GH¢	2012 GH¢
Profit for the year	**50,149,477**	40,730,097
Tax charge thereon at Ghana corporate tax rate of 25%	**12,537,369**	10,182,524
Factors affecting charge:		
Tax effect of items not deductible for tax purposes	**2,922,651**	2,708,030
Items of different tax rates	**76,338**	-
Net tax effect of deductible income and unrealised gains	**(952,785)**	(660,953)
Tax audit adjustment	**-**	737,805
Tax effect of capital allowance	**(1,196,043)**	(1,254,438)
Tax on corporate profit as per note (15)	**13,387,530**	11,712,968
Effective corporate income tax rate	**27%**	26%

The tax charge on profit for the year is based on Ghana's corporate tax rate of 25% (2012:25%).

16 Earnings per share

Basic earnings per share is calculated by dividing the profit after tax for the year attributable to the equity holders of the Bank by the weighted average number of shares, held during the year after deducting treasury shares.

The following table shows the income and share data used in the calculation of the basic earnings per share:

	2013	2012
Profit attributable to shareholders of the Bank (GH¢)	**36,364,192**	30,266,314
Weighted average number of outstanding ordinary shares	**333,893,894**	333,893,894
Basic earning per share (GH¢)	**0.1089**	0.0906

Diluted earnings per share: The Bank has no category of dilutive potential ordinary shares.

17 Cash on hand and cash balances with Bank of Ghana

	2013 GH¢	2012 GH¢
Cash on hand	**35,225,355**	33,974,284
Balance with Bank of Ghana	**109,695,037**	147,153,096
	144,920,392	181,127,380

Deposits with Bank of Ghana includes a mandatory reserve of GH¢81,728,103 (2012: GH¢56,401,204) and are not available for use in the Bank's day to day operations.

18 Due from banks and other institutions

	2013 GH¢	2012 GH¢
Nostro account balances and nostro placements	**67,972,646**	145,062,584
Items in course of collection	**12,779,073**	7,724,590
Placement with local banks	**-**	28,000,000
	80,751,719	180,787,174

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19	Financial investments	2013 GH¢	2012 GH¢
	Government securities - Available for sale		
	Balance as at 1 January	**120,448,594**	154,503,218
	Additions	**586,544,210**	457,684,186
	Reimbursements/disposals	**(567,939,442)**	(491,394,905)
	Fair value movement during the year	**927,684**	(343,905)
	Balance as at 31 December	**139,981,046**	120,448,594
	Commercial paper - Held to maturity		
	Balance as at 1 January	**-**	20,000,000
	Reimbursements/disposals	**-**	(20,000,000)
	Balance as at 31 December	**-**	-
	Total balance as at 31 December	**139,981,046**	120,448,594

None of the financial instruments was pledged as collateral during the year (2012: Nil).

20	Other assets	2013 GH¢	2012 GH¢
	Stationary and consumable stocks	**78,618**	78,618
	Prepayments and sundry debtors	**10,739,387**	4,666,646
	Accrued income	**72,295**	60,483
	Deferred cost on staff loans - Note 20a	**3,445,708**	2,728,767
		14,336,008	7,534,514

Included in prepayments and sundry debtors is GHS6,598,987 relating to prepayments on office premises. (2012-GHS1,750,523)

20a Deferred cost on staff loans

This refers to the difference between the fair value of staff loans and the value based on the concessionary rate.

21	Loans and advances	2013 GH¢	2012 GH¢
	Overdrafts	**249,591,177**	178,916,733
	Term loans	**446,107,199**	329,639,359
	Export bill	**1,511,127**	101,567
	Staff loan	**19,240,436**	14,836,291
	Equipment finance lease	**67,129,238**	24,022,263
	Gross loans and advances	**783,579,177**	547,516,213
	Interest in suspense	**(14,485,155)**	(11,235,737)
	Less: Allowances for impairment - Note 21d	**(28,691,111)**	(16,180,216)
	Total	**740,402,911**	520,100,260

All loans have been written down to their estimated recoverable amount. Suspended interest related to such loans amounted to GH¢14,485,155 (2012: GH¢ 11,235,737).

21a	Other statistics	2013	2012
	i. Loan loss provision ratio	**3.89%**	4.60%
	ii. Gross non-performing loan ratio	**7.35%**	7.50%
	iii 50 largest exposure (Gross funded loan and advances to total exposure)	**59.35%**	57%

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For the year ended 31 December 2013

21b Analysis by type of customers	**2013 GH¢**	2012 GH¢
Individual	**100,630,170**	141,840,824
Private Enterprise	**394,471,693**	265,275,112
Public Enterprise	**165,100,183**	65,896,549
Government Departments and Agencies	**104,136,696**	59,667,437
Staff	**19,240,435**	14,836,291
	783,579,177	547,516,213

21c Analysis by industry sector	**2013 GH¢**	2012 GH¢
Agriculture, forestry and fishing	**156,531,380**	75,664,354
Mining and quarrying	**4,516,701**	4,128,694
Manufacturing	**187,861,428**	59,247,430
Construction	**30,698,266**	9,351,312
Electricity, gas and water	**80,577,190**	13,051,063
Commerce and finance	**43,064,844**	117,706,214
Transport, storage and communication	**15,897,579**	12,428,478
Services	**249,477,436**	243,021,904
Miscellaneous*	**14,954,353**	12,916,764
	783,579,177	547,516,213

*Miscellaneous includes Staff Personal Loans of GH¢12,848,276 (2012: GH¢11,171,801)

21d Impairment allowance for loans and receivables	**2013 GH¢**	2012 GH¢
Balance at 1 January	**16,180,261**	17,500,000
Charge for the year	**16,825,569**	5,346,032
Amount written off	**(4,314,719)**	(6,665,816)
Balance at 31 December	**28,691,111**	16,180,216
Individual Impairment	**25,491,273**	5,583,000
Collective Impairment	**3,199,838**	10,597,216
Balance at 31 December	**28,691,111**	16,180,216

Loan provisioning/impairment are carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income.

When the credit loss provision calculated under IFRS principles is less than what is required under the Bank of Ghana, transfers are made from the income surplus account into the non- distributable regulatory credit reserves. During the year ended 2013, the provisions for bad debts against loans and advances exceeded provision computed under IFRS guidelines by GH¢7,264,285(GH¢8,820,873 in 2012). This excess amount has been transferred from the income surplus to General Regulatory Credit Reserve in line with Bank of Ghana regulations.

	2013 GH¢	2012 GH¢
Provisions per Bank of Ghana guidelines	**35,955,396**	25,628,515
Provisions per Bank of IFRS guidelines	**(28,691,111)**	(16,807,642)
General regulatory credit reserve	**7,264,285**	8,820,873

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For the year ended 31 December 2013

Under both the Bank of Ghana requirements and IFRS principles of loan impairment, some loans were individually assessed for impairment and others were assessed collectively. The gross amount of loans individually assessed for impairment for the year was GH¢61,201,000 (2012: GH¢14,701,000). The stock of loans collectively assessed was GH¢31,998,377 (2012:GH¢15,202,000). One group exists under the collective category and the Bank applies the standard OLEM rate of 10%.
Factors considered during the impairment process include revenue growth percentage, gross margin, discounted cash flows and capitalization ratios among others. Under Bank of Ghana guidelines, advances are classified in the following five categories which determine the level of provisions required.

Category	Level of provision required
a Current	1%
b. Other loans especially mentioned ("OLEM")	10%
c. Substandard	25%
d. Doubtful, or	50%
e. Loss	100%

22a Assets held for sale

	2013 GH¢	2012 GH¢
Investment in associate - Accra City Hotel Limited	**3,240,393**	-

The bank intends to dispose of its interest in Accra City Hotel Limited by 31 August 2014. The investment was previously accounted for under the equity method. A search is underway for a buyer. No impairment loss was recognised on reclassification of the investment in associate as held for sale nor as at 31 December 2013 as the directors of the bank expect that the fair value (estimated based on various valuation methods, as indicated in the report of an independent consultant) less costs to sell is higher than the carrying amount.

22b Investment in associate

	2013 GH¢	2012 GH¢
Total assets	**-**	30,657,035
Total liabilities	**-**	(14,455,070)
Net assets	**-**	16,201,965
Share of net assets of associate	**-**	3,240,393
Total revenue of associate	**-**	15,612,373
Total profit of associate	**-**	1,766,281
Share of profit of associate	**-**	353,256

Dividend received from the associate during the year amounted to GH¢92,000 (2012: GH¢55,350)

22c Details of investment in associate

Name of company	**Country of incorporation**	**Principal activity**	**SGGH Interest in equity**	**Value GH¢**
Accra City Hotel Limited	Ghana	Hotel	20%	3,240,393

The financial year end of Accra City Hotel Limited is 31 December of each year.

23 Unquoted equity investments

	2013 GH¢	2012 GH¢
Vacuum Salt Products Ltd	**-**	514
Consolidated Discount House Ltd	**-**	1,209
Advans Ghana	**406,500**	406,500
Total	**406,500**	408,223

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

23a Principal Affiliate Undertakings of Societe Generale Ghana Limited

Name of company	Country of incorporation	Principal activity	SGGL's Interest in equity	Value GH¢
Vacuum Salt Products Ltd	Ghana	Production	10%	-
Consolidated Discount House Ltd	Ghana	Investment	2.93%	-
Advans Ghana	Ghana	Microfinance	5.81%	406,500
				406,500

During the year, the Bank carried out an impairment exercise on its unquoted equity investments. The assets in Vacuum Salt Products Ltd and Consolidated Discount House were assessed to be impaired and consequently written off .

