2014 ANNUAL REPORT

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

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER, 2014

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 CORE VALUES ARE CHARACTERISED BY

Team Spirit which is characterised by a sense of service which is intended to make Societe Generale Ghana the leading relationship bank and making listening, information sharing and solidarity as well as cooperation and internal pooling of resources its main priority.

Innovation which is providing added value and greater simplification to serve clients with a framework that takes into account reputational risk.

Responsibility that consists of taking decisions quickly to meet the needs of clients and the organisation without sacrificing their long term objectives in having the courage both individually and collectively to take responsibility for actions and decisions and finally in attaching as much importance to results as consequences of decisions for all stakeholders.

Commitment which makes it possible to make a difference and to contribute to the success of clients and of Societe Generale Ghana and which results in a high level of service and performance.

ORGANISATION AND OPERATING RULES ARE GUIDED BY

- Priority given to service quality and added value for clients
- Creating shareholder value
- Respect for people and their development
- Respect of Compliance and Internal Control applicable to banks

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NOTICE AND AGENDA FOR ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 35th Annual General Meeting of Societe Generale Ghana Limited will be held at the Accra International Conference Centre, Castle Road, Osu, Accra on Tuesday 31st March 2015 at 11am 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 2014.
2. To re-elect Directors.
3. To elect Directors.
4. To approve Directors' fees.
5. To authorise the Directors to determine the remuneration of the Auditors.

Special Business

To pass the following as Special Resolutions:

6. That the Company be and is hereby authorised in accordance with Section 66 of the Companies Code 1963 (Act 179) and Section 45 of the Regulations of the Bank to increase its stated capital to GHc100,000,000 (One Hundred Million Ghana Cedis).
7. That the Company be and is hereby authorised in accordance with Section 66 (1) (c) of the Companies Code 1963 (Act 179) and Section 45 of the Regulations of the Bank to transfer to Stated Capital the credit balance of GHc2,943,755 from its Share Deals Account.
8. That the Company be and is hereby authorised in accordance Section 66 (1) of the Companies Code 1963 (Act 179) and with its Regulations to transfer GHc34,662,687 from its income surplus account to Stated Capital.
9. That the Company be authorized in accordance with Section 74 (1) of the Companies Code 1963 Act 179 and Section 45 (1) of its Regulations to issue Bonus Shares of one (1) new bonus share for every ten (10) existing shares currently held by the existing shareholders be allotted and that 33,389,390 shares be issued to support the Bonus Share Issue.

10. That the Directors be authorized, subject to the Rules of the Ghana Stock Exchange, to determine the modalities and the duration of the Bonus issue.

Dated, this 18th day of February 2015.

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 Registered Office Societe Generale Ghana Limited, Company Secretariat, 2nd Crescent Royalt Castle Road, Ring Road Central P. O. Box 13119 Accra Ghana not less than 48 hours before the appointed time of the meeting.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Kofi Ampim	Chairman
Gilbert Hie	Managing
Francois Marchal	Appointed 26th July 2014 Deputy Managing
Arnaud Crouzet	Appointed 26th July 2014 Chief Operating Officer
Alexandre Maymat	
Michel Miaille	
Pierre Wolmarans	
Teresa Ntim	
Nii Adja Nablah	
Christian Celin	
Kofi Asamoah	
Borut Vujcic	Resigned 30th September 2014
Jose Rebollar	Resigned 5th July 2014

COMPANY SECRETARY

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

REGISTERED OFFICE

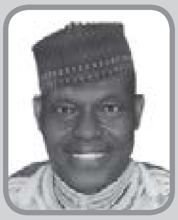
2nd Crescent, Royalt Castle Road
Ring Road Central
Kokomlemle, Accra
P. O. Box 13119, Accra

AUDITORS

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

REGISTRARS	NTHC Limited Martco House P.O. Box KA 9563 Airport, Accra Ghana
COUNTRY OF INCORPORATION	Ghana, Accra
HOLDING COMPANY	SG Financial Services Holding,France
ULTIMATE HOLDING COMPANY	Societe Generale incorporated in France

THE BOARD OF DIRECTORS



KOFI AMPIM
Chairman

EXECUTIVE DIRECTORS

FRANCOIS MARCHAL
Deputy Managing

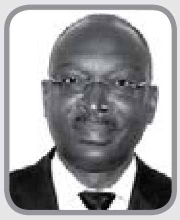
GILBERT HIE
Managing

ARNAUD CROUZET
Chief Operating Officer

NON EXECUTIVE DIRECTORS

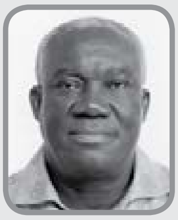
TERESA NTIM
Member

ALEXANDRE MAYMAT
Member



NII ADJA NABLAH
Member

PIERRE WOLMARANS
Member



KOFI ASAMOAH
Member

CHRISTIAN CELIN
Member

MICHEL MIAILLE
Member

ANGELA NANANSAA BONSU
Company Secretary

PROFILE OF THE BOARD OF DIRECTORS

Kofi Ampim

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 the Chairman of Allianz Insurance Ghana Limited. He joined the Board of Directors on 26th March, 2003.

Gilbert Hie

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.

Francois Marchal

Deputy Managing Director of the Bank. He holds a Master of Science in Finance and Management degree and a Masters degree in Law. Prior to joining Societe Generale Ghana he was an Inspector in SG Paris, with Head of Missions roles since 2008. He has a strong experience in Credit. He worked as a principal Inspector since 2011, supervising a portfolio of assignments. He supervised the credit review by the European Central Bank on the SG Group. Mr Francois Marchal has also worked in Algeria in Data Rooms and a subsidiary in Eastern Europe. He joined the Board of Directors on 26th July 2014.

Arnaud Crouzet

Chief Operating Officer of the Bank. He holds a Master of Science degree in Economics and Finance. He joined the Societe Generale Group in 2001. He was an internal auditor specialized in Banking Services; Cash Management; Custody, Trade services, Insurance, Long Term renting activity, Retail Banking ; In Greece he put in place a structure for the liquidation and restructuring of the Societe Generale subsidiary; He had worked for 7 years for Sofinco Consumer Finance in France (Credit Agricole). Mr. Crouzet was also a head hunter and has extensive sales expertise. He joined the Board of Directors on 26th July 2014.

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.

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.

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 as Managing Director at SG Securities Department after being an Internal Auditor at the Central Financial Controlling Department; Internal Auditor of French "Banques Populaires" Group; Engineer in telecommunication systems at French "Société Anonyme de Télécommunications". He is currently Regional Manager for subsidiary countries at the International Banking and Financial Services Division of SG. He joined the Board of Directors of SG Ghana on 20th November 2013.

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 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

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.

Kofi Asamoah

He holds an Honorary Doctorate degree for outstanding Leadership from Columbia 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 is currently the Secretary General of the Trade Unions Congress ("TUC"). He joined the Board of Directors on 20th November 2013.

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.

KEY MANAGEMENT PERSONNEL

Gilbert Hie - Managing Director: *Please refer to the section under Board of Directors*.

Francois Marchal - Deputy Managing Director: *Please refer to the section under Board of Directors*

Arnaud Crouzet - Chief Operating Officer: *Please refer to the 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 the responsibility of managing the Bank's Assets and Liabilities.

Angela Nanansaa Bonsu

General Manager, Company Secretariat: She holds a Master of Business Administration second degree from the Middlesex University Business School UK and an honours degree in Law from the Birkbeck College, University of London UK. She is a professionally qualified member of good standing with the Institute of Directors Ghana. She is richly 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 and 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; Compliance; Anti-Money Laundering; Permanent Supervision; Business Continuity Planning and Crisis Management.

Fred Obosu

General Manager Corporate Banking: He holds a Master of Business Administration option second degree from the Kwame Nkrumah University of Science & Technology; Bachelor of Arts(Hons) degree in Economics from the University of Cape Coast; Bsc (Hons) in Banking Practice and Management from IFS School of Finance UK; Professional Post Graduate Diploma in Marketing from the Chartered Institute of Marketing UK. With over (14) years experience in the Banking Industry, He has gained significant experience in Corporate and Investment Banking, Commercial/SME banking, Product & Business Development, Cash Management, Supply/Value Chain Financing, International Trade Finance spanning various industries/ sectors.

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.

Kwaku Tweneboa Kodua

Assistant General Manager 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 Ofori

Assistant General Manager 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.

Sydney Vanderpuye

Assistant General Manager Finance. He is a Fellow of the Association of Chartered Certified Accountants (ACCA) and a member of the Institute of Chartered Accountants (Ghana). He holds an MBA (Finance) from the London South Bank University and BSc. Administration (Accounting Option) from the University of Ghana. He has experience in UK Public Sector Accounting and also worked with Ernst & Young (Ghana) where he was involved in various Assurance and Advisory assignments. In 2006 he was a pioneer staff of a bank which was later taken over by one of the current industry leaders. In both banks he led various functions including Finance, Corporate Strategy, Performance Management, Internal Control, Corporate Finance and Electronic Banking Business. He joined Societe Generale Ghana in 2012 as Head, Accounts and subsequently appointed Head, Finance.

Nathalie Douellou

Head Products and Channels Distribution. She holds a master degree from ESC Compiegne Business School. She worked for Danone and MCI Worldcom as junior international CRM project manager before joining Societe Generale in 2001 where she started as a marketing business analyst to implement a CRM implementation in the domestic network. In 2004, she took the position of Head of Marketing & Communication in BFCOI (Banque Francaise de l'Ocean Indien) in La Reunion, and then joined Societe Generale International Banking and Financial services in Paris, as a Senior Consultant on sales organization and sales efficiency, where she managed various projects in Algeria, Tunisia, Georgia, Russia and Vietnam. In 2010 she was nominated Director of Training at SeABank in Vietnam with the objective to set up the entire training model. She joined Societe General Ghana as Head of Products Development and Channels Distribution in 2013.

CHAIRMAN'S STATEMENT

Distinguished Shareholders, Ladies and Gentlemen,

On behalf of the Board of Directors and Management of Societe Generale Ghana Limited, it is my pleasure to welcome you to the 35th 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 2014. Our Bank's financial performance remained strong within the context of a challenging environment.

ECONOMIC ENVIRONMENT

Global growth in 2014 was lower than initially expected, with many high-income countries continuing to deal with the legacies of the global financial crisis such as high unemployment. However in 2015, worldwide growth is expected to rise moderately, to 3.5% (3.3% in 2014), and average about 3.7% through 2016. The Sub-Saharan Africa region was faced with weaker export prospects, rising global interest rates and adverse financial market sentiments. The ongoing Ebola outbreak in some West African countries is stunting economic growth and turning back years of development thus leaving the economies both economically and politically fragile.

OPERATING ENVIRONMENT

Ghana's economy in 2014 went through challenging times but continued to remain a peaceful and stable nation in the Sub-Saharan Africa region. The year 2014 was characterized by current account deficit and increasing levels of debt constituting about 55% of the value of all goods and services produced within the economy. The last quarter of 2014 saw a recovery from the imminent support from the IMF, the relative stability in the currency owing to the Cocobod syndication loan of $1.7bn and the successful launch of a USD1bn eurobond in September 2014. Looking forward, a robust economic recovery is forecasted. Power supplies is expected to improve, oil production is set to increase and forthcoming policy oversight from the IMF will underpin investor confidence.