24 Current tax: Assets/liabilities

	Balance 1 January GH¢	Adjustments/ Reclassification GH¢	Charge for the year GH¢	Payment/ Credits during the year GH¢	Balance 31-Dec GH¢
2011	(514,993)	-	-	-	**(514,993)**
2012	(1,850,968)	-	-	-	**(1,850,968)**
2013	-	250,000	13,387,530	(14,881,298)	**(1,243,768)**
	(2,365,961)	250,000	13,387,530	(14,881,298)	**(3,609,729)**

24a National stabilization levy

	2013 GH¢	2012 GH¢
Balance as at 1 January	**(195,653)**	271,718
Charge for the year	**1,167,865**	-
Adjustment during the year	**1,423,912)**	(76,065)
Balance as at 31 December	**(451,700)**	195,653

The levy charged on the profit is based on a rate of 5% (2012:nil).

The National Stabilization Levy was re- introduced during the year. The Law came into force on 15th July 2013, payable in respect of profits for the 2013 and 2014 years of assessment. In accordance with the National Fiscal Stabilization Act, 2013, (Act 862) all companies in Banking, Non Bank Financial Institutions, Insurance, Mining, Brewery and Communication are supposed to pay a levy of 5% of profit before tax towards National Fiscal Stability . There was no payment in 2012 because the former tax regime ended in 2011.

25 Long term operating lease prepaid

The bank as a lessee	**2013 GH¢**	2012 GH¢
Balance as at 1 January	**3,929,950**	4,078,250
Amount expensed during the year	**(148,300)**	(148,300)
Balance as at 31 December	**3,781,650**	3,929,950

25a Future minimum lease payments are as follows

	2013 GH¢	2012 GH¢
Not later than one year	**148,300**	148,300
Later than one year but not later than five years	**593,200**	593,200
Later than five years	**3,040,150**	3,188,450
Balance as at 31 December	**3,781,650**	3,929,950

Operating lease payments represent rentals payable by the Bank for its land where the Bank is a lessee.

NOTES TO THE FINANCIAL STATEMENTS

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26 Property, plant and equipment

2013	Land & Building GH¢	Computers GH¢	Furniture & Equipment GH¢	Motor Vehicles GH¢	Assets in Course of Construction GH¢	Total GH¢
Cost/valuation						
Balance at 1 January	45,167,180	12,717,418	12,182,509	1,239,145	20,212,076	91,518,328
Additions	2,468,469	912,780	978,981	293,488	17,843,486	22,497,204
Disposal/other adjustments	(2,634,369)	(3,904)	(215,655)	(68,600)	(111,704)	(3,034,232)
Balance at 31 December	45,001,280	13,626,294	12,945,835	1,464,033	37,943,858	110,981,300
Depreciation						
Balance at 1 January	4,576,385	10,785,467	7,445,205	796,607	-	23,603,664
Charge for the year	1,993,642	1,088,049	1,642,365	290,148	-	5,014,204
Disposals/other adjustments	(177,212)	(3,904)	(123,508)	(58,775)	-	(363,399)
Balance at 31 December	6,392,815	11,869,612	8,964,062	1,027,980	-	28,254,469
Net book value						
At 31 December 2013	38,608,465	1,756,682	3,981,773	436,053	37,943,858	82,726,831
At 31 December 2012	40,590,795	1,931,951	4,737,304	442,538	20,212,076	67,914,664

It is the policy of the Bank to revalue its Land and Buildings every five years. The last revaluation exercise was held in 2011. The valuation was done by two independent firm of valuers, KOA Consult and Value Properties Limited. This resulted in a revaluation surplus of GHS24,166,132 which was recognized as capital surplus.

Property, plant and equipment 2012	Land & building GH¢	Computers GH¢	Furniture & equipment GH¢	Motor vehicles GH¢	Assets in course of construction GH¢	Total GH¢
Balance at 1 January	45,366,154	11,432,106	10,836,480	1,141,114	14,112,244	82,888,098
Additions	2,215,344	1,643,965	1,349,882	405,870	6,099,832	11,714,893
Revaluation	-	-	-	-	-	-
Transfers disposals/other	-	-	-	-	-	-
Adjustments	(2,414,318)	(358,653)	(3,853)	(307,839)	-	(3,084,663)
Balance at 31 December	45,167,180	12,717,418	12,182,509	1,239,145	20,212,076	91,518,328
Depreciation						
Balance at 1 January	2,885,941	9,919,725	5,882,431	860,510	-	19,548,607
Charge for the year	1,748,085	1,060,809	1,566,617	243,937	-	4,619,448
Disposals and other adjustments	(57,641)	(195,067)	(3,843)	(307,840)	-	(564,391)
Balance at 31 December	4,576,385	10,785,467	7,445,205	796,607	-	23,603,664
Net book value						
At 31 December 2012	40,590,795	1,931,951	4,737,304	442,538	20,212,076	67,914,664

NOTES TO THE FINANCIAL STATEMENTS
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26a Intangible assets

Computer software	**2013 GH¢**	2012 GH¢
Cost		
Balance at 1 January	**11,639,695**	11,524,181
Additions	**1,002,560**	115,514
Balance at 31 December	**12,642,255**	11,639,695
Amortisation		
Balance at 1 January	**10,928,549**	7,859,503
Charge for the year	**726,126**	3,069,046
Balance at 31 December	**11,654,675**	10,928,549
Carrying amount as at 31 December 2013	**987,580**	711,146

The amortization periods and key factors considered in determining the useful life are the same as disclosed in note 2.6.

27 Customer deposits

Analysis by type of deposits	**2013 GH¢**	2012 GH¢
Term deposits	**107,941,781**	29,286,691
Saving accounts	**173,633,292**	175,496,590
Current accounts	**636,180,862**	652,832,861
Vostro	**8,373,668**	1,469,063
	926,129,603	859,085,205

27a Analysis by type of deposits

	2013 GH¢	2012 GH¢
Financial institutions	**18,855,286**	25,094,393
Individuals and other private enterprise	**798,880,596**	721,576,146
Government departments and agencies	**2,848,079**	58,671,417
Public enterprises	**103,024,019**	53,584,965
Others	**2,521,623**	158,284
	926,129,603	859,085,205
20 largest depositors to total deposit ratio	**26.91%**	30.40%

28 Due to banks and other financial institutions

	2013 GH¢	2012 GH¢
Borrowings - Repurchase agreements	**1,121,209**	15,803,570
Overnight borrowings	**15,000,000**	-
European International Bank	**-**	1,893,897
Proparco	**13,260,600**	-
Ghana Private Sector Development Fund	**210,436**	210,436
Edif Managed Fund	**5,881,124**	2,517,504
	35,473,369	20,425,407

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

Due to banks and other financial institutions
The Bank has not had any defaults of principal, interest or other breaches with regard to any liabilities during 2013 or 2012.

PROPARCO - US$10,000,000 (GH¢ 22,101,000) - This is a credit line which was granted for on-lending and matures in 2014. The Bank had drawn down US$6,000,000 (GH¢ 13,260,600) of the credit line at the end of the year 2013 at an interest rate of 5.12% , expiring in April 2020.

European Investment Bank - US$27,138,000 (GH¢ 59,977,694) - The facility was granted for on-lending and matures in 2015.There was no draw down as at the end of the year 2013.

Edif Managed Fund- This is a fund established by the Government of Ghana to aid exporters. The Bank can access this fund for on-lending to exporters that meet the eligibility criteria. During the year, the Bank drew down GH¢5,881,124 at an interest rate of 12%, expiring in 2019.

Ghana Private Sector Development Fund- This is a fund established by the Italian government to assist the private sector. The Bank accesses this fund for on-lending to companies meeting the eligibility criteria. There was no drawn down during the year 2013.

29 Interest payable and other liabilities

	2013 GH¢	2012 GH¢
Creditors	**7,183,476**	4,647,173
Other creditors and provisions (Note 30)	**34,190,742**	27,220,469
Accruals	**12,638,417**	2,850,216
Deferred income	**3,773,955**	2,127,287
Other suspended liabilities	**16,619**	27,718
Deferred income on staff loans	**3,445,708**	2,728,767
	61,248,917	39,601,630

30 Other creditors and provisions

	2013 GH¢	2012 GH¢
Payment orders	**2,726,535**	2,884,505
Statutory deductions	**418,920**	662,035
Provisions (Note 30a)	**5,949,330**	4,503,554
Litigation	**2,630,302**	2,075,048
Interest payable	**1,149,612**	1,112,264
Cheque for clearing	**11,678,750**	7,706,435
Transfer in transit	**3,672,195**	5,945,058
Walk in customer	**4,765,963**	1,170,264
Other commitments & credit balances	**1,199,135**	1,161,306
	34,190,742	27,220,469

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

30a Provisions

	Bonus GH¢	Technical & Other Management Fees GH¢	Reorganisation GH¢	Contingencies GH¢	Others GH¢	Total GH¢
As at 1 January 2013	1,309,674	743,672	1,156,936	844,017	449,254	4,503,553
Provisions made during the year	3,249,129	3,449,808	3,473,811	1,789,445	1,601,400	13,563,593
Payments/reversals	(2,955,407)	(2,253,608)	(4,218,569)	(1,581,432)	(1,108,800)	(12,117,816)
As at 31st December 2013	1,603,396	1,939,872	412,178	1,052,030	941,854	5,949,330

30b Litigation

	2013 GH¢	2012 GH¢
As at 1 January 2013	**2,075,048**	1,060,048
Provisions made during the year	**555,254**	1,015,000
As at 31st December 2013	**2,630,302**	2,075,048

31 Stated capital

a. Authorised ordinary shares

	2013	2012
Number of ordinary shares of no par value	**500,000,000**	500,000,000

b. Issued and fully paid ordinary shares	2013 Number	Amount GH¢	2012 Number	Amount GH¢
Issued and fully paid ordinary shares	333,893,894	62,393,558	333,893,894	62,393,558

32 Other reserves

	2013 GH¢	2012 GH¢
Balance 1 January	**3,015,349**	2,978,766
Movements during the year	**878,574**	36,583
Balance at 31 December	**3,893,923**	3,015,349

33 Dividend declared and paid

	2013 GH¢	2012 GH¢
Equity dividend on ordinary shares:		
Final dividend for the preceding year	**13,355,755**	13,355,755
Total dividend payments during the year	**(13,355,755)**	(13,355,755)
Balance at 31 December	**-**	-

a Dividend per share

Dividends are treated as appropriation of profit in the year of approval by shareholders. But dividends proposed are disclosed as notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

34 Related party transactions/disclosures

A number of banking transactions were entered into with related parties in the normal course of business. These include loans and placements. These transactions were carried out on commercial terms and at arms length.

During the year the following transactions were performed with related parties:

a. Interest paid and interest received from related parties during the year

	2013 Interest Paid	Interest Received	2012 Interest Paid	Interest Received
	GH¢	GH¢	GH¢	GH¢
Societe Generale Borrowing	**194,215**	**25,185**	69,907	18,457

There was no outstanding balance in relation to borrowings from related parties at the end of the financial year (2012: Nil)

b. Related party balances at December

Lending to related parties:	2013	2012
	GH¢	GH¢
Directors	-	-
Officers and employees other than directors	**19,240,436**	14,836,291
Placement with Societe Generale (SG)	48,716,598	48,716,598
Nostro Account Balances with SG and other Subsidiaries	32,847,033	79,540,271

c. Compensation to key management personnel of the Bank

	2013	2012
	GH¢	GH¢
Fees	**313,145**	224,890
Directors expenses	**226,719**	206,206
Salaries & other benefits	**1,760,848**	1,071,638
	2,300,712	1,502,734

d. Loans to directors

There were no loans to directors during the period.

e. Controlling relationship

Societe Generale (SG) is related by virtue of it's ultimate (100%) controlling interest in SG Financial Services Holding, which has significant controlling interest in the shareholding in Societe Generale Ghana Limited.

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a. Contingent liabilities

	2013	2012
	GH¢	GH¢
Guarantees and Indemnities	**62,917,100**	39,288,694
Letters of credit & others	**63,720,508**	56,257,031
Balance at 31 December	**126,637,608**	95,545,725

The Bank's contingent liabilities are commitments undertaken on behalf of the Bank's customers to make payments to third parties in the event of the customer's default in the case of guarantees, or on the delivery of appropriate documentation by the payment recipient in the case of letters of credit. The value of these contingent liabilities are recorded in the books of the Bank at the fair value required to settle the obligation.

b. Undrawn commitments

	2013	2012
	GH¢	GH¢
Undrawn commitments	17,134,323	31,223,022

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

36 Possible legal liability

The Bank's lawyers have estimated that the maximum liability from possible legal actions against the Bank may amount to GH¢1,195,202 (2012: GH¢ 1,106,083)

37 Analysis of financial assets and liabilities

Financial assets and liabilities are measured on an on-going basis either at fair value or at amortized cost. The principal accounting policies in Notes 2 describe how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized. The following table analyses the financial assets and liabilities in the statement of financial position by class of financial instrument to which they are assigned, and therefore by the measurement basis:

31 December 2013

	Designated at fair value through profit & loss GH¢	Held to maturity investments GH¢	Available for-sale financial assets GH¢	Loans and receivables GH¢	Total carrying amount GH¢	Fair value GH¢
Cash & cash balances with BOG	144,920,392	-	-	-	144,920,392	144,920,392
Due from other banks and financial Inst.	80,751,719	-	-	-	80,751,719	80,751,719
Financial investments	26,044,673	-	113,936,373	-	139,981,046	139,981,046
Loans and advances	-	-	-	740,402,911	740,402,911	740,402,911
Unquoted equity investments	-	-	406,500	-	406,500	406,500
Total financial assets	251,716,784	-	114,342,873	740,402,911	1,106,462,568	1,106,462,568
Total non-financial assets						110,090,637
Total assets						1,216,553,205

Financial liabilities	Financial Liabilities Measured at Amortised cost GH¢	Total Carrying Amount GH¢	Fair value GH¢
Customers deposits	926,129,603	926,129,603	926,129,603
Due to banks and other financial institutions	35,473,369	35,473,369	35,473,369
Interest payable and other liabilities	61,248,917	61,248,917	61,248,917
Total financial liabilities	1,022,851,889	1,022,851,889	1,022,851,889
Total non-financial liabilities			193,701,316
Total liabilities and shareholders fund			1,216,553,205

NOTES TO THE FINANCIAL STATEMENTS

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37. Analysis of financial assets and liabilities by measurement basis - continued

Financial assets and liabilities are measured on an on-going basis either at fair value or at amortized cost. The principal accounting policies in Notes 2 describe how the classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognized. The following table analyses the financial assets and liabilities in the statement of financial position by class of financial instrument to which they are assigned, and therefore by the measurement basis:

31 December 2012	Designated at fair value through profit & loss GH¢	Held to maturity investments GH¢	Available for-sale financial assets GH¢	Loans and receivables GH¢	Total carrying amount GH¢	Fair value GH¢
Cash & cash balances with BOG	181,127,380	-	-	-	181,127,380	181,127,380
Due from other banks and financial inst.	180,787,174	-	-	-	180,787,174	180,787,174
Financial investments	17,354,246	-	103,094,348	-	120,448,594	120,448,594
Loans and advances	-	-	-	520,100,260	520,100,260	520,100,260
Unquoted equity investments	-	-	408,223	-	408,223	408,223
Total financial assets	379,268,800	-	103,502,571	520,100,260	1,002,871,631	1,002,871,631
Total non-financial assets						86,054,916
Total assets						1,088,926,547

Financial liabilities	Financial liabilities measured at amortised cost GH¢	Total carrying amount GH¢	Fair value GH¢
Customers deposits	859,085,205	859,085,205	859,085,205
Due to banks and other financial institutions	20,425,407	20,425,407	20,425,407
Interest payable and other liabilities	39,601,630	39,601,630	39,601,630
Total Financial Liabilities	919,112,242	919,112,242	919,112,242
Total non-financial liabilities			169,814,305
Total liabilities and shareholders fund			1,088,926,547

38. Determination of fair value and fair values hierarchy

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by the valuation technique:

- Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities
- Level 2: Other techniques for which all inputs have a significant effect on the recorded fair values are observable, either directly or indirectly and
- Level 3: Techniques for which inputs have a significant effect on the recorded fair value that are not based on observable market data.

Financial assets and liabilities measured using a valuation technique based on assumptions that are supported by prices from observable current market transactions are assets and liabilities for which pricing is obtained via pricing services, but where prices have not been determined in an active market, financial assets with fair values based on broker codes, investment in private equity funds with fair values obtained via fund managers and assets that are valued using the Bank's own models whereby the majority of assumptions are market observable.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

38 Determination of fair value and fair values hierarchy - continued

Non-market observable inputs means that fair values are determined in whole, or in parts, using a valuation technique, based on assumptions that are neither supported by prices from observable current market transactions in the same instrument, nor are they based on available market data. The main asset classes in this category are unlisted equity investments and debt instruments. Valuation techniques are used to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Therefore, observable inputs reflect the Bank's own assumption about the assumptions that market participants will use in pricing the asset or liability (including assumptions about risk). These inputs are developed based on the best information available which might include the Bank's own data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy.

	Note	Level 1	Level 2	Level 3	Total
31 December 2013	19				
Government securities		**139,981,046**	**-**	**406,500**	**140,387,546**
		139,981,046	**-**	**406,500**	**140,387,546**

	Note	Level 1	Level 2	Level 3	Total
31 December 2012	19				
Government securities		120,448,594	-	406,500	120,855,094
		120,448,594	-	406,500	120,855,094

There were no transfers between levels 1 and 2 within the period.

Level 3 movement	Note	
31 December 2013	23	Level 3
Balance at 1 January		406,500
Movement during the year		-
Balance at 31 December		406,500
31 December 2012	23	Level 3
Balance at 1 January		408,203
Movement during the year		-
Balance at 31 December		408,203

Day 1 profit

When financial instruments were initially recognised, the fair value was based on active market, hence no day 1 profit or loss has been recognised.

39 Financial risk management

Risk is inherent in the Bank's activities but is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Bank's continuing profitability and each individual within the Bank is accountable for the risk exposures relating to his or her responsibilities.