The macroeconomic highlights for the year 2014 includes an estimate of the real GDP growth rate of 4.2%, compared with 7.3% recorded in 2013. The major subsectors contributing to the drag on growth were the manufacturing, electricity production and hotels and restaurants. This was broadly attributed to energy supply constraints and rising input cost. The projected 2015 outlook remains challenged with real GDP growth estimated at 3.9%.

The Gross Foreign Assets (defined as the gross international reserves plus encumbered assets and petroleum funds) stood at US$5.5 billion as at the end of December 2014; an equivalent of 3.2 months import cover. These gains are a resulting effect of various government interventions and have in turn provided some support to the current stability observed in the foreign exchange markets.

On the international commodities market, price developments were mixed. The price and volume effects from the major export commodities i.e. cocoa, gold and oil have challenged export receipts. Gold prices decreased by 10.38% from an average of US$1,396.93 per ounce in 2013 to US$1,251.91 per ounce in 2014. Crude oil prices also fell by 42% from US$109.23 per barrel in December 2013 to US$63.24 per barrel in December 2014. This was notwithstanding the rise in cocoa prices by 26.65% from a 2013 average of US$2,435.94 per tonne to US$3,085.02 per tonne. For exports, the outlook is positive given strong prospects for the production for cocoa, gold and oil; Ghana is optimistic on oil. Oil & Gas analysts expect production to exceed 200,000 barrels per day by 2017, with output coming from Jubilee and TEIN fields.

The foreign exchange market experienced increased volatility in the first half of the year 2014, as demand pressures mounted alongside softening of international commodity prices and a decline in Bank of Ghana's international reserves. In addition, the on-going negotiations with the IMF have to a large extent calmed market sentiments. The Cedi's performance over the year 2014 indicated depreciation against the major trading currencies; for the US dollar (31.0%), the Euro (23.20%) and the Pound Sterling (26.49%).

Consumer price inflation was 13.2% in December 2013 and increased to 17% in December 2014. The rising inflation rate was driven on account of; fiscal imbalances that generated abundant liquidity, effects of a rapidly depreciating Ghana cedi and the upward adjustments of petroleum and utility prices. The projected outlook indicates that inflation would ease towards the medium term target band of 8% in the first half of 2016.

The Bank of Ghana reviewed upwards its policy rate from 19% to 21% to ensure the maintenance of a tight monetary policy stance. Money market rates trended upwards between December 2013 and December 2014. The rate on the 91-day T-Bill rate increased to 25.81% from 19.2%, and the 182 –day Bill increased to 26.4% from 18.7%.

2014 OPERATING RESULTS

Our Bank recorded a Profit before Taxation of GHS 71,016,619 from which taxation of GHS 21,205,074 was deducted giving a Profit after Tax of GHS49,811,545. Net Banking Income increased by 45.41% and Current Operating Expenses grew by 33.16%. Shareholders' Funds increased from GHS193,000,041 to GHS221,983,165 representing an increase of 15.02%.

DIVIDEND

The Board of Directors have not recommended nor declared any dividend due to the proposed increase in stated capital through a Bonus Issue. This is in anticipation of the Capital Increase which will boost the banks' liquidity position.

CHANGES IN THE CAPITAL STRUCTURE

The Board of Directors are seeking Shareholders' approval to increase the stated capital of our Bank. The requirement to increase the stated capital is in accordance with the Basel II accord which requires Banks to maintain sufficient capital reserves to support their risk appetite. This would also strengthen the capital base of Societe Generale Ghana to enable our Bank engage in higher volumes of financial transactions. The proposed new capitalisation will make it possible for the bank to position itself and enable it take advantage of the huge opportunities in the oil and gas industry in Ghana. It will also enhance our Bank's competitive edge and enable the bank to deal with new challenges. Further, the increase in stated capital will improve the Single Obligor Limit of our Bank which has an impact on Trade Finance and impact on fee income generation. More importantly, the Bank of Ghana has also indicated that it will stop granting waivers for Single Obligor Limits and is requesting Banks to recapitalise. I strongly urge all Shareholders to support this increase in stated capital to GHS100 million to sustain the long term viability of our Bank Societe Generale Ghana.

SHARE PERFORMANCE

Over the period 2014 our Bank's share price saw a steady growth to an average of GHS0.91 from GHS0.80 in 2013. The share price ended the year 2014 at GHS1.00 from GHS0.75 in December 2013 representing an increase of 33.33%. SG Ghana share price strong performance is due to confidence in the Bank's prospects and goodwill associated with the Societe Generale brand. This is in line with the performance of the financial stocks index on the Ghana Stock Exchange recording an increase of 28.55% from GHS1, 786.60 in December 2013 to GHS2, 296.59 in December 2014.

CHANGES IN THE BOARD OF DIRECTORS

During the year, Mr Borut Vujcic and Mr Jose Rebollar resigned as Directors of the Bank due to other assignments they had to undertake. On behalf of the Board of Directors and Management of the Bank, I thank Messrs Vujcic and Rebollar immensely for their contribution to the growth of our Bank during their tenure and wish them every success.

We welcome a new Deputy Managing Director Mr. Francois Marchal and a new Chief Operating Officer Mr. Arnaud Crouzet. On the recommendation of the Board of Directors and with the approval of the Bank of Ghana they 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 and sound risk management which are of fundamental importance in banking business. 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.

OUTLOOK FOR 2015

For the year 2015 and beyond our Bank will continue to further improve Customer Service and maintain leadership in innovation, capture growth through Business Development and increased synergies and deliver sustainable profitability. We would further maintain strict cost discipline and enhanced Risk Management in an effort to enhance shareholder value. We would continually work in concert with our Regulators to contribute to an efficient Banking Industry.

ACKNOWLEDGEMENT

On behalf of the Board of Directors, I wish to thank our Shareholders, Customers and other Stakeholders for their goodwill and support. I also wish to express the gratitude to Management and Staff of our Bank for all the work during the period under review. I would also like to thank our Regulators, the Bank of Ghana, the Securities and Exchange Commission, the Ghana Stock Exchange and the Ghana Investment Promotion Centre 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 report on the operational activities and achievements of our Bank during the period under review.

2014 OPERATING RESULTS

Our Bank recorded a Profit before Taxation of GHS71,016,619 from which taxation of GHS21,205,074 was deducted giving a Profit after Tax of GHS49,811,545 an increase of 37.0%. Net Banking Income increased by 45.41% and Current Operating Expenses grew by 33.16%. Shareholders' Funds increased from GHS193,000,401 to GHS221,986,165 representing an increase of 15.02%.

OPERATIONAL REVIEW 2014

The year 2014 was the Year of Quality and our Bank continued with its strategy to achieve profitable and organic growth with:-

- Tremendous Growth at Treasury and Foreign Exchange
- Growing Performance at Corporate Banking
- Branch Expansion and Improvement at Retail Banking
- Product Development and Channel Distribution Enhanced
- Human Resource Management Reinforced
- Sustainable Development and Corporate Social Responsibility
- The Year of Quality

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%. 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 (IFI) .

GROWING PERFORMANCE AT CORPORATE BANKING

The Corporate Banking department, recorded satisfactory growth in 2014. The department re-invigorated the team through recruitment, training, and aligned its procedures/processes. The Department will continue with new client acquisition, focus on Service quality issues, streamline and re-shape Corporate Service & Support Unit to deliver superior customer service and re-organise the sales team along industry lines for deeper value generation from sector portfolio.

The asset portfolio recorded a 25.1% growth albeit against 47.1% growth in 2013. All assets types recorded growth with exception of state loans. Finance Lease recorded a modest 12.5% growth. Corporate will improve on the growth of the finance lease and develop the factoring business to diversify the asset growth sources. Term loans increased by 33.2% in 2014 compared to 14.6% in 2013. Trade business improved on account of Oil and Gas as well as improved volume of bill settlements of major MNC's and Soft Commodity dealers. The growth was in local and foreign currencies and contributed to revenues out turn. Deposits mobilization was challenging, as clients expected Treasury Bill benchmark and key deposit sources have had to make mandatory payments before end of the year under review. Call deposits grew by 61.4% on account cash build up by major Bulk Oil Distribution Companies, a business we intend to cautiously develop towards deposits mobilization. In 2015 aggressive cheap deposits mobilization is considered as key sales objective.

Corporate Banking Department's cooperation and collaboration with Treasury, International Banking Centre and Retail Banking continued towards effective deal structuring and provision of total banking solutions to our cherished customers. The marked depreciation of the Ghana cedi against the major foreign currencies and its attendant Foreign Exchange scarcity was quite challenging to the bank in 2014; this was contained through on boarding of major upstream Oil and Gas players and effective engagement of major mining and allied companies to improve FX flows towards meeting the needs of clients. In 2015, FX hedging solutions will be introduced to more existing trade based clients and intensely market same to new clients, whilst developing the FX supply sources mainly from the mining, upstream Oil and Gas sectors and providing financing support to serve export oriented businesses. This will become a priority.

BRANCH IMPROVEMENT AND EXPANSION AT RETAIL BANKING

Societe Generale Ghana in the year 2014 added on two brand new branches to its branch network with the Takoradi and Tema Community One Branches. An agency was opened at Burma Camp to deepen the relationship between the Bank and the Ghana Armed Forces customers and others in the vicinity. As part of its branch improvement project, the Accra Main, Faanofa and Premier Towers Branches were given a face lift to give them an elegant ambience and to enhance the customer experience. In order to tap into the affluent segment, the Privilege unit in charge of affluent customers was revamped. This saw the injection of a new Head and recruitment of a few new staff to reposition the unit in the market.

Retail organised its first ever deposit campaign dubbed the 'Power of 250'. Happy Chat Loan and pre approved loans for borrowing customers campaigns were also organized. These promotions, particularly the 'Power of 250' enhanced the brand image of our Bank and positioned it favourably in the minds of our customers and the public. In its bid to prop up efficiency and engage its customers well, Retail launched a KYC project to update customer accounts and also reactivate existing dormant accounts while ensuring existing accounts do not go into dormancy.

PRODUCTS DEVELOPMENT AND CHANNEL DISTRIBUTION

The Product Development and Channels Distribution Department human resource set up was completed in 2014 with a split between Marketing Communication and Product Development Units, and recruitment of several creative new staff. In order to feed Retail development, first orientation was to rationalize product portfolio and to develop it. It resulted in a catalogue of 22 consistent and competitive products. Innovation with new products such as Privilege Overdraft and Visa Gold Card insurance benefit targeting privilege customers were launched. The preparation for 5 more products including bancassurance are planned in early 2015. During the year under review several actions to develop product knowledge and sales abilities in branches were implemented. The Bank promotion through its products was intensified and improved with the creation of innovative digital screens in branches, the development of 5 additional Billboards in Accra, Kumasi and Takoradi, the organization of more than 30 events and several press conferences, interviews, radio spots and TV for the 1st time. A major retail deposit mobilisation campaign named "The Power of 250" was created and offered over 6 months mini raffles and major draws. This campaign contributed a lot in the increase of deposit needed by our Bank, as well as the promotion of our Bank brand name in Ghana.