The Bank is exposed to credit risk, liquidity risk, interest rate risk and market risk. It is also subject to various operating risks.

The independent risk control process does not include business risks such as changes in the environment, technology and industry. The Bank's policy is to monitor those business risks through the Bank's strategic planning process.

Risk management structure

The Board of Directors is ultimately responsible for identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

39 Financial risk management - continued

Board of directors
The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles.

Risk committees
The Risk Committees have the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committees are responsible for managing risk decisions and monitoring risk levels. The main Risk Committees and its frequency of meetings are:
i. Credit Risk Committee - Quarterly;
ii. Asset and Liabilities Committee - Weekly
iii. Structural Risk Committee - Quarterly;
iv. Market Risk Committee - Quarterly;
v. Operational Risk Committee (Periodic and Permanent Control, Business Continuity Planning and Compliance) - Quarterly;

Risk management
Risk Management is done under specialists units of Credit and Market Risk Department and Operational and Permanent Control Division. These units are responsible for implementing and maintaining risk related procedures to ensure independent control process is maintained.

Risk control
Risk Control is done under the various specialist units of Risk Management where monitoring of compliance with risk principles, policies and limits across the Bank is undertaken. Each business group has its own unit which is responsible for the independent control risks, including monitoring the risk of exposures against limits and the assessment of risks of new products and structured transactions. These units also ensure the complete capture of the risk in risk measurement and reporting systems through the various committees to the Board.

Bank treasury
The Bank's Treasury is responsible for managing the Bank's assets and liabilities and the overall financial structure. It is also primarily responsible for the funding and liquidity risks management of the Bank.

Internal audit
The Bank's policy is that risk management processes throughout the Bank are audited annually by the internal audit function, which examines both the adequacy of the procedures and the Bank's compliance with the procedures. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit committee.

The most significant risks which the bank is exposed to and how they are managed are as below:

Credit risk
Credit risk is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations.

The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations, and by monitoring exposures in relation to such limits.

The Bank also manages its counter party risk through adherence to Bank of Ghana prudential requirements by ensuring that it's secured lending to any single borrower is below 25% of its net worth and that any single unsecured lending by the bank is less than 10% of the bank's net worth.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

The framework for managing this risk is the credit policy which spells out the overall underwriting standards, credit approval process, credit administration and recovery processes. The policy is reviewed from time to time (at least yearly) in response to risk profile of new business opportunities/products, and any challenges with the recovery process.

The Bank has established a credit quality review process through the Credit Committee to provide early identification of possible changes in the creditworthiness of counterparties, including regular collateral revisions. Counterparty limits are established by the use of a credit risk classification system, which assigns major counterparty a risk rating.

Risk ratings are subject to regular revision.

The credit quality review process aims to allow the Bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The Bank's credit quality review process is established in line with the Societe Generale Group's risk management governance based on the following;

- A strong managerial involvement throughout the entire organization: From the Board of Directors through to the Credit Committee and to the operational field management teams.

- A tight framework of internal procedures and guidelines.

- A well defined permanent supervision process that assists to identify through a self examination the need for review of certain processes to improve on the Bank's credit delivery and collection processes.

  In line with the group policy, Credit Risk is organized around two key principles:
- Independence of Risk assessment department from the business divisions;

The bank in estimating and establishing its potential credit losses, counterparty limits are established by the use of a credit risk classification system, which assigns major counterparties a risk rating. Risk ratings are subject to regular revision.

The credit quality review process aims to allow the bank to assess the potential loss as a result of the risks to which it is exposed and take corrective action.

The Credit Committee also monitors the portfolio of loans and debt collection operations.

In this capacity, it does:
- analyze the portfolio of loans: retail customers, companies, banks and financial institutions and sovereign,
- monitor irregular commitments and the main sensitive risks,
- monitor debt collection files,
- assess guarantees and monitor provisions,
- ensure that the actions reported are monitored and performed

Total Credit approvals for 2013 was GH¢770.11million; an increase of 10.5% compared to GH¢696.69million recorded in 2012. The volume of files also increased by 12.5%; from 12,728 files in 2012 to 14313 files in 2013.

At the same time, there has been a consistent improvement in the Non Performing Loan ratio over the period. NPL ratio (Bank of Ghana regulations) reduced to 7.35% in December 2013 from 7.50% in December 2012. This was accomplished on the back of a general improvement of facility monitoring bank-wide.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

In line with the bank's policy, the provisions have been made for all delinquent facilities in addition to a collective provisioning done for all sensitive and potentially sensitive clients.

The Net Cost of Risk increased in absolute terms to GHS 14.6 million in December 2013 from GHS5.3 million as at December 2012 as a result of the bank's conservative approach to provisions, all loans above 90days were specifically provisioned for whilst loans between 61 -90 days were collectively provided for at a loss rate of 10%. Consequently there was an increase in basis point of the Net Cost of Risk from 97.64 bp in 2012 to 186.07 bp in 2013

At 31 December 2013, the bank's credit exposure were categorised as follows:

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

The balances for each category have been analysed below;

	Dec 2013		Dec 2012	
	Loans & advances to customers	**Due from banks & financial inst.**	Loans & advances to customers	Due from banks & financial inst.
	GH¢ '000	**GH¢ '000**	GH¢ '000	GH¢ '000
Neither past due nor impaired	**529,934**	**80,752**	447,944	180,787
Past due but not impaired	**160,446**	**-**	65,375	-
Individually impaired	**93,199**	**-**	34,197	-
	-	**-**	-	-
Gross	783,579	80,752	547,516	180,787
Less Allowance for impairment	(28,691)	-	(16,180)	-
Interest in suspense	(14,485)	-	(11,236)	-
Net amount	740,403	80,752	520,100	180,787

Loans and advances to customers in Ghana analysed by industry sector, as well as by customer type is shown in note 21(b) & 21(c) above.

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:

	2013	2012
	GH¢ '000	GH¢ '000
Against impaired assets	**110,478**	63,119
Against past due but not impaired assets	**146,846**	68,334
	257,324	131,453

Total credit risk exposure		**2013**	2012
	Note	**GH¢**	GH¢
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
Gross loans and advances to customers	21	**783,579,177**	547,516,213
		1,009,251,288	909,430,767

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

Liquidity risk and structural interest rate risk

- **Liquidity risk**

Liquidity risk arises from the mismatch of the timing of cash flows relating to assets and liabilities. The liquidity policy of the Bank is approved by the Board under guidelines issued by SG and monitored daily to ensure that its funding requirements can be met at all times and that a stock of high quality liquid assets is maintained.

The net liquidity gap resulting from liquidity analysis of assets and liabilities of the Bank as of 31 December 2013 is shown in the table below.

The gap profile is the difference between assets and liabilities which is calculated for each time- bucket. The results of this calculation are stressed and analysed through the internal ALM Report or the Group report Structural risk committee.

Societe Generale Ghana Limited has a large and diversified deposit base which serves as a large part of mid and long-term financing resources.

- **Structural interest rate**

The interest rate risk is the incurred risk in case of interest rate variations because of all on-and off- statement of financial position operations, except operations subject to market risks. Global Interest Rate Risk is corresponding to interest rate on the banking portfolio.

The strategic management of liquidity is done at a high level of senior management (ALCO); review of results on weekly basis in line with competition and economic conditions and also ensure that regulatory requirements are met.

The risk management is supervised by the Group. Limits are defined at Group consolidated level and at the level of each Group consolidated entity, and are validated by the Credit Risk Committee. Finance department of the Group is responsible for checking the risk level of SGGL.

The SGGL's main aim is to reduce its exposure to structural interest rate risk as much as possible. To this end, any residual interest rate risk exposure must comply with the sensitivity limits set by the Finance Committee. The sensitivity is defined as the variation in the present value of future (maturities of up to 20 years) residual fixed rate positions (surplus or deficits) for a 1% parallel increase in the yield curve (i.e. this sensitivity does not relate to the sensitivity of annual net interest income). The limit for SGGL is EUR 1 million (i.e. GHS 2.9861 million), which is 1.54% of shareholders' equity.

In order to quantify its exposure to structural interest rate risks, SGGL analyses all fixed- rate assets and liabilities on future maturities to identify any gaps. These positions come from their maturities.

Once the Bank has identified the gaps of its fixed- rate positions (surplus or deficit), it calculates the sensitivity (as defined above) to variations in interest rates. This sensitivity is defined as the variation of the net present value of the fixed-rate positions for an instantaneous parallel increase of 1% of the yield curve.

Throughout 2013, SGGL's global sensitivity to interest rate risk following the procedure described above was 0.04% of the total statement of financial position and beyond the GHS 2.9861 million with a total sensitivity of GHS 4.8670 million which represents 2.51% of the total shareholder's equity.

Interest rate risk exposure

Interest rate risk exposure is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Bank's exposure to the risk of changes in market interest rates relates primarily to the financial assets and liabilities with variable/floating interest rates. The following table demonstrates the sensitivity to a reasonable possible change in interest rates, with all other variable held constant, of the Bank's profit before tax (through the impact on the floating rate financial assets and liabilities). The impact on the Bank's equity is immaterial.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

Interest rate risk exposure

Sensitivity of projected increase or decrease in interest rate is analysed below.