With the objective to create an effective E-channels organization competing with other banks and decongesting banking halls, "Sikanet" Internet banking was launched successfully and 6.500 users were convinced in a few months. The Contact Centre set up was completed and is fully operational. The change initiated in 2013 to increase quality of service resulted in a turnaround time reduction for card delivery and loans acceptance. Mystery Shopping in branches was implemented as a strong measure to force the behavioural change and assess front office service quality in branches. Visible improvement was noticed at the end of the year.

HUMAN RESOURCE MANAGEMENT REINFORCED

The Human Resource Management Department in 2014 underwent restructuring with the aim of bringing the function closer to the business lines, operational and support functions. The department now has the Workforce Planning and Recruitment Unit, HR Risk, Performance and Reward Unit, Talent Management and Organisation and Development Unit and the Human Resource Business Partner Unit which collectively sees to the achievement of the department goals. The department in 2014, undertook the following major projects. Introduced the Mid-Year Review process across the Bank to augment the End-Year Review. Launched a School Branch as part of SG Ghana's Learning and Development process to promote operational efficiency and quality service delivery. Key position recruitments such as Head, Corporate Banking; Head, Security; Head, IST and Head, Top Affluent. Introduced a Cross-Functional Mentoring Program. People Review 2014 (Strategic Talents and Succession Planning). Implemented the 2013 Employee Barometer Action Plan. Reviewed HR policies and procedures. Introduced an HR Newsletter-Insider to bring HR information closer to employees. The department also hosted the IBFS/HR Diagnostic Team in November, 2014.

SUSTAINABLE DEVELOPMENT AND CORPORATE SOCIAL RESPONSIBILITY

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; by 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.

As part of our Bank's Corporate Social Responsibility (CSR) activities our Bank embarked on a Cholera, Ebola, Hepatitis and HIV/AIDS Awareness Campaign. The campaign was to sensitise staff on the diseases and symptoms and to discuss the bank's policy on the disease; the responsibilities of the employer and rights of the employee. Management made a donation to the Noguchi Research Institute for research into the Ebola disease and also supported the National Sanitation Day Exercise.

The year 2014 saw the continued 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 a Policy in place together with Tools and Procedures for analysing ESMS.

2014 THE YEAR OF QUALITY

During the year various agendas were pursued to ensure service quality optimization bank wide. The Quality project was one of the initiatives that were pursued and this focused on selected priority topics under retail banking based on customer feedback and complaints, and a customer survey. The combined research pointed to five key areas of our retail service delivery that required attention; namely cards, loans, transfers, statements and frontline services.

A review of processes was done to address operational gaps and to ensure improved efficiency in the administration of the products and services. Training was also provided to all front line staff in branches and "How To" documents provided as quick reference guides. To ensure the success of the project, a dashboard was created to measure the efficiency in the delivery of VISA cards and loans; periodic mystery shopping was also introduced to provide feedback on frontline service. To support the quality agenda, Quality Ambassadors were nominated for each branch, to be the champions of quality. They were trained to assist their teams to improve service delivery and operational efficiency.

In October 2014, International Customer Service week was observed with customer service tips provided to guide interactions with customers. The quality agenda will continue to be pursued in 2015 with a goal to make quality our hallmark.

APPRECIATION

I would like to thank the Board of Directors, my Executive Management Team and all staff for their professionalism and hard work in contributing to our achievements in 2014. I would also like to thank our customers for their loyalty.

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 2014 report as follows:-

	2014	2013
	GH¢	GH¢
The Bank recorded net profit before taxation	**71,016,619**	50,149,477
From which is deducted taxation of	**(21,205,074)**	(13,785,285)
Giving a net profit after taxation of	**49,811,545**	36,364,192
There was transfer to statutory reserves of	**(12,473,845)**	(9,091,048)
Leaving a profit for the year after taxation and transfer to statutory reserves of	**37,337,700**	27,273,144
When added to the opening balance on the income surplus account as of 1 January of	**35,978,519**	18,987,445
And adjusting it with transfer from capital surplus	**6,733,743**	1,517,097
And adjusting it with transfer from other reserves	**2,869,137**	-
From which is deducted final dividend paid of	**(20,033,634)**	(13,355,755)
Leaving a balance of	**62,885,465**	34,421,931
Out of which transfer to general regulatory credit reserve of	**(12,539,714)**	1,556,588
It leaves a closing balance on the income surplus account of	**50,345,751**	35,978,519

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

The Societe Generale Group through its wholly owned investment subsidiary SG Financial Services Holding owns 52.24% of the issued capital of the Bank, thus making Societe Generale Ghana Limited a subsidiary of the Societe Generale Group.

Subsidiary – SSB Investments Company Limited

SSB Investments Company Limited, a company incorporated in Ghana to manage the equity investments of the Bank is a wholly owned subsidiary of the Bank.

Stated Capital

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

Directors

Details of the Directors of the Company as at the date of this report are given on Page 6

Changes in Board of Directors and Senior Management

Re-election of Directors

In accordance with Section 88 (1) of the Regulations of the Bank, Nii Adja Nablah, Alexandre Maymat, and Mrs Teresa Ntim retire by rotation and being eligible; offer themselves for re-election as Directors.

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 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. Other 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.

Mr 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.

Mrs Teresa Ntim

Mrs Teresa Ntim 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.

Election of Directors

In accordance with Regulation 72(1) and 90(2) of the Regulations of the Bank, Mr Francois Marchal and Arnaud Crouzet appointed during the year offer themselves for election.

Mr Francois Marchal

He is the Deputy Managing Director of the Bank and holds a Master of Science in Finance and Management degree and a Masters degree in Law. Prior to joining Societe Generale Ghana he was an Inspector in SG Paris, with Head of Missions roles since 2008. He notably took part in the Crisis Management Team tasked by the Group Head of Risks dealing with Subprime exposures, evaluating the level of potential losses derived from securitized US mortgages and consumer loans. He worked in Private Banking in Asia to help adjust the setup to the 2008-2009 downturn and on the management of Foreign exchange risk derived from Eastern European subsidiaries' balance sheet gaps. He has a strong experience in Credit. He worked as a principal Inspector since 2011, supervising a portfolio of assignments. He supervised the credit review by the European Central Bank on the SG Group. Mr Francois Marchal has also worked in Algeria in Data Rooms and a subsidiary in Eastern Europe. He joined the Board of Directors on 26th July 2014.

Mr Arnaud Crouzet

He is the Chief Operating Officer of the Bank He holds a Master of Science degree in Economica and Finance. He joined the Societe Generale Group in 2001. He was an internal auditor specialized in Banking Services; Cash Management; Custody, Trade services, Insurance, Long Term renting activity, Retail Banking; he joined a green field Consumer Finance subsidiary of SG in Romania in charge of Finance, Legal, Collection, Risk, IT, Car Finance and General Secretary. In Greece he put in place a structure for the liquidation and restructuring of the Societe Generale subsidiary. He worked for 7 years for Sofinco Consumer Finance in France (Credit Agricole) in charge of sales for 2 years; worked with the Risk Department and General Inspection of the Group. Mr. Crouzet was also a Head Hunter and has extensive sales expertise. He has undertaken extensive training for Custody; General Audit; Finance; Legal and Back Office positions. He joined the Board of Directors on 26th July 2014.

Directors' Interest

Two Directors holding office at the end of the year owned a total of 3,940 shares of the Bank's total shares of 333,893,894. None of the other Directors had any interest in the shares of the Bank's subsidiary at any time during the year. 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 not declared any dividend due to the proposed increase in stated capital. This is in anticipation of the Capital Increase requested by the Bank of Ghana to boost the banks' liquidity position.

Bonus Issue

In accordance with the Companies Code 1963 and the Regulations of the Bank the Board of Directors will propose to increase the Banks stated capital to GHc100,000,000 through a Bonus Issue and to transfer GHc34,662,687 from its income surplus account to stated capital. The Board of Directors will propose that the Company be authorized in accordance with Section 45 (1) of its Regulations and Section 74 (1) of the Companies Code 1963 Act 179 issue Bonus Shares of one (1) new bonus share for every ten (10) existing shares currently held by the existing shareholders be allotted and That 33,389,390 shares be issued to support the Bonus Share Issue. The Board of Directors will also request for the transfer of GHS2,943,755 from the Share deals account to stated capital.

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 their remuneration for the year ending 31 December 2015 will be proposed at the Annual General Meeting.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in Note 47 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.

Credit Risk Committee

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

Michel Miaille	-	Chairman
Alexandre Maymat	-	Member
Christian Celin	-	Member
Gilbert Hie	-	Member
Francois Marchal	-	Member

This committee identifies and monitors th key risks of the bank and evaluates their managment. It ensures that appropriate policies and organisation are in place to manage the risks to which the bank is exposed in the area of market and credit risk. Specifically regarding 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 Group norms, 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 non-executive directors:

Nii Adja Nablah	-	Chairman
Alexandre Maymat	-	Member
Christian Celin	-	Member
Michel Miaille	-	Member
Kofi Ampim	-	Member
Teresa Ntim	-	Member

This committee reviews and makes recommendations to the Board on all aspects of the audit and financial reporting processes. In attendance at Audit and Accounts 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 non-executive directors:

Teresa Ntim	-	Chairman
Kofi Asamoah	-	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 2014. The Audit Committee held three meetings during the year under review. In fulfilment of the Securities and Exchange Commission requirements, we present a summary of the reports so submitted:

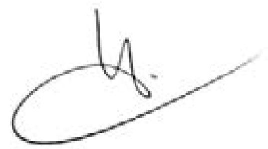
- Report on the Credit Risk, Operational Risk, and Market Risk Activities
- Report on Structural Risks and Statutory Ratios
- Report on Bank of Ghana's Prudential Ratios
- Report on an overview of the Audit Department and its functions

- 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
(Kofi Ampim)
ACCRA



MANAGING DIRECTOR
(Gilbert Hie)

18th February 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The Companies Code, 1963 (Act 179) requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing the financial statements, the Directors are required to:

- Select suitable accounting policies and to apply them consistently
- Make judgments and estimates that are reasonable and prudent
- State whether applicable accounting standards have been followed, subject to any material departures, disclosed and explained in the financial statements.
- Prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for ensuring that the company keeps accounting records which disclose with reasonable accuracy the financial position of the company and which enable them to ensure that the financial statements comply with the Companies Code 1963 (Act 179). They are also responsible for safeguarding the assets of the company 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 report of the Auditors, sets out on page 24, is made with the 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

Report on the financials statements

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

Directors' responsibility for the financial statement

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

Auditors' Responsibilities

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

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

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

Opinion

In our opinion, the financial statements give a fair and true view of the financial position of Societe Generale Ghana Limited as at 31 December 2014, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Companies Code, Deloitte.

Independent auditors' report
To the members of Societe Generale Ghana Limited

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

Report on other legal and regulatory requirements

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

i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit; and

ii. in our opinion proper books of accounts have been kept by the company, so far as appears from our examination of these books; and

iii. the balance sheet and income statement of the company is in agreement with the books of accounts.

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

i. The accounts give a true and fair view of the state of affairs of the bank and its results for the period under review;

ii. We were able to obtain all the information and explanation required for the efficient performance of our duties as auditors;

iii. The bank's transactions are within its powers; and

iv. The bank has generally complied with the provisions in the Banking Act, 2004 (Act 673) and the Banking (Amendment) Act, 2007 (Act 738).

Deloitte & Touche

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

26th February 2015

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

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

Member of Deloitte Touche Tohmatsu Limited

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Year Ended 31 December 2014

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

STATEMENT OF FINANCIAL POSITION

For The Year Ended 31 December 2014

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

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

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

Chairman

Managing Director

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2014

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

STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

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

STATEMENT OF CASH FLOWS - continued

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2014

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 2nd Crescent, Royalt Castle Road, 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 2014 were authorized for issue in accordance with a resolution of the board of directors on 18 February 2015.

1.2 Statement of compliance

The financial statements of the Bank for the year ended 31 December 2014 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 Functional and presentation currency

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

2.3 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'' 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.

2.4 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.

2.5 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 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.

2.6 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.

2.7 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.

2.8 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 scheme 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.

2.9 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.

2.10 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 method 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.

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 forms 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.

2.11 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.

2.12 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.

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.

2.13 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. The Bank has complied with this statutory obligation.

2.14 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.

2.15 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.

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 income’ 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.

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.

k. Derivatives

"Usually, derivatives often involve only a mutual exchange of promises with little or no transfer of consideration at their inception. However, these instruments frequently involve a high degree of leverage and are very volatile.

A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have asignificant impact on the profit or loss of the Bank.

Over–the–counter derivatives may expose the Bank to the risks associated with the absence of an exchange market on which to close out an open position.

The Bank's exposure under derivative contracts is closely monitored as part of the overall management of its market risk"

"Forward and futures contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the over–the–counter market. Futures contracts are transacted in standardised amounts on regulated exchanges and are subject to daily cash margin requirements.

The main differences in the risks associated with forward and futures contracts are credit risk and liquidity risk.The Bank has credit exposure to the counterparties of forward contracts. The credit risk related to future contracts is considered minimal because the cash margin requirements of the exchange help ensure that these contracts are always honoured. Forward contracts are settled gross and are, therefore, considered to bear a higher liquidity risk than the futures contracts that are settled on a net basis. Both types of contracts result in market risk exposure."

"Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or equity index.

Interest rate swaps relate to contracts taken out by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest, respectively, in return for paying or receiving a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

In a currency swap, the Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are mostly gross–settled."

2.16 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 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 intererst 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.

2.17 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 Regulatory General Credit Reserve.

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

2.18 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.

2.19 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents comprise cash on hand, cash and balances with the Central bank of Ghana and amounts due from banks and other financial institutions.

2.20 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.

2.21 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.

2.22 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.

2.23 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.

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 standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board are effective for the current period:

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

IFRIC 21 "Levies" (effective for annual periods beginning on or after 1 January 2014), 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 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" (effective for annual periods beginning on or after 1 January 2018), issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

Classification and Measurement - IFRS 9 introduces new approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements under IAS 39. The new model also results in a single impairment model being applied to all financial instruments.

Impairment - IFRS 9 has introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis.

Hedge accounting - IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities.

Own credit - IFRS 9 removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss.

Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations (effective for annual periods beginning on or after 1 January 2016), 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" 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 14 "Regulatory Deferral Accounts" (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 January 2014.

This Standard is intended to allow entities that are first-time adopters of IFRS, and that currently recognise regulatory deferral accounts in accordance with their previous GAAP, to continue to do so upon transition to IFRS.

IFRS 15 "Revenue from Contracts with Customers" (effective for annual periods beginning on or after 1 January 2017), published by IASB on 28 May 2014.

IFRS 15 specifies how and when an IFRS reporter will recognise revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. The core principle of the new Standard is for companies to recognise revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration (that is, payment) to which the company expects to be entitled in exchange for those goods or services. The new Standard will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements.

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 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 IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual periods beginning on or after 1 January 2016), published by IASB on 11 September 2014.

The amendments address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business.

Amendments to IFRS 11 "Joint Arrangements" – Accounting for Acquisitions of Interests in Joint Operations published by IASB on 6 May 2014.

The amendments add new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016), published by IASB on 12 May 2014.

The Amendments clarify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. Amendments also clarify that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. This presumption, however, can be rebutted in certain limited circumstances.

Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Agriculture: Bearer Plants (effective for annual periods beginning on or after 1 January 2016), published by IASB on 30 June 2014.

The amendments bring bearer plants, which are used solely to grow produce, into the scope of IAS 16 so that they are accounted for in the same way as property, plant and equipment.

Amendments to IAS 19 "Employee Benefits" - Defined Benefit Plans: Employee Contributions (effective for annual periods beginning on or after 1 July 2014), 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 27 "Separate Financial Statements" - Equity Method in Separate Financial Statements (effective for annual periods beginning on or after 1 January 2016), Published by IASB on 12 August 2014.

The amendments reinstate the equity method as an accounting option for investments in in subsidiaries, joint ventures and associates in an entity's separate financial statements.

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 "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 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 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. (Amendments are to be applied for annual periods beginning on or after 1 July 2014).

Amendments to various standards "Improvements to IFRSs (cycle 2012-2014)" published by IASB on 25 September 2014. Amendments to various standards and interpretations resulting from the annual improvement project of IFRS (IFRS 5, IFRS 7, IAS 19 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. Changes include new or revised requirements regarding: (i) changes in methods of disposal; (ii) servicing contracts; (iii) applicability of the amendments to IFRS 7 to condensed interim financial statements; (iv) discount rate: regional market issue; (v) disclosure of information 'elsewhere in the interim financial report'. (Amendments are to be applied for annual periods beginning on or after 1 January 2016).

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

		2014	2013
		GH¢	GH¢
5	**Revenue**		
	Interest and Similar Revenue	**199,708,931**	131,936,515
	Fee & Commission Revenue	**57,487,422**	41,310,760
	Forex Trading Revenue	**33,708,755**	19,276,697
	Other Income	**4,655,349**	4,891,395
		295,560,457	197,415,367
6	**Interest and Similar Revenue**		
	Cash & Short Term Funds	**4,889,587**	6,246,592
	Investments Securities (6a)	**36,131,690**	14,788,294
	Loans & Advances	**158,687,654**	110,901,629
		199,708,931	131,936,515
6a	**Investments Securities**		
	Bank of Ghana Treasury Bills	**36,083,433**	14,763,109
	Other Securities	**48,257**	25,185
		36,131,690	14,788,294
7	**Interest and Similar Expense**		
	Savings Accounts	**20,419,725**	15,197,447
	Current Accounts	**314,351**	287,867
	Term Deposits	**12,959,088**	6,632,361
	Borrowings	**10,493,166**	2,037,072
		44,186,330	24,154,747
8	**Fees and Commission Revenue**		
	Domestic Operations	**40,036,500**	30,471,253
	Remittance	**1,960,600**	1,325,632
	Cards Operations	**8,041,732**	5,203,337
	Brokerage	**240,780**	269,014
	Margin on Bond Trading	**7,207,810**	4,041,524
		57,487,422	41,310,760
8a	**Fees and Commission Expense**		
	Remittance	**300,757**	207,647
	Cards Operations	**8,854,398**	4,738,600
	Cheque Books	**295,436**	502,441
	Cash Collection	**729,035**	781,823
		10,179,626	6,230,511

		2014	2013
		GH¢	GH¢
9	**Forex Trading Revenue**		
	Forex Trading Gains	**79,826,260**	30,333,561
	Forex Trading Losses	**(46,117,505)**	(11,056,864)
		33,708,755	19,276,697
10	**Investment Revenue**		
	Dividend Received	**184,000**	92,000
11	**Other Operating Income**		
	Bad Debt Recoveries	**1,092,973**	891,379
	Profit on Sale of Plant, Property and Equipment	**13,382,948**	3,380,364
	Miscellaneous & Others (Note: 11b)	**1,084,515**	528,612
	Exchange Loss	**(9,412,424)**	(960)
		6,148,012	4,799,395
11b	**Miscellaneous & Others**		
	Miscellaneous	**751,351**	333,165
	Rent/Hiring fees	**108,060**	49,157
	Postages	**52,876**	15,973
	Fees Received - Insurance	**172,228**	130,317
		1,084,515	528,612
12	**Credit Loss Expenses**		
	Individual Impairment	**44,567,000**	17,209,000
	Portfolio Impairment	**(2,085,225)**	2,475,569
	Reversals during the Year	**(3,856,000)**	-2,859,000
		38,625,775	16,825,569
13	**Personnel Expenses**		
	Salaries, Bonuses and Staff Allowances	**47,135,569**	41,774,898
	Social Security Fund Contribution	**3,345,834**	2,956,453
	Provident Fund Contribution	**2,586,499**	2,286,163
	Medicals	**1,345,384**	767,599
	Insurance	**366,980**	295,728
	Other Employee Costs	**5,403,800**	5,477,043
		60,184,066	53,557,884

		2014	2013
		GH¢	GH¢
14	**Other Operating Expenses**		
	Directors and Key Management Emoluments (14a)	**3,930,706**	2,300,712
	Donations	**104,794**	187,290
	Advertising and Marketing	**3,804,557**	2,009,703
	Training	**807,722**	644,121
	Auditors Remuneration (14b)	**273,800**	175,560
	Others :		
	Office Expenses	**28,017,367**	17,852,337
	Administrative Expenses	**6,106,455**	4,798,009
	General Expenses	**22,164,673**	12,789,117
		65,210,074	40,756,849

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

14b Auditors' Remuneration

Auditors' remuneration in relation to statutory audit amounted to GH¢273,800 (2013: GH¢175,560).

Audit Services		
Statutory Audit	**273,800**	175,560

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.

		2014	2013
15	**Income Tax Expense**		
	Current Tax (15c & 24)	**13,760,657**	13,387,530
	Deferred Tax (15a)	**1,979,532**	(1,092,515)
	Tax audit adjustment	**237,391**	250,000
	Capital gains tax incurred and paid during the year (Note 24b)	**1,676,663**	72,405
	Charge to statement of profit or loss and other comprehensive income	**17,654,243**	12,617,420

The current tax charge on the profit is based on Ghana's corporate tax rate of 25% (2013:25%).

		2014	2013
15a	**Deferred tax**		
	Balance as at 1 January	**(956,746)**	(162,636)
	Tax expense/(income) during the year recognised in profit or loss	**1,979,532**	(1,092,515)
	Tax (income)/expense during the year recognised in equity	**(219,178)**	298,405
	Balance as at 31 December	**803,608**	(956,746)

Deferred tax assets and liabilities are attributable to the following:

	2014			2013		
	Assets	Liabilities	Net	Assets	Liabilities	Net
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Property, plant and equipment	**1,493,479**	**-**	**1,493,479**	(343,802)	-	(343,802)
Provisions and Contingencies	**(920,985)**	**-**	**(920,985)**	(1,063,236)	-	(1,063,236)
Gains / losses on AFS investments	**-**	**231,114**	**231,114**	-	450,292	450,292
Net tax liabilities/(assets)	**572,494**	**231,114**	**803,608**	(1,407,038)	450,292	(956,746)

15b National Stabilization Levy

	2014	2013
	GH¢	GH¢
Charge to statement of profit or loss and other comprehensive income	**3,550,831**	1,167,865

The National Stabilization Levy was re- introduced in 2013. The Law came into force on 15th July 2013, payable in respect of profits for the 2013 and 2014 years of assessment but has been extended to run till the end of 2017. 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.