	Increase/decrease in basis points		Effect on profit before tax		Effect on equity	
31 December 2013	**2013**		**2013**		**2013**	
GH¢	**5%**	**(5%)**	**7,335,353**	**7,335,343)**	**5,501,507**	**5,501,507)**
USD	**7%**	**(7%)**	**69,199**	**(69,199)**	**51,899**	**(51,899)**
EUR	**5%**	**(5%)**	**4,123**	**(4,123)**	**3,092**	**(3,092)**
31 December 2012	2012		2012		2012	
GH¢	5%	(5%)	903,150	(903,150)	2,177,363	2,177,363)
USD	7%	(7%)	53,033	(53,033)	39,775	(39,775)
EUR	5%	(5%)	3,125	(3,125)	2,344	(2,344)

Maturity analysis of the assets and liabilities

The table shows summary of assets and liabilities analysed according to their contractual maturities or residual value.

31 December 2013

Assets	Total GH¢	Below 3 months months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Cash on hand and cash balances with Bank of Ghana	**144,920,392**	144,920,392	-	-	-
Due from banks and other financial institutions	**80,751,719**	80,751,719	-	-	-
Financial investments	**139,981,046**	114,843,112	7,804,538	97,890	17,235,506
Other assets	**14,336,009**	5,375,532	4,031,649	2,687,766	2,241,062
Loans and advances	**740,402,911**	295,639,647	12,676,649	59,848,391	372,238,224
Investment in associate	**3,240,393**	-	-	-	3,240,393
Unquoted equity investment	**406,500**	-	-	-	406,500
Current Tax: Assets	**3,609,729**	-	-	-	3,609,729
National stabilization levy	**451,700**	-	-	-	451,700
Long term operating lease prepaid	**3,781,650**	37,075	37,075	74,310	3,633,190
Property, plant & equipment	**82,726,831**	-	-	-	82,726,831
Intangible assets	**987,580**	-	-	-	987,580
Deferred tax	**956,746**	-	-	-	956,746
Total assets	**1,216,553,206**	641,567,477	24,549,911	62,708,357	487,727,461
Liabilities					
Customer deposits	**926,129,603**	262,615,833	47,781,712	2,816,194	522,915,864
Due to banks, & other financial institutions	**35,473,369**	35,473,369	-	-	-
Interest payable & other liabilities	**61,248,918**	24,140,697	18,105,522	12,070,348	6,932,351
Total liabilities	**1,022,851,890**	322,229,899	65,887,234	104,886,542	529,848,215
Net liquidity gap	**193,701,316**	319,337,578	(41,337,323)	(42,178,185)	(42,120,754)
Contingent liabilities - Guarantees and letters of credit	126,637,608	61,234,680	20,483,845	37,140,653	7,778,430

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

Maturity analysis of the assets and liabilities - continued

The table shows summary of assets and liabilities analysed according to their contractual maturities or residual value.

31 December 2012 **Assets**	**Total GH¢**	**Below 3 months GH¢**	**3 to 6 months GH¢**	**6 to 12 months GH¢**	**Above 1 year GH¢**
Cash on hand and cash balances with Bank of Ghana	181,127,380	181,127,380	-	-	-
Due from banks and other financial institutions	180,787,174	180,787,174	-	-	-
Financial investments	120,448,594	100,540,811	2,835,350	11,492	17,060,941
Other assets	7,534,514	3,013,806	2,260,354	1,506,903	753,451
Loans and advances	520,100,260	516,770,005	279,576	1,196,579	1,854,100
Investment in associate	3,240,393	-	-	-	3,240,393
Unquoted equity investment	408,223	-	-	-	408,223
Current Tax: Assets	2,365,961	-	-	-	2,365,961
National stabilization levy	195,653	-	-	-	195,653
Long term operating lease prepaid	3,929,950	37,075	37,075	74,150	3,781,650
Property, plant & equipment	67,914,664	-	-	-	67,914,664
Intangible assets	711,146	-	-	-	711,146
Deferred tax	162,635	-	-	-	162,635
Total assets	1,088,926,547	982,276,251	5,412,355	2,789,124	98,448,817
Liabilities					
Customer deposits	859,085,205	186,915,956	47,477,198	93,270,146	531,421,905
Due to banks, & other financial institutions	20,425,407	20,425,407	-	-	-
Interest payable & other liabilities	39,601,630	15,840,652	11,880,489	7,920,326	3,960,163
Deferred tax	-	-	-	-	-
Total liabilities	919,112,242	223,182,015	59,357,687	101,190,472	535,382,068
Net liquidity gap	169,814,305	759,094,236	(53,945,332)	(98,401,348)	(436,933,251)
Contingent liabilities - Guarantees and letters of credit	95,545,725	42,280,255	6,247,402	6,833,159	40,184,909

- **Market risk**

Market risk is the risk of losses being incurred as a result of adverse movements in interest or exchange rates and arises in the Bank's treasury activities.

Market risk is controlled by interest rate mismatch and foreign currency open position limits approved by the Executive Committee of the Bank and monitored daily. The foreign currency exposure analysis of the Bank is shown in Note 41.

This risk is managed by the establishment of limits, monitoring of exposures on a daily basis and ensuring that regulatory requirements are met.

The task of the Market Risk Committee is to:

- identify, assess and monitor the market risks generated by transactions made on behalf of:
- the local Financial department (cash, liquid assets, balance sheet hedging) in relation with the Assets and Liabilities Management Committee,
- professional customers (companies and institutional investors),
- define and monitor alert procedures,
- make sure that the Back Office is really independent from the Front Office.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

Exchange rate sensitivity analysis

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 the note below.

	Increase/decrease in basis points		Effect on profit before tax		Effect on equity	
31 December 2013	2013		2013		2013	
			GH¢	GH¢	GH¢	GH¢
USD	7%	(7%)	110,464	(110,464)	82,848	(82,848)
GBP	6%	(6%)	41,281	(41,281)	30,961	(30,961)
EUR	5%	(5%)	10,035	(10,035)	7,256	(7,256)
Other currencies	5%	(5%)	6,636	(6,636)	4,977	(4,977)
31 December 2012	2012		2012		2012	
			GH¢	GH¢	GH¢	GH¢
USD	7%	(7%)	377,623	(377,623)	283,217	(283,217)
GBP	6%	(6%)	21,007	(21,007)	15,755	(15,755)
EUR	5%	(5%)	71,418	(71,418)	53,563	(53,563)
Other currencies	5%	(5%)	9,718	(9,718)	7,288	(7,288)

Methods and assumptions used in the computation of sensitivity analysis

i Foreign currency exposure is assumed to remain at constant values (closing balances at the end of the year).

ii Use of average exchange rate for the year under consideration.

iii Use of pre-determined stress levels (relevant range of stress level) based on extreme or worst case scenarios.

iv There are no changes in the methods and assumptions from the previous periods.

v The current corporate tax rate is applied in determining the effect on profit and equity.

Currency risk

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

39 Financial risk management - continued

Currency exposure

The table below summarises the Bank's exposure to foreign exchange rate risks at year- end. The amounts stated in the table are the cedi equivalent of the foreign currencies.

31 December 2013

Assets	**USD GH¢**	**GBP GH¢**	**EURO GH¢**	**Others GH¢**	**Total GH¢**
Cash and balances with Bank of Ghana	8,710,505	1,431,965	10,762,961	-	20,905,431
Due from other banks and financial institutions	39,532,148	11,349,316	17,014,791	284,688	68,180,943
Other assets	76,862	3,253	1	-	80,116
Loan and advances to customers	191,686,692	1,207	7,663,246	-	199,351,145
Total assets	240,006,207	12,785,741	35,440,999	284,688	288,517,635
Liabilities					
Due to customers	190,632,539	11,446,345	57,644,256	10,369	259,733,509
Other liabilities	12,584,449	558,864	1,672,880	134,764	14,950,957
Due to other banks and financial institutions	14,211,809	-	-	-	14,211,809
Total liabilities	217,428,797	12,005,209	59,317,136	145,133	288,896,275
Net on statement of financial position balance	22,577,410	780,532	(23,876,137)	139,555	(378,640)
Net off statement of financial position balance	(24,311,100)	-	24,100,274	-	(210,826)
Net open position	(1,733,690)	780,532	224,137	139,555	(589,466)

31 December 2012 **Assets**	USD GH¢	GBP GH¢	EURO GH¢	Others GH¢	2012 GH¢
Cash and balances with Bank of Ghana	10,636,720	1,756,369	4,022,399	-	16,415,488
Due from other banks and Financial Institution	105,647,302	9,434,183	41,769,657	217,231	157,068,373
Other assets	1,880,357	13,267	9,524	-	1,903,148
Loan and advances to customers	128,057,051	727	11,628,008		139,685,786
Total assets	246,221,430	11,204,546	57,429,588	217,231	315,072,795
Liabilities					
Due to customers	212,826,846	9,139,555	38,403,818	11,560	260,381,778
Other liabilities	10,981,503	390,402	2,301,731	-	13,673,637
Due to other banks and financial institutions	2,697,468	-	-	-	2,697,468
Total liabilities	226,505,817	9,529,957	40,705,549	11,560	276,752,883
Net on statement of financial position balance	19,715,613	1,674,589	16,724,039	205,671	38,319,912
Net off statement of financial position balance	(6,748,300)	-	(11,819,979)	100,949	(18,467,330)
Net open position	12,967,313	1,674,589	4,904,060	306,620	19,852,582

39 Financial risk management - continued

Operational risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruption.
These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

Operational procedures are documented in an Operations Manual.
The Bank has established and implemented an integrated Operational Risk (OR) framework comprising (i) Loss Collection policy, (ii) Key Risk Indicators (KRI) policy, (iii) Permanent Supervision policy, (iv) Compliance and anti- money laundering.