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:

	2014	2013
	GH¢	GH¢
Profit for the year	**71,016,619**	50,149,477
Tax charge thereon at Ghana corporate tax rate of 25%	**17,754,155**	12,537,369
Factors affecting Charge:		
Tax effect of items not deductible for tax purposes	**2,340,999**	2,922,651
Items of different tax rates	**8,645**	76,338
Net tax effect of deductible income and unrealised gains	**(4,004,037)**	(952,785)
Tax effect of capital allowance	**(2,339,046)**	(1,196,043)
Tax on corporate profit as per note (15a)	**13,760,716**	13,387,530
Effective Corporate Income tax rate	**19%**	26%

The tax charge on profit for the year is based on Ghana's corporate tax rate of 25% (2013:25%).

		2014	2013
		GH¢	GH¢
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.		
	Profit attributable to shareholders of the Bank (GH¢)	**49,811,545**	36,364,192
	Weighted average number of outstanding ordinary shares	**333,893,894**	333,893,894
	Basic Earning per Share (GH¢)	**0.15**	0.11
	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**		
	Cash on Hand	**43,803,781**	35,225,355
	Balance with Bank of Ghana	**136,962,480**	109,695,037
		180,766,261	144,920,392
	Deposits with Bank of Ghana includes a mandatory reserve of GH¢110,089,087 (2013: GH¢81,728,103) and are not available for use in the Bank's day to day operations.		
18	**Due from Banks and other Institutions**		
	Nostro Account Balances and Nostro Placements	**70,089,458**	67,972,646
	Items in course of Collection	**10,081,568**	12,779,073
	Placement with Local Banks	**90,000,000**	-
		170,171,026	80,751,719

19 Financial Investments

	2014			2013		
	"AFS Through P&L"	**"AFS Through Equity"**	**Total**	"AFS Through P&L"	"AFS Through Equity"	Total
	GH¢	**GH¢**	**GH¢**	GH¢	GH¢	GH¢
Balance as at 1 January	**26,044,673**	**113,936,373**	**139,981,046**	17,354,246	103,094,348	120,448,594
Additions	**316,755,980**	**501,714,296**	**818,470,276**	173,594,556	414,561,641	588,156,197
Reimbursements/Disposals	**(288,557,124)**	**(331,580,923)**	**(620,138,047)**	(165,086,681)	(404,464,748)	(569,551,429)
Fair value movement during the year	**(321,155)**	**(795,147)**	**(1,116,302)**	182,552	745,132	927,684
Balance as at 31 December	**53,922,374**	**283,274,599**	**337,196,973**	26,044,673	113,936,373	139,981,046

None of the financial instruments was pledged as collateral during the year (2013: Nil).

		2014	2013
		GH¢	GH¢
20	**Other Assets**		
	Stationary and Consumable Stocks	**78,619**	78,618
	Prepayments and Sundry Debtors	**13,907,194**	10,739,387
	Accrued Income	**135,690**	72,295
	Other Sundry items	**1,175,113**	-
	Deferred Cost on Staff Loans - Note 20a	**4,457,442**	3,445,708
		19,754,058	14,336,008

Included in prepayments and sundry debtors is GH¢8,482,576 relating to prepayments on office premises. (2013- GH¢6,598,987)

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.

		2014	2013
21	**Loans and advances**		
	Overdrafts	**321,470,500**	249,591,177
	Term Loans	**552,484,121**	446,107,199
	Export Bill	**2,093,002**	1,511,127
	Staff Loan	**22,167,588**	19,240,436
	Equipment Finance Lease	**76,524,687**	67,129,238
	Gross Loans and Advances	**974,739,898**	783,579,177
	Interest in Suspense	**(25,114,140)**	(14,485,155)
	Less: Allowances for Impairment - Note 22	**(66,581,537)**	(28,691,111)
	Total	**883,044,221**	740,402,911

All loans have been written down to their estimated recoverable amount. Suspended interest related to such loans amounted to GH¢25,114,141 (2013: GH¢14,485,155).

		2014	2013
21a	**Other Statistics**		
	i. Loan Loss Provision Ratio	**6.83%**	3.89%
	ii. Gross Non-performing Loan Ratio	**13.75%**	7.35%
	iii 50 Largest Exposure (Gross Funded Loan and Advances to Total Exposure)	**58.85%**	59.35%

		2014	2013
21b	**Analysis by Type of Customers**		
	Individual	**308,402,187**	100,630,170
	Private Enterprise	**469,868,382**	394,471,693
	Public Enterprise	**102,434,368**	165,100,183
	Government Departments and Agencies	**71,867,375**	104,136,696
	Staff	**22,167,586**	19,240,436
		974,739,898	783,579,178

		2014	2013
		GH¢	GH¢
21c	**Analysis by Industry Sector**		
	Agriculture, Forestry and Fishing	**67,772,375**	156,531,380
	Mining and Quarrying	**4,693,114**	4,516,701
	Manufacturing	**237,356,735**	187,861,428
	Construction	**18,581,056**	30,698,266
	Electricity, Gas and Water	**155,454,320**	80,577,190
	Commerce and Finance	**141,450,619**	43,064,844
	Transport, Storage, Communication and services	**324,323,038**	265,375,015
	Miscellaneous*	**25,108,641**	14,954,354
		974,739,898	783,579,178

*Miscellaneous includes Staff Personal Loans of GH¢14,169,177 (2013: GH¢12,848,276)

22	**Impairment Allowance for Loans and Receivables**		
	Balance at 1 January	**28,691,111**	16,180,261
	Charge for the Year	**38,625,775**	16,825,569
	Amount Written Off	**(735,349)**	(4,314,719)
	Balance at 31 December	**66,581,537**	28,691,111
	Individual Impairment	**65,518,551**	25,491,273
	Collective Impairment	**1,062,985**	3,199,838
	Balance at 31 December	**66,581,536**	28,691,111

Loan provisioning/impairment is 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 2014, the provisions for bad debts against loans and advances exceeded provision computed under IFRS guidelines by GH¢19,803,999 (GH¢7,264,285 in 2013). This excess amount has been transferred from the income surplus to General Regulatory Credit Reserve in line with Bank of Ghana regulations.

Provisions per Bank of Ghana Guidelines	**86,385,535**	35,955,396
Provisions per IFRS	**(66,581,536)**	(28,691,111)
General Regulatory Credit Reserve	**19,803,999**	7,264,285

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¢214,992,000 (2013: GH¢61,201,000). The stock of loans collectively assessed was GH¢11,146,124 (2013:GH¢31,998,377). 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	50%
e. Loss	100%

		2014	2013
		GH¢	GH¢
23	**Unquoted Equity Investments**		
	Advans Ghana Limited (Unlisted Equity Measured at Cost)	**406,500**	406,500

	2014	2013
	GH¢	GH¢

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¢**
Corporate tax					
Up to 2012	(2,365,961)	2,128,570	237,391	-	**-**
2013	(1,243,768)	-	-	-	**(1,243,768)**
2014	-	(2,128,570)	13,760,657	(10,524,673)	**1,107,414**
	(3,609,729)	-	13,998,048	(10,524,673)	**(136,354)**
Capital gains tax 2014	-	-	1,676,663	(1,676,663)	**-**

		2014	2013
		GH¢	GH¢
24a	**National Stabilization Levy**		
	Balance as at 1 January	**(451,700)**	(195,653)
	Charge to statement of profit or loss and other comprehensive income	**3,550,831**	1,167,865
	Payment during the year	**(3,260,553)**	(1,423,912)
	Balance as at 31 December	**(161,422)**	(451,700)

The levy charged on the profit is based on a rate of 5% .

The National Stabilization Levy was re- introduced in 2013. The Law came into force on 15th July 2013, payable in respect of profits for the 2013 and 2014 years of assessment but has been extended to run till the end of 2017. 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 .

		2014	2013
		GH¢	GH¢
25	**Long Term Operating Lease**		
	Balance as at 1 January	**3,781,650**	3,929,950
	Amount expensed during the Year	**(148,300)**	(148,300)
	Balance as at 31 December	**3,633,350**	3,781,650
25a	**Future Minimum Lease Payments are as follows**		
	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	**2,891,850**	3,040,150
	Balance as at 31 December	**3,633,350**	3,781,650

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

26 Property, Plant and Equipment

2014	**Land & Building**	**Computers**	**Furniture & Equipment**	**Motor Vehicles**	**Assets in Course of Construction**	**Total**
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cost/valuation						
Balance at 1 January	45,001,280	13,626,294	12,945,835	1,464,033	37,943,858	110,981,300
Additions	1,337,645	1,243,557	1,821,019	24,158	7,432,045	11,858,424
Transfers	33,904,703	582,071	5,630,846	-	-	40,117,620
Disposal/other adjustments	(7,714,607)	(11,882)	(5,772,680)	(142,791)	(40,857,869)	(54,499,829)
Balance at 31 December	**72,529,021**	**15,440,040**	**14,625,020**	**1,345,400**	**4,518,034**	**108,457,515**
Depreciation						
Balance at 1 January	6,392,815	11,869,612	8,964,062	1,027,980	-	28,254,469
Charge for the year	3,008,895	1,328,060	2,587,445	262,880	-	7,187,280
Disposals/other adjustments	(369,626)	(11,915)	(5,601,429)	(142,756)	-	(6,125,726)
Balance at 31 December	9,032,084	13,185,757	5,950,078	1,148,104	-	29,316,023
Net book value at 31 December 2014	**63,496,937**	**2,254,283**	**8,674,942**	**197,296**	**4,518,034**	**79,141,492**

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.

26 Property, Plant and Equipment continued

2013	Land & Building	Computers	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	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**

26a Intangible Assets

	2014	2013
	GH¢	GH¢
Computer Software		
Cost		
Balance at 1 January	**12,635,447**	11,639,695
Additions	**457,228**	1,002,560
Transfers	**740,249**	-
Balance at 31 December	**13,832,924**	12,642,255
Amortisation		
Balance at 1 January	**11,647,867**	10,928,549
Charge for the Year	**647,350**	726,126
Balance at 31 December	**12,295,217**	11,654,675
Carrying amount 31 December	**1,537,707**	987,580

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

		2014	2013
		GH¢	GH¢
27	**Customer Deposits**		
	Analysis by Type of Deposits		
	Term Deposits	**79,061,686**	107,941,781
	Saving Accounts	**197,745,835**	173,633,292
	Current Accounts	**844,357,951**	636,180,862
	Vostro	**6,264,311**	8,373,668
		1,127,429,783	926,129,603
27a	**Analysis by Type of Deposits**		
	Financial Institutions	**10,952,344**	18,855,286
	Individuals and Other Private Enterprise	**1,070,641,363**	798,880,596
	Government Departments and Agencies	**6,077,394**	2,848,079
	Public Enterprises	**39,758,682**	103,024,019
	Others	**-**	2,521,623
		1,127,429,783	926,129,603
	20 Largest Depositors to Total Deposit Ratio	**29.28%**	30.40%
28	**Due to banks and other financial institutions**		
	Borrowings - Repurchase agreement	**53,545,151**	1,121,209
	Overnight Borrowings	**-**	15,000,000
	European International Bank	**33,441,045**	-
	Proparco	**61,110,750**	13,260,600
	IFC	**83,202,600**	
	Ghana Private Sector Development Fund	**57,664**	210,436
	Edaif Managed Fund	**4,889,884**	5,881,124
		236,247,094	35,473,369

The Bank has not had any defaults of principal, interest or other breaches with regard to any liabilities during 2014 or 2013.

Summary of Borrowing Arrangements

Societe de Promotion et de Participation pour la Cooperation Economique (PROPARCO). This is a USS30 million long-term credit line ('the facility') granted to the bank. The first draw down of USD6 million has a fixed interest rate of 5.12% and will mature on 30 October 2020. The second draw down of USD4 million has a fixed interest rate of 5.19% and will mature on 30 April 2020. The third draw down was EUR7.5 million. The related interest rate is 6-months Libor plus a margin of 370 basis points and will mature on 30 April 2024.

European Investment Bank (EIB). This is a EUR 20 million credit facility extended to the bank by EIB. The loan is to be used to finance up to 50% of the banks capital expenditure intended to develop the bank's intermediation capacities (such as developing its branch network, IT Systems, training etc.) and for financing eligible Private Sector Small and Medium Sized Enterprises. The interest rate is 6-months LIBOR plus a margin of 270 basis points. As at 31 December 2014 the bank has drawn down USD10.450 million to finance its new Head Office building. The loan matures on 1st Apri 2024.

International Finance Corporation (IFC). This is a USD30 million IFC Senior Loan. The loan is to be used to exclusively finance trade-related lending activities of the bank by way of sub-loans to eligible borrowers. None of the proceeds of the IFC Senior Loan may be used to refinance or reschedule existing indebtedness of an eligible sub-borrower (including debt to equity convertions) unless that refinancing or scheduling is part of a financial restructuring aimed at the acquisition of new capital assets by that eligible sub-borrower. The loan has a maturity period of 1 year to 18 December 2015, with a rollover option on an uncommitted basis for up to two (2) additional one (1) year periods. The interest rate is 3-months LIBOR plus a margin of 315 basis points. As at 31 December 2014 an amount of USD26 million has been drawn down.

"Export Trade, Agriculture and Industrial Development Fund (EDAIF) is a public Investment Fund operating as an agency of the Ministry of Trade and Industry and governed by an Act of parliament. The objective of the fund is to provide financial resources for the development and promotion of: export trade, agriculture related to agro-processing and industrial development. The Fund is sustained by inflows from the following sources: 0.75% of value of non-petroleum commercial imports; 10% of net divestiture proceeds; such other monies as the Minister of Finance in Consultation with the Minister of Trade and Industry with Parliament's approval may determine to be paid into the Fund; recoveries of loans and interest payments, etc.

Current interest rate applicable on credit facilities is 12.5% (which is subject to review by the board from time to time). No minimum loan is prescribed but the maximum loan per borrower is pegged at GH¢ 10.0million. Facility tenures are short term - not exceeding 2 years, medium term - not exceeding 5 years and long term - for a period not exceeding 10 years.

Sectorial breakdown/distribution of loan approvals (2002 - 2013) is as follows: Agriculture - 49%; Manufacturing - 32%; Credit Line & Services - 13%; Handicraft & Wood Industries - 6%.

Ghana Private Sector Development Fund (GPSDF). 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 draw down during the year 2014.

28 Due to banks and other financial institutions - continued

"Repurchase Agreement. The Bank has no programme to borrow and lend securities but to sell securities under agreements to repurchase (repos) and to purchase securities under agreements to resell (reverse repos).

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a 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 EIR. When the counterparty has the right to sell or repledge 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 recognised 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.

Up to 31st December 2014 all transactions have been of the nature 'Securities sold under agreements to repurchase at a specified future date'.

		2014	2013
		GH¢	GH¢
29	**Interest Payable and Other Liabilities**		
	Creditors	8,549,412	7,183,476
	Other Creditors and Provisions (30)	58,610,902	34,908,276
	Accruals	12,850,014	12,638,417
	Deferred Income	5,017,944	3,773,955
	Deferred Income on Staff Loans	4,457,442	3,445,708
		89,485,714	61,949,832
30	**Other Creditors and Provisions**		
	Payment Orders	7,621,685	2,726,535
	Statutory Deductions	1,249,271	418,920
	Provisions	9,455,178	5,949,330
	Litigation	3,044,473	2,630,302
	Interest Payable	3,717,421	1,149,612
	Unallocated Deposits	21,024,440	20,116,907
	Fair value of derivative	10,093,762	-
	Other Commitments & Credit Balances	2,404,672	1,916,670
		58,610,902	34,908,276

Unallocated Deposits

This comprises uncleared balances on customer cheques and balances on customer transit accounts pending onward transfer.

Derivative Financial Instruments

The table below shows the fair values of derivative financial instruments recorded as assets or liabilities together with their notional amounts. The notional amount, recorded gross, is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at the year end and are indicative of neither the market risk nor the credit risk.

	Fair value of derivatives held for trading	Notional amount
	GH¢	GH¢
Foreign Exchange SWAP	10,094,000	172,000,000

Most of the Bank's derivative trading activities relate to deals with customers that are normally offset by transactions with other counterparties. The Bank may also take positions with the expectation of profiting from favourable movements in prices, rates or indices.

The derivatives of the bank are fair valued at level 2 using the discounted cash flow method. Future cash flows are estimated based on forward exchange rates (from observable forward exchange rate at the end of the reporting period) and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

30a Provisions

	Bonus	Technical & Other Management Fees	Reorganisation	Contingencies	Others	Total
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
As at 1 January 2014	1,603,396	1,939,872	412,178	1,052,030	941,854	5,949,330
Provisions made during the year	3,026,959	6,466,339	1,660,099	1,303,004	4,779,130	17,235,531
Payments / Reversals	(2,699,884)	(6,495,050)	(1,186,469)	(1,171,096)	(2,177,185)	(13,729,683)
As at 31st December 2014	1,930,471	1,911,160	885,808	1,183,939	3,543,799	9,455,178

Technical and Other Management Fees

These are provisions made for SG Group's assistance to the SG Ghana subsidiary to ensure standardisation of banking practices across the group. The aim of these provisions is thus, to ensure a stronger managerial governance via projects and new products , deep monitoring of operational and credit risks and update of Information Technology tools for all subsidiaries.

Reorganisation

This is a provision made for staff members who want to take advantage of the Bank's voluntary exit programme (early leavers programme).

Contingencies

This is a provision made on the Bank's net exposure to contingent liabilities mainly letters of credit and letters of guarantees.

30b Litigation

	2014	2013
	GH¢	GH¢
As at 1 January	**2,630,302**	2,075,048
Provisions made during the year	**414,173**	555,254
As at 31 December	**3,044,475**	2,630,302

31 Stated Capital

a. Authorised ordinary shares

	2014	2013
Number of ordinary shares of no par value	**500,000,000**	500,000,000

	2014		2013	
	Number	Amount GH¢	Number	Amount GH¢
b. Issued and fully paid ordinary shares	**333,893,894**	**62,393,558**	333,893,894	62,393,558

	2014 GH¢	2013 GH¢
32 Other Reserves		
Balance 1 January	**3,193,005**	2,447,876
Movements during the year	**(3,664,284)**	745,132
Balance at 31 December	**-471,279**	3,193,008
33 Dividend Declared and Paid		
Equity dividend on ordinary shares:		
Final dividend for the preceding year	**20,033,634**	13,355,755
Total dividend payments during the year	**(20,033,634)**	(13,355,755)
Balance at 31 December	**-**	-

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.

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

	2014		2013	
	Interest Paid GH¢	**Interest Received GH¢**	Interest Paid GH¢	Interest Received GH¢
Societe Generale Borrowing	**1,287,794**	**48,257**	194,215	25,185

There was no outstanding balance in relation to borrowings from related parties at the end of the financial year (2013: Nil).

b. Related party balances at December

Lending to Related Parties:	2014	2013
	GH¢	GH¢
Officers and Employees other than Directors	22,167,586	19,240,436
Placement with Societe Generale (SG)	8,481,640	48,716,598
Nostro Account Balances with SG and other Subsidiaries	44,663,906	32,847,033

c. Compensation to key management personnel of the Bank

Fees	346,510	226,719
Directors Expenses	453,354	313,145
Salaries & Other Benefits	3,130,842	1,760,848
	3,584,196	2,300,712

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.

		2014	2013
35	**a. Contingent Liabilities**	GH¢	GH¢
	Guarantees and Indemnities	**47,555,744**	39,288,694
	Letters of Credit & Others	**87,373,511**	56,257,031
	Balance at 31 December	**134,929,255**	126,637,608

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.

	2014	2013
b. Undrawn Commitments	GH¢	GH¢
Undrawn Commitments	**14,371,152**	17,134,323

36 Possible Legal Liability

Litigation is a common occurrence in the Banking industry due to the nature of the business undertaken. The Bank has formal controls and policies for managing legal claims. Once professional advice has been obtained and the amount of loss reasonably estimated, the Bank makes adjustments to account for any adverse effects which the claims may have on its financial standing. At year-end, the Bank had several unresolved legal claims.

The only significant legal claim against the Bank relates to the provision of Cash Collection Services in respect of a customer for which the Bank was sued. The Bank has been advised by its legal advisor that it is possible, but not probable, that the action will succeed. Adequate provision has been made for all the relevant litigation for which losses may be possible. The possible outflow which could result from all such litigations, based on the current status of the various legal proceedings, is estimated to be no more than GH¢437,700 (2013: GH¢ 1,195,202) while the timing of the outflow is uncertain.