Policy which set out the organizational structure, overall policy framework, processes and systems for identifying, assessing, monitoring and controlling/mitigating operational risks in the bank.

SGGH has adopted the SG-Group BCP policy and methodology which is consistent with international standards.

The Bank has also created a comprehensive and independent review of the Business Continuity Planning and Operational Risk processes.

The Operational Risk Committee's task is to identify and assess the impact of operational risks on the smooth running and profitability of the bank, and to define and implement the strategy used to control them by continuously adapting the methods used to bring them into conformity with regulations in force and Societe Generale Group standards.

To achieve this, the committee:

- makes sure that the resources made available to the Operational Risk team are in line with the Bank's level of exposure,
- is responsible for the introduction and satisfactory operation of permanent supervision, and for the bank's Operational Risk control,
- is informed of the main types of operational risks and of the main operating losses recorded over the period,
- monitors the implementation of plans of action intended to correct and reduce Operational Risks,
- validates the findings of regulatory exercises (Risk & Control Self Assessment (RCSA), scenario analysis, KRI), introduces and monitors corrective action plans.
- introduces, maintains and tests the BCP and the Crisis management system,
- makes sure that the work done by Permanent Supervision is of good quality and approves its report.
- takes corrective action in the event of a deterioration in the control environment,
- keeps up to date with legislative and regulatory changes, as well as recommendations relating to periodic control,
- drafts and presents its activity report particularly intended for the Audit and Accounts Committee.

Non compliance & reputation risk and the prevention of money laundering

The compliance function ensures that the risks of legal, administrative and/or disciplinary penalties, financial losses or injury to reputation, arising out of or in connection with failure to comply with local legislative and/or regulatory banking provisions, ethics and professional practices, as well as SG Group instructions, standards and/or processes are identified and controlled.

The bank's compliance activity is overseen at a high level by a senior management officer, the Head of Compliance and through the Compliance committee chaired by the Managing Director.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

39 Financial risk management - continued

The main tasks of the compliance function are namely;

- to define in accordance with legal and regulatory requirements, the policies, principles and procedures applicable to compliance and the prevention of money laundering and terrorist financing and ensure that they are implemented;
- to ensure that professional and financial market regulations are respected;
- to prevent and manage any potential conflicts of interest with respect to customers;
- to propose the ethical rules to be respected by all staff;
- to train and advise staff and increase their awareness of compliance issues.

Other operational risks

Through its normal activity, the Bank is also exposed to the following risks:

- Business risk: risk of the earnings break- even point not being reached because of costs exceeding revenues
- Strategic risk: risk entailed by a chosen business strategy or resulting from the Bank's inability to execute its strategy.

40 Other comprehensive income

	2013 GH¢	2012 GH¢
Balance as at 1st January	**(101,532)**	172,522
Movements during the year	745,132	(274,054)
Balance as at 31st December	**643,600**	(101,532)

Other comprehensive income is derived from fair value gain on available for sale investment in Government of Ghana treasury bills.

41 Cash and cash equivalents

The cash and cash equivalents of the bank as at the end of the year are shown below:

	2013 GH¢	2012 GH¢
Cash on hand and balances with Bank of Ghana	**144,920,392**	181,127,380
Due from banks and other financial institutions	**80,751,719**	**180,787,174**
	225,672,111	361,914,554

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

42 Segmental reporting

"For management purposes, the bank is organized into four operating segments based on products and services as follows:

- **Retail Banking**
  This unit primarily serves the needs of individuals, high net worth clients and institutional clients. It is principally responsible for providing loans and other credit facilities, as well as mobilizing deposits and providing other transactions.

- **Corporate Banking**
  This unit is principally responsible for providing loans and other credit facilities, as well as mobilizing deposits and providing other transactions to the Bank's corporate clients.

- **Small and Medium Enterprises**
  This unit is principally responsible for providing loans and other credit facilities, as well as mobilizing deposits and providing other transactions and services to small and medium enterprises.

- **Treasury**
  This unit undertakes the bank's funding activities. It also manages the liquidity position of the Bank through activities such as borrowings, and investing in liquid assets such as short-term placements and government debt securities.

Management monitors the operating results of each business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects is measured differently from operating profit or loss in the consolidated financial statements. The main source of difference is the use of a transfer pricing mechanism in apportioning investment income for the segment.

31 December 2013

Revenue	**Retail GH¢**	**Corporate GH¢**	**SME GH¢**	**Treasury GH¢**	**Total GH¢**
Interest & similar revenue (3rd parties)	48,542,787	64,127,591	15,506,358	3,759,779	131,936,515
Interest & similar expense	(10,953,025)	(9,798,325)	(1,366,325)	(2,037,072)	(24,154,747)
Net interest income	**37,589,762**	**54,329,266**	**14,140,033**	**1,722,707**	**107,781,768**
Fees & commission revenue	14,700,806	15,244,503	7,054,911	4,310,540	41,310,760
Fees & commission expense	(5,416,763)	(784,554)	(29,194)	-	(6,230,511)
Net commission income	9,284,043	14,459,949	7,025,717	4,310,540	35,080,249
Forex trading revenue	962,442	13,996,248	4,318,007	-	19,276,697
Investment revenue	60,720	8,280	23,000	-	92,000
Other operating income	3,167,601	431,946	1,199,848	-	4,799,395
Total other operating income	4,190,763	14,436,474	5,540,855	-	24,168,092
Total operating income	**51,064,568**	**83,225,689**	**26,706,605**	**6,033,247**	**167,030,109**
Credit loss expenses	(2,400,045)	(13,175,005)	(1,250,519)	-	(16,825,569)
Net operating income	**48,664,523**	**70,050,684**	**25,456,086**	**6,033,247**	**150,204,540**
Personnel expenses	(37,159,012)	(8,835,938)	(4,565,578)	(2,997,356)	(53,557,884)
Depreciation/amortization	(4,607,046)	(480,414)	(431,141)	(221,729)	(5,740,330)
Other operating expenses	(14,245,707)	(15,117,668)	(10,215,864)	(1,177,610)	(40,756,849)
Total operating expenses	(56,011,765)	(24,434,020)	(15,212,583)	(4,396,695)	(100,055,063)
Profit before tax	**(7,347,242)**	**45,616,664**	**10,243,503**	**1,636,552**	**50,149,477**
Total assets	439,156,446	650,536,997	126,859,762	-	1,216,553,205
Total liabilities	**420,585,735**	**471,388,636**	**130,877,518**	**-**	**1,022,851,889**

No revenue from transactions with a single customer or counter party amounted to 10% or more of the Bank's total revenue in 2013 or 2012.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2013

42 **Segmental reporting - continued** 31 December 2012	**Retail GH¢**	**Corporate GH¢**	**SME GH¢**	**Treasury GH¢**	**Total GH¢**
Revenue					
Interest & similar revenue (3rd parties)	36,683,021	40,221,661	11,302,506	3,791,571	91,998,759
Interest & similar expense	(8,176,283)	(5,701,767)	(1,078,923)	(2,504,252)	(17,461,225)
Net interest income	28,506,738	34,519,894	10,223,583	1,287,319	74,537,534
Fees & commission revenue	11,126,032	13,341,707	6,643,961	3,171,896	34,283,596
Fees & commission expense	(5,185,284)	-	-	-	(5,185,284)
Net commission income	**5,940,748**	**13,341,707**	**6,643,961**	**3,171,896**	**29,098,312**
Forex trading revenue	12,408,053	3,404,650	708744	-	16,521,447
Investment revenue	36,531	4,981	13,838	-	55,350
Other operating income	4,641,344	632,857	1,758,109	-	7,032,310
Total other operating income	17,085,928	4,042,488	2,480,691	-	23,609,107
Total operating income	51,533,414	51,904,089	19,348,235	4,459,215	127,244,953
Credit loss expenses	(715,170)	(3,940,951)	(689,911)	-	(5,346,032)
Net operating income	50,818,244	47,963,138	18,658,324	4,459,215	121,898,921
Personnel expenses	(33,172,666)	(6,584,209)	(2,194,315)	(2,339,216)	(44,290,406)
Depreciation/amortization	(5,074,406)	(691,965)	(1,922,123)	-	(7,688,494)
Other operating expenses	(8,979,371)	(10,247,098)	(8,058,527)	(1,904,928)	(29,189,924)
Total operating expenses	(47,226,443)	(17,523,272)	(12,174,965)	(4,244,144)	(81,168,824)
Profit before tax	3,591,801	30,439,866	6,483,359	215,071	40,730,097
Total assets	419,394,307	570,498,366	99,033,874	-	1,088,926,547
Total liabilities	391,438,330	405,474,645	122,199,267	-	919,112,242

No revenue from transactions with a single customer or counter party amounted to 10% or more of the Bank's total revenue in 2012 or 2011.