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 Note 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 2014

	Designated at Fair Value through Profit & Loss	Held to Maturity Investments	Available for-sale Financial Assets	Loans and Receivables	Total Carrying Amount	Fair value
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash & Cash Balances with BoG	-	-	-	180,766,261	180,766,261	180,766,261
Due from other Banks and Financial Institutions	-	-	-	170,171,026	170,171,026	170,171,026
Financial Investments	53,922,374	-	283,274,599	-	337,196,973	337,196,973
Loans and Advances	-	-	-	883,044,221	883,044,221	883,044,221
Unquoted Equity Investments	-	-	406,500	-	406,500	406,500
Total Financial Assets	53,922,374	-	283,681,099	1,233,981,508	1,571,584,981	1,571,584,981
Total Non-Financial Assets						104,364,383
Total Assets						1,675,949,364

Financial Liabilities	**Financial Liabilities Measured at Amortised Cost**	**Total Carrying Amount**	**Fair value**
	GH¢	GH¢	GH¢
Customers Deposits	1,127,429,783	1,127,429,783	1,127,429,783
Due to Banks and Other Financial Institutions	236,247,094	236,247,094	236,247,094
Interest Payable and Other Liabilities	90,289,322	90,289,322	90,289,3252
Total Financial Liabilities	1,453,966,199	1,453,966,199	1,453,966,199
Total Non-financial Liabilities			221,983,165
Total Liabilities and Shareholders Fund			1,675,949,364

37 Analysis of Financial Assets and Liabilities - continued

31 December 2013

	Designated at Fair Value through Profit & Loss	Held to Maturity Investments	Available for-sale Financial Assets	Loans and Receivables	Total Carrying Amount	Fair value
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Cash &Cash Balances with BoG	-	-	-	144,920,392	144,920,392	144,920,392
Due from Other Banks and Financial institutions	-	-	-	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	26,044,673	-	114,342,873	966,075,022	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	Total Carrying Amount	Fair value
	GH¢	GH¢	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	61,949,832	61,949,832	61,949,832
Total Financial Liabilities	1,023,552,804	1,023,552,804	1,023,552,804
Total Non-financial Liabilities			193,000,401
Total Liabilities and Shareholders Fund			1,216,553,205

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 value
- 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.

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 done on a recurring basis.

	Note	**Level 1**	**Level 2**	**Level 3**	**Total**
31 December 2014		**GH¢**	**GH¢**	**GH¢**	**GH¢**
Government securities	19	-	337,196,973	-	337,196,973
		-	337,196,973	-	337,196,973
31 December 2013					
Government securities	19	-	139,981,046	-	139,981,046
		-	139,981,046	-	139,981,046

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

Level 2 Valuation Technique

The assets in Level 2 comprise mainly Government of Ghana securities (Treasury Bills). They are valued using published results of tender for government of Ghana and Bank of Ghana bill, notes and bonds at the financial year end.

Day 1 Profit

The day 1 profit recognised on the derivative financial instraument was GH¢8,345,000 (2013:Nil).

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.

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 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.

39 Financial Risk Management - continued

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.

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.
- 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

39 Financial Risk Management - continued

Total Credit approvals for 2014 was GH¢795.37million; an increase of 3% compared to GH¢770.11million recorded in 2013. The volume of files however declined by 2%; from 14,313 files in 2013 to 13,961 files in 2014.

There has been a deterioration in the Non Performing Loan ratio over the period. NPL ratio (Bank of Ghana regulations) increased to 13.75% in December 2014 from 7.35% in December 2013. It increased over the period on the back of deterioration of some major corporate accounts. Close follow-up action plan has been implemented on these accounts to ensure repayment of arrears. Adequate provisions have been made in respect of all non-performing loans to ensure that the bank does not make any significant losses although the prospect of recovery for these loans is high.

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 by 126%; in absolute terms to GHS 38.0 million in December 2014 from GHS16.8 million as at December 2013 as a result of increased provisions made to cover the deterioration of some major corporate accounts in the year. Consequently there was an increase in basis point of the Net Cost of Risk from 214.42 bp in 2013 to 389.62 bp in 2014. All loans above 90days were specifically provisioned for whilst loans between 61 -90 days were collectively provided for at a loss rate of 10%.

At 31 December 2014, 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 2014		Dec 2013	
	Loans & advances to customers	**Due from banks & financial inst.**	Loans & advances to customers	Due from banks & financial inst.
	GH¢	**GH¢**	GH¢	GH¢
	(000)	**(000)**	(000)	(000)
Neither past due nor impaired	**623,107**	**170,171**	529,934	80,752
Past due but not impaired	**125,494**	**-**	160,446	-
Individually impaired	**226,138**	**-**	93,199	-
Gross	**974,740**	**170,171**	783,579	80,752
Less Allowance for impairment	**(66,582)**	**-**	(28,691)	-
Interest in suspense	**(25,114)**	**-**	(14,485)	-
	-	**-**	-	-
Net amount	**883,044**	**170,171**	740,403	80,752

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

Individually impaired loans include Non-Performing Loans of GHS 133,774,099

39 Financial risk management - continued

Maximum Credit Exposure

	2014	2013
	GH¢	GH¢
Placement with other Banks	98,482	29,246
Loans and Advances	883,044	740,403
Unsecured Contingent Liabilities and Commitments	117,586	104,702
	1,099,112	874,351

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:

	2014	2013
	GH¢	GH¢
Against Impaired Assets	207,844	110,478
Against Past Due but not Impaired Assets	197,356	146,846
	405,200	257,324

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 2014 is shown in the table below.

39 Financial risk management - continued

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 2014

	Total	Below 3 months	3 to 6 months	6 to 12 months	Above 1 year
	GH¢	GH¢	GH¢	GH¢	GH¢
Assets					
Cash on Hand and Cash Balances with Bank of Ghana	180,766,261	180,766,261	-	-	-
Due from Banks and other Financial Institutions	170,171,026	170,171,026	-	-	-
Financial Investments	337,196,973	121,417,907	180,471,505	7,512,115	27,795,446
Other Assets	19,754,058	7,904,574	5,924,742	3,949,828	1,974,914
Loans and Advances	883,044,221	276,774,958	36,942,881	111,103,929	458,222,453
Unquoted Equity investment	406,500	-	-	-	406,500
Current Tax: Assets	136,354	-	-	-	136,354
National Stabilization levy	161,422	-	-	-	161,422
Long Term Operating lease prepaid	3,633,350	37,075	37,075	74,150	3,485,050
Property, Plant & Equipment	79,141,492	-	-	-	79,141,492
Intangible Assets	1,537,707	-	-	-	1,537,707
Total assets	1,675,949,364	757,071,801	223,376,203	122,640,022	572,861,338
Liabilities					
Customer deposits	1,127,429,783	364,555,126	46,293,391	92,608,781	623,972,485
Due to Banks, & other Financial Institutions	236,247,094	88,500,421	61,750,395	85,996,278	-
Interest Payable & Other liabilities	89,485,714	41,103,814	20,735,100	27,646,800	-
Deferred Tax	803,608	803,608	-	-	-
Total Liabilities	1,453,966,199	494,962,969	128,778,886	206,251,859	623,972,485
Net Liquidity Gap	221,983,165	262,108,832	94,597,317	(83,611,837)	(51,111,147)
Contingent liabilities - Guarantees and Letters of Credit	134,929,255	97,735,522	14,134,936	19,813,420	3,245,377

39 Financial risk management - continued

31 December 2013

	Total	Below 3 months	3 to 6 months	6 to 12 months	Above 1 year
	GH¢	GH¢	GH¢	GH¢	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	14,336,008	5,375,531	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
Assets classified as held for sale	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	1,216,553,205	641,567,476	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	61,949,832	24,841,611	18,105,522	12,070,348	6,932,351
Total Liabilities	1,023,552,804	322,930,813	65,887,234	104,886,542	522,915,864
Net Liquidity Gap	193,000,401	318,636,663	(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

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.

39 Financial risk management - continued

Financing Facilities

The Bank does not have any secured borrowing. It however has some unsecured borrowing arrangements with the following International Financial Institutions as shown in the table below:

Entity	Total Amount	Amount Used	Amount Unused
Proparco	$30M	$20.396M	$9.604M
EIB	€20M	€8.016M	€11.984M
IFC	$30M	$26M	$4M

- **Structural interest rate**

The interest rate risk is the incurred risk in case of interest rate variations because of all on-and off- balance sheet 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 Societe Generale Ghana Limited (SGGH).

The SGGH'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 SGGH is EUR 1 million (i.e. GH¢ 3.8813 million), which is 1.75% of shareholders' equity.

In order to quantify its exposure to structural interest rate risks, SGGH 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.

As at the end of 2014, SG Ghana's global sensitivity to interest rate risk following the procedure described above was 0.17% of the total balance sheet and below the GH¢ 3.8813 million with a total sensitivity of GH¢ 2.798 million which represents 1.26% 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.

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 2014			**2014**			
GH¢	5%	(5%)	8,936,877	(8,936,877)	6,702,658	6,702,658
USD	7%	(7%)	204,961	(204,961)	153,721	(153,721)
EUR	5%	(5%)	17,792	(17,792)	13,344	(13,344)
31 December 2013			**2013**			
GH¢	5%	(5%)	7,335,353	(7,335,343)	5501507	(5,501,507)
USD	7%	(7%)	69,199	(69,199)	51899	(51,899)
EUR	5%	(5%)	4,123	(4,123)	3092	(3,092)

• 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 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 the currency exposure table below.

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 Treasury 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.

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. The sensitivity rates used represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for the changes in foreign currency rates. A positvie number below indicates an increase in Profit or Equity whilst a negative number indicates a decrease in Profit or Equity. The profits below are the result of a net long exposure in the foreign currency coupled with an increase in the foreign currency rate. The losses on the other hand are mainly due to a net long exposure in the foreign currency coupled with a decrease in the foreign currency rate.

	Increase/decrease in basis points		Effect on profit before tax		Effect on equity	
31 December 2014	**2014**					
USD	7%	(7%)	(145,066)	145,066	(108,799)	108,799
GBP	6%	(6%)	28,435	(28,435)	21,326	(21,326)
EUR	5%	(5%)	153,960	(153,960)	115,470	(115,470)
Other currencies	5%	(5%)	28,467	(28,467)	21,350	(21,350)
31 December 2013	**2013**					
GH¢	7%	(7%)	110,464	(110,464)	82,848	(82,848)
USD	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)

Methods and assumptions used in the computation of sensitivity analysis

The following 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.

39 Financial risk management - continued

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 not more than 10% of their net worth. Within this limit, banks are also required to maintain single currency open positions not more than 5% of net worth.

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 2014

	USD	**GBP**	**EURO**	**Others**	**Total**
	GH¢	GH¢	GH¢	GH¢	GH¢
Assets					
Cash and Balances with Bank of Ghana	22,498,283	1,895,744	14,697,331	-	39,091,358
Due from Other Banks and Financial Institutions	25,156,887	13,564,528	31,266,248	612,746	70,600,410
Other Assets	66,901	1,149	-	-	68,050
Loan and Advances to Customers	278,858,826	1,776	33,890,156	-	312,750,757
Total Assets	326,580,896	15,463,198	79,853,735	612,746	422,510,575
Liabilities					
Due to Customers	232,768,133	14,201,162	103,020,714	13,587	350,003,596
Other Liabilities	44,256,497	764,538	4,027,361	18,086	49,066,482
Due to Other Banks and Financial Institutions	152,019,796	-	29,109,750	-	181,129,546
Total Liabilities	429,044,426	14,965,699	136,157,825	31,673	580,199,623
Net on Balance Sheet Position	(102,463,530)	497,498	(56,304,090)	581,073	(157,689,048)
Net Off Balance Sheet Position	100,166,554	-	59,427,628	-	159,594,182
Net open position	**(2,296,976)**	**497,498**	**3,123,538**	**581,073**	**1,905,134**

39 Financial risk management - continued

31 December 2013

	USD	GBP	EURO	Others	2012
Assets	GH¢	GH¢	GH¢	GH¢	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 Institution	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 Balance Sheet Position	22,577,410	780,532	(23,876,137)	139,555	(378,640)
Net Off Balance Sheet Position	(24,311,100)	-	24,100,274	-	(210,826)
Net open position	(1,733,690)	780,532	224,137	139,555	(589,466)

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.