43 Capital

Capital management

The primary objectives of the Bank's capital management are to ensure that the bank complies with externally imposed capital requirement by Bank of Ghana and that the bank maintains strong credit rating and healthy capital ratios in order to support its business and to maximise shareholders value. The Bank manages its capital structure and makes adjustment to it in the light of changes in the economic conditions and risk characteristics of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payments to shareholders, return capital to shareholders or issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

a Capital definition

The Bank's capital comprises stated capital, share deals account, retained earnings including current year profit and various reserves the company is statutorily required to maintain. As a bank, it also has regulatory capital as defined below:

b Stated capital

This amount is made up of issue of shares for cash and transfers from retained earnings.

c Income surplus

This amount represents the cumulative annual profits after appropriations available for distribution to shareholders.

d Capital surplus

This amount comprises revaluation of property, plant and equipment.

e Share deals

The amount represents transactions in respect of treasury shares.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2013

43 Capital - continued

f Statutory reserve
This is amount set aside from annual profit as a non-distributable reserve in accordance with regulatory requirements.
The transfer to Statutory Reserve Fund is in compliance with Section 29 of the Banking Act, 2004 (Act 673) as amended by the Banking Act, 2007 (Act 738).

g General regulatory credit reserve
This is amount set aside from retained earnings as a non-distributable reserve to meet minimum regulatory requirements in respect of allowance for credit losses for non-performing loans and advances.

h Other reserves
This is made up of the share option reserve, available for sale reserve on debt securities and available for sale on equity investments. Share option reserve is an amount set aside for future exercise of share options. Available for sale reserve on debt securities records unrealized gains and losses on government securities. Available for sale reserve on equity investments records unrealized fair value gains and losses on available for sale equity investments.

i Regulatory capital
Regulatory capital consist of Tier 1 capital, which comprises share capital, share deals account, retained earnings including current year profit, foreign currency translation and minority interests less accrued dividend, net long positions in own share and goodwill. Certain adjustments are made to IFRS-based result and reserves, as prescribed by the Central Bank of Ghana. The other component of regulatory capital is Tier 2 capital which includes revaluation reserves.

j Capital adequacy
The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Ghana. The capital adequacy ratio of the Bank as of 31st December 2013 is shown below:

	2013		2012	
	Actual GH¢	**Required by central bank GH¢**	Actual GH¢	Required by central bank GH¢
Tier 1 capital	**137,329,600**	60,000,000	122,347,829	60,000,000
Other capital	**56,371,716**	-	47,466,476	-
Total capital	**193,701,316**	60,000,000	169,814,305	60,000,000
Capital adequacy ratio	16.19%		19.79%	

44 Compliance Status of Externally Imposed Capital Requirement
During the past year SGGH had complied in full with all its externally imposed capital requirements.

Analysis of shareholdings

Category	**Number of shareholders**	**Number of shares**	**Percentage Holding %**
1-1,000	29,706	4,296,330	1.29
1,001-5,000	3,425	8,142,081	2.44
5,001-10,000	575	4,201,775	1.26
Over 10,000	429	317,253,708	95.02
	34,135	333,893,894	100.00

45 Prior year adjustment

This adjustment is a result of the Bank adopting the twelve months (January -December) for impairment in 2012 as against the twelve months ending November-October in 2011. The extra provision was not required because the impairment was in line with the financial reporting date.

46 Subsequent events

There were no major events after the reporting date that materially changed the Bank's position.

47 Comparative information

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

48 Twenty largest shareholders

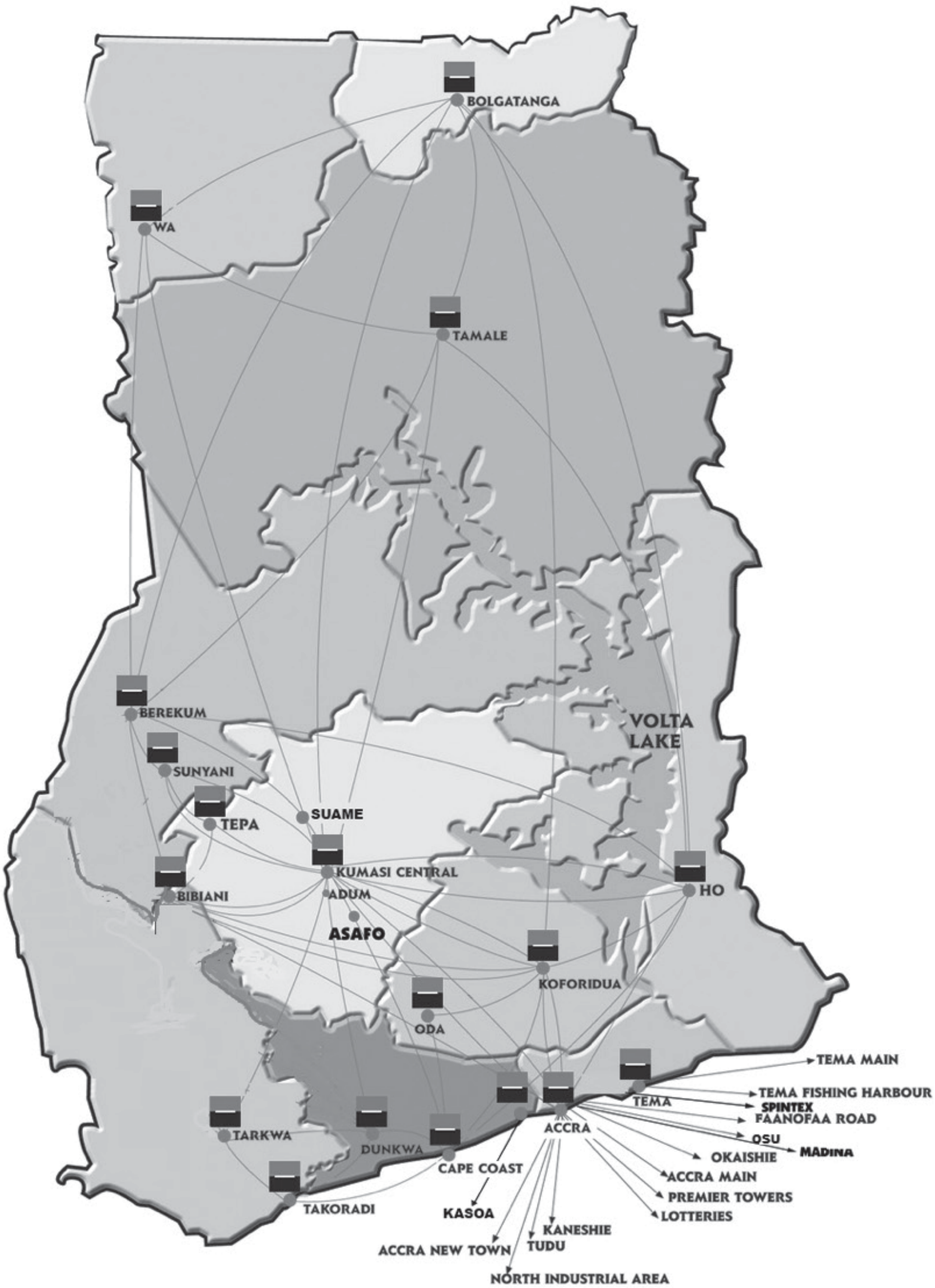
Shareholders

Account name		**Number of Holding**	**% Owned**
1	SG-FINANCIAL SERVICES HOLDING	174,420,000	52.24
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST	73,908,283	22.14
3	OFORI DANIEL	24,070,510	7.21
4	SCGN/SSB TST X71 AX71 6169E	6,871,849	2.06
5	SCGN/EPACK INVESTMENT FUND LTD - TRANSACTIONS A/C	4,918,902	1.47
6	SOCIETE GENERAL EMPLOYEES' SHARE OWNERSHIP	2,608,930	0.78
7	AMENUVOR GIDEON	2,147,699	0.64
8	SCGN/ELAC POLICYHOLDERS FUND	2,064,704	0.62
9	SSNIT SOS FUND	1,353,488	0.41
10	SAM ESSON JONAH MR.	1,000,000	0.30
11	TEACHERS FUND	960,480	0.29
12	COCOBOD END OF SERVICE BENEFIT SCHEME	902,103	0.27
13	SCGN/UNIL GH MANAGERS PENSION FUND	800,000	0.24
14	MBG ESSPA SCHEME	786,416	0.24
15	MEGA AFRICAN CAPITAL LIMITED	754,800	0.23
16	SCGN/SSB EATON VANCE TAX-MANAGED EMERGING MARKET FUND	740,000	0.22
17	SCGN/ RE:ELAC SHAREHOLDERS FUND	712,876	0.21
18	SIC LIFE COMPANY LIMITED	644,300	0.19
19	SCBN/CITIBANK LONDON ROBECO AFRIKA FONDS N.V.	600,000	0.18
20	SCGN/UNIL GH PROVIDENT FUND	480,180	0.14
	TOTAL	300,745,520	90.07
	OTHERS	33,148,374	9.93
	GRAND TOTAL	333,893,894	100.00
	Grand total	333,893,894	100

49 Directors shareholding

Director	**Shareholding**
Mrs Teresa Ntim	1,940 shares

SOCIETE GENERALE GHANA
BRANCH NETWORK



BUILDING TEAM SPIRIT TOGETHER

SOCIETE GENERALE GHANA

SOCIETE GENERALE GHANA BRANCHES, AGENCIES AND OUTLETS

NO.	NAME OF BRANCH	ADDRESS STATUS	PHONE NO.	FAX NO.	STATUS
			GREATER ACCRA		
1	Accra Main	P. O. Box 13119, Accra	030 2222136/2911019/7011918/0577650982/057765 0983		Branch
			2911022/2911014/2911021 / 222564	030 2222136	Branch
2	Accra New Town	P. O. Box K444, Accra New Town	030 2228512/2228582/2248054/ 2221847	030 2228512	Branch
			0577650390/0577650391/0577650392		
3	Faanofa	P O Box 13119, Accra	030 2252500/2220754/2236688/0577650917	N/A	Branch
4	Kaneshie Main	P O Box 13119, Accra	030 26771372/2676128/682745/675918/682846	030 2681372	Branch
5	Spintex Road	P O Box 13119, Accra	030 2934970-1/0577650918/0577650919	0577 650919	Branch
6	Osu	P O Box 13119, Accra	0302 790382/790383/790384/790385/790386	0302 765143	Branch
7	Lotteries	P O Box 13119, Accra	030 2667370/2672610/667157/0577650920	N/A	Agency
8	Pig Farm Spot Bank	P O Box 13119, Accra	030 2248053/0577650469	N/A	Spot bank
9	Madina	P. O. Box 13119,Accra	0307011003/0307012922/0577650906/0577650907	N/A	Branch
10	North Industrial Area	P O Box 13119, Accra	030 222981/2222139 /2251153/0577650987/ 0577650988	030 2229811	Branch
11	Okaishie	P O Box 13119, Accra	030 266698/2662458/0577650985	030 2666898	Branch
12	Premier Towers	P O Box 13119, Accra	030 2668650/2667146/2682207/0577650931/ 0577650932	030 2667147	Branch
13	Tema Main Comm 2	P O Box Co 2885, Tema	030 33206495/3201961/3202558/0577650913/ 0577650914	030 3201960	Branch
14	Tema Fishing Harbour	P O Box Co 668, Tema	030 3204462 /3202288 /0577650911/0577650912	030 3204462	Branch
15	Tudu	P O Box 13119, Accra	030 2671462/2663907/0577650930	030 2671462	Branch
16	Tema Motor Way Spot Bank	P O Box CO 2885, Tema	0302959127		Spot bank
17	Legon Spot Bank	P. O. BOX 13119,Accra	0307012594	N/A	Spot bank
18	Kasoa	P. O. BOX 13119,Accra	030 27844/030 2963765	N/A	Branch
			ASHANTI REGION		
19	Adum	P O Box 4542, Kumasi	032 225379/225729/232773/0577650922-3	032 225379	Branch
20	Kumasi Central	P O Box 4542, Kumasi	032 2024418/2023075/2080726/0577651045	032 2024418	Branch
21	Asafo	P O Box 4542, Kumasi	032 2049060/032 2049061/032 2049061/0577650910	032 2049060	Branch
22	Suame	P O Box 4542, Kumasi	032 22091979/032 20430570577650908/0577650909	N/A	Branch
23	Kejetia	P.O. BOX KJ 437, Kumasi	032 2198353-5 / 020-2801070 / 020-2801080	N/A	Branch
			BRONG AHAFO REGION		
25	Berekum	P O Box 49, Berekum	0352222261/2222612	035 2222261	Branch
24	Sunyani	P O Box 1131, Sunyani	035 2027124/2027050/2027266	035 2027124	Branch
25	Tepa	P O Box 74, Tepa	032 2047101/2047102	N/A	Agency
			CENTRALREGION		
27	Cape Coast	P O Box 1019, Cape Coast	033 2132159/2133503/2132355/2132406	033 2132406	Branch
28	Dunkwa	P O Box 64, Dunkwa	033 2228393/2228665	033 2228665	Branch
			EASTERN REGION		
29	Akim Oda	P O Box 325, Akim Oda	034 2922188/2922776 /0577650949/50	034 29222188	Branch
30	Koforidua	P O Box 987, Koforidua	034 2022236/2022778/2024860/0577650936	034 2022778	Branch
			NORTHERN REGION		
31	Tamale	P O Box TL 192, Tamale	037 2022139/2022722/0577650953/0577650954	037 2022139	Branch
			UPPER EAST REGION		
32	Bolgatanga	P O Box 344, Bolgatanga	038 2023305/2023139/2022064/0577650959/ 0577650960	038 2022064	Branch
			UPPER WEST REGION		
33	Wa	P O Box 240, Wa	039 2022147/2022155/0577655978/0577655979	039 2022147	Branch
			VOLTA REGION		
34	Ho	P O Box HP - 360, Ho	036 2026651/2028053/0577650928/0577650929	036 2028053	Branch
			WESTERN REGION		
35	Bibiani	P O Box 58, Bibiani	031 2093031/2093032/0577650925	N/A	Branch
36	Tarkwa	P O Box 219, Tarkwa	031 2320951/2320950/0577650942/0577650943	031 2320950	Branch
37	Takoradi	P O Box 660, Takoradi	031 2024660/2022888/0577650940/0577650941	031 2024660	Branch

RESOLUTIONS TO BE PASSED AT THE ANNUAL GENERAL MEETING

BOARD RESOLUTIONS

The Board of Directors will be proposing the following resolutions which would be put to the Shareholders at the Annual General Meeting:

1. **RECEIVE THE 2013 ACCOUNTS**
   The Board shall propose the acceptance of the 2013 Accounts as the true and fair view of the state of affairs of the company for the year ended 31 December 2013.

2. **DECLARATION OF DIVIDEND FOR 2013**
   In accordance with Section 73(1) of the Companies Code 1963 Act 179 and Section 36(1) of the Regulations of the Bank, it is hereby proposed that a final dividend in respect of the financial year ended 31December 2013 of Six Ghana Pesewas per share be payable to all shareholders registered in the books of the Company as at the close of business on 27th March 2014.

3. **RE-ELECT DIRECTORS**
   In accordance with Section 298(b) of the Companies Code 1963 Act 179 and Section 88 (1) of the Regulations of the Bank, Messrs Pierre Wolmarans, Kofi Ampim, and Michel Miaille retire by rotation and being eligible; offer themselves for re-election as Directors.

4. **ELECT DIRECTORS**
   In accordance with Section 298(c) of the Companies Code 1963 Act 179 and Section 72 (1) of the Regulations of the Bank, Messrs Christian Celin and Kofi Asamoah appointed as Directors retire and being eligible offer themselves for election offer themselves for election as Directors.

5. **APPROVE DIRECTORS FEES**
   In accordance with Section 194(1) of the Companies Code 1963 (Act 179) and Section 78 (3) of the Regulations of the Bank it is hereby proposed that the Directors remuneration be paid at such a rate not exceeding an aggregate of GHS250,000.

6. **AUTHORISE THE DIRECTORS TO DETERMINE THE REMUNERATION OF THE AUDITORS**
   In accordance with Section 134(5) of the Companies Code 1963 (Act 179) and Section 54 (2) (d) of the Regulations of the Bank, the Board of Directors recommend that the current auditors Messrs Deloitte & Touche continue as auditors of Societe Generale Ghana Limited. The Board will request that they fix the fees of the auditors.

PROXY FORM

I/We……
(Block Capital Please)

of……………………………………………………being member/members of Societe Generale Ghana Limited,

herebyappoint………
(insert full name)

Of……
(or failing him the duly appointed Chairman of the meeting) as my/our Proxy to vote for me/us at the Annual General meeting to be held on Monday 31st March 2014 at 11.00 a.m. and at every adjournment thereof):

Please indicate with an X in the spaces below how you wish your votes to be cast.

RESOLUTION	FOR	AGAINST
1 To receive the Accounts		
2 To declare the final dividend as recommended		
3 To re-elect as a Director Mr Pierre Wolmarans		
4 To re-elect as a Director Mr Michel Miaille		
5 To re-elect as a Director Mr Kofi Ampim		
6 To elect as a Director Mr Christian Celin		
7 To elect as a Director Mr Kofi Asamoah		
8 To approve Directors' fees		
9 To authorise the Directors to fix the Auditors fees		

Signed this ……………………………… day of ……………………………… 2014

Shareholder'sSignature……………………………………………………………………………………

THIS PROXY FORM SHOULD NOT BE SENT TO
THE COMPANY SECRETARY IF THE MEMBER WILL BE ATTENDING THE MEETING

NOTES:

1. A member (Shareholder) who is unable to attend the Annual General Meeting is allowed by law to vote by proxy. The above proxy form has been prepared to enable you exercise your vote if you cannot personally attend.
2. Provision has been made on the form for the Chairman of the Meeting to act as your proxy but, if you wish, you may insert in the blank space* the name of any person whether a Member of the company or not, who will attend the meeting and vote on your behalf instead of the Chairman of the Meeting.
3. In the case of joint holders, each holder should sign.
4. If executed by a corporation, the proxy form should bear its common seal or be signed on its behalf by a Director.
5. Please sign the above proxy form and post it so as to reach the address shown overleaf not later than 48 hours before the appointed time of the meeting.
6. The proxy must produce the Admission Card sent with the notice of the meeting to obtain entrance to the meeting.

THE COMPANY SECRETARY
SOCIETE GENERALE GHANA
P. O. B OX 13119
ACCRA

FOLD HERE

FOLD HERE

BUILDING TEAM SPIRIT TOGETHER

SOCIETE GENERALE GHANA

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