39 Financial risk management - continued

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.

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 Regulatory Breaches

Non-Compliance with Domestic Primary Reserve Requirement- Section 33(1) Of Banking Act 2004 (Act 673)

The bank breached their Liquidity Reserving Requirement (BSD 1) for the week ended July 30, 2014. The Bank of Ghana levied a penalty of GHS 15,199.79 on Societe Generale Ghana Limited for the breach of liquidity reserve which was at 10.84% instead of 11% in accordance with section 33(1) and (4a) of the Banking Act 2004.

41 Cash and Cash Equivalents

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

	2014	2013
	GH¢	GH¢
Cash on Hand and Balances with Bank of Ghana	180,766,261	144,920,392
Due from Banks and Other Financial Institutions	170,171,026	80,751,719
	350,937,287	225,672,111

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 2014

	Retail	Corporate	SME	Treasury	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Revenue					
Interest & Similar Revenue (3rd Parties)	71,385,110	92,675,428	16,913,681	18,734,712	199,708,931
Interest & similar expense	(17,375,028)	(22,744,271)	(2,779,237)	(1,287,794)	(44,186,330)
Net Interest income	**54,010,082**	**69,931,157**	**14,134,444**	**17,446,918**	**155,522,601**
Fees & Commission Revenue	20,293,217	20,776,190	8,969,425	7,448,590	57,487,422
Fees & Commission Expense	(10,114,532)	(5,569)	(59,525)	-	(10,179,626)
Net Commission Income	**10,178,685**	**20,770,621**	**8,909,900**	**7,448,590**	**47,307,796**
Forex Trading Revenue	946,176	16,254,676	8,162,903	8,345,000	33,708,755
Investment Revenue	121,440	16,560	46,000	-	184,000
Other Operating Income	11,289,635	1,310,860	3,641,278	(10,093,761)	6,148,012
Total Other Operating Income	12,357,251	17,582,096	11,850,181	(1,748,761)	40,040,767
Total Operating Income	**76,546,018**	**108,283,874**	**34,894,525**	**23,146,747**	**242,871,164**
Credit Loss expenses	(3,441,150)	(32,819,276)	(2,365,349)	-	(38,625,775)
Net Operating Income	73,104,868	75,464,598	32,529,176	23,146,747	204,245,389
Personnel expenses	(41,756,325)	(9,929,121)	(5,130,431)	(3,368,189)	(60,184,066)
Depreciation/Amortization	(6,287,879)	(655,688)	(588,438)	(302,625)	(7,834,630)
Other Operating Expenses	(22,567,056)	(24,316,680)	(16,432,159)	(1,894,179)	(65,210,074)
Total Operating Expenses	**(70,611,260)**	**(34,901,489)**	**(22,151,028)**	**(5,564,993)**	**(133,228,770)**
Profit Before Tax	**2,493,608**	**40,563,109**	**10,378,148**	**17,581,754**	**71,016,619**
Total Assets	**594,419,269**	**826,011,482**	**255,518,613**	**-**	**1,675,949,364**
Total Liabilities	**516,099,743**	**745,776,729**	**192,089,727**	**-**	**1,453,966,199**

No revenue from transactions with a single customer or counter party amounted to 10% or more of the Bank's total revenue in 2014 or 2013.All Segment revenue are from external customers only. The Accounting policies of the reportable segments are the same as the Bank. There were no intra company profit for the period under review.

	Retail	Corporate	SME	Treasury	Total
31 December 2013	GH¢	GH¢	GH¢	GH¢	GH¢
Revenue					
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	4318007	-	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)	(221,729.00)	(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	**439,156,447**	**650,536,997**	**126,859,761**	**-**	**1,216,553,205**
Total Liabilities	**420,585,736**	**472,089,550**	**130,877,518**	**-**	**1,023,552,804**

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

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.

f Statutory Reserve

This amount is 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. Regulatory Credit Reserve

This amount is 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 avail- able 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.

43 Capital - continued

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 2014 is shown below:

	2014		2013	
	Actual	Required by Bank of Ghana	Actual	Required by Bank of Ghana
	GH¢	GH¢	GH¢	GH¢
Tier 1 Capital	**178,671,901**	**60,000,000**	151,830,824	60,000,000
Tier 2 Capital	**23,507,265**	**-**	33,905,292	-
Total Capital	**202,179,166**	**60,000,000**	185,736,116	60,000,000
Adjusted Capital Base (a)	**181,941,877**		167,515,032	
Adjusted Asset Base (b)	**1,349,820,186**		1,052,673,994	
Capital Adequacy Ratio (a/b)	**13.48%**	**10%**	**15.91%**	**10%**

44 Compliance Status of Externally Imposed Capital Requirement

During the past year Societe Generale Ghana Limited 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	29,634	8,050,442	2.41%
1,001-5,000	3,386	7,132,533	2.14%
5,001-10,000	557	3,100,322	0.93%
Over 10,000	423	315,610,597	94.52%
	34,000	333,893,894	100%

45 Subsequent events

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

46 Comparative information

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

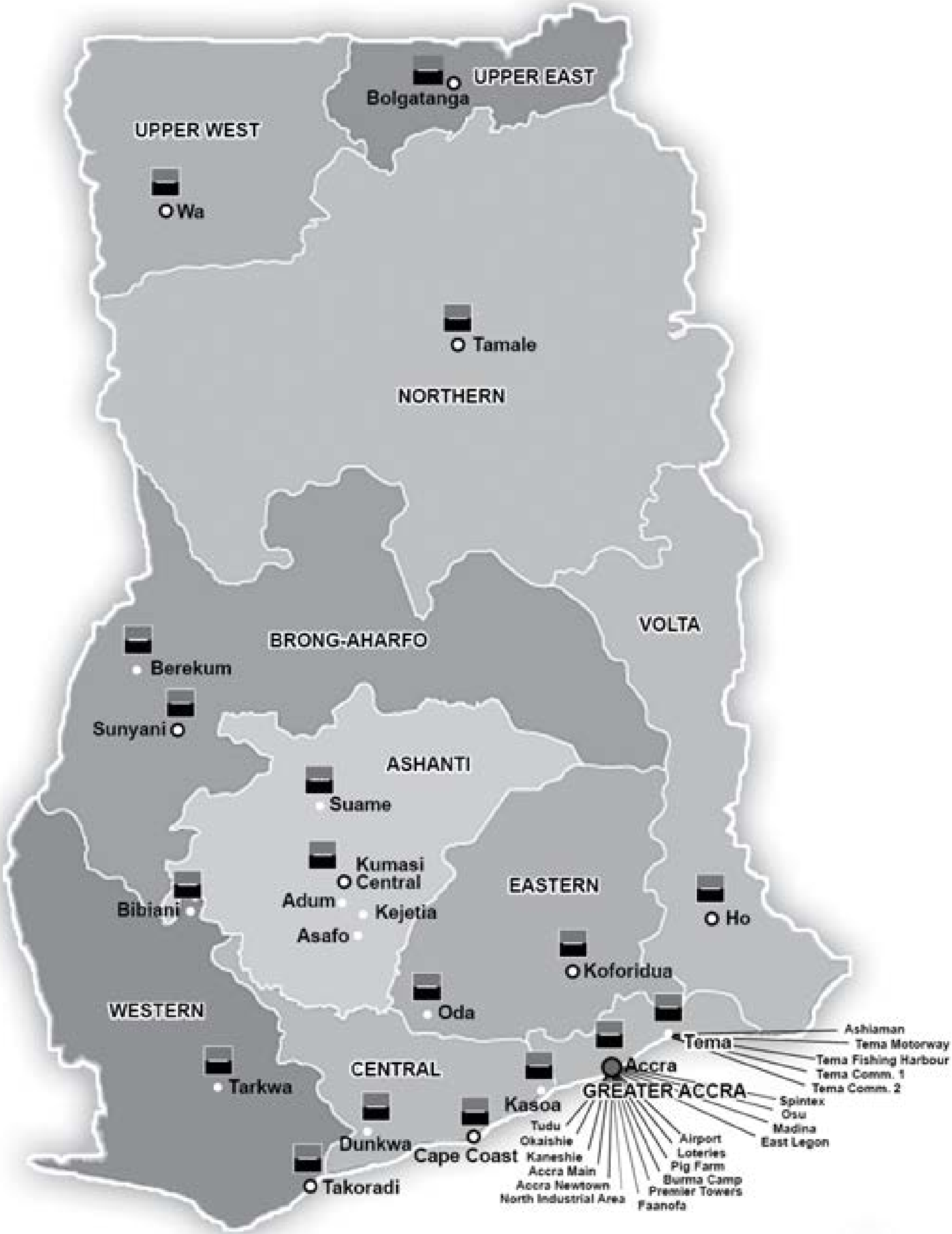
47 Twenty Largest Shareholders

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	24,105,310	7.22
4. SCGN/SSB& TRUST AS CUST FOR KIMBERLITE FRONTIER AFRICA MASTER FUND,L.P-RCKM	3,305,000	0.99
5. SCGN/EPACK INVESTMENT FUND LTD - TRANSACTIONS A/C	3,268,902	0.98
6. SOCIETE GENERAL EMPLOYEES' SHARE OWNERSHIP	2,608,930	0.78
7. SCGN/NORTHERN TRUST GLOBAL SERVICES	2,571,849	0.77
8. AMENUVOR GIDEON	2,147,699	0.64
9. SCGN/ELAC POLICYHOLDERS FUND	2,064,704	0.62
10. SCBN/CITIBANK LONDON ROBECO AFRIKA FONDS N.V.	1,683,600	0.50
11. SSNIT SOS FUND	1,353,488	0.41
12. SAM ESSON JONAH MR.	1,000,000	0.30
13. OPOKU-MENSAH PHILIP	1,000,000	0.30
14. SCGN/SSB&TRUST AS CUST FOR CONRAD N HILTON FOUNDATION-00FG	990,000	0.30
15. SCGN/SSB& TRUST AS CUST FOR VANDERBILT UNIVERSITY-VACN	975,000	0.29
16. TEACHERS FUND	960,480	0.29
17. COCOBOD END OF SERVICE BENEFIT SCHEME	902,103	0.27
18. SCBN/UNILEVER GHANA MANAGERS PENSION FUND	800,000	0.24
19. MBG ESSPA SCHEME	786,416	0.24
20. SCGN/SSB EATON VANCE TAX-MANAGED EMERGING MARKET FUND	740,000	0.22
Total	299,591,764	89.73
Others	34,302,130	10.27
Grand Total	**333,893,894**	**100**

48 Directors shareholding

Director	Shareholding
Mrs Teresa Ntim	1,940 shares
Asamoah Kofi	2,000 shares

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 2222136/2911019/7011918/0577650982/0577650983		Branch
			2911022/2911014/2911021 / 222564	030 2222136	Branch
2	Accra New Town	P. O. Box K444, Accra New	030 2228512/2228582/2248054/2221847	030 2228512	Branch
			0577650390/0577650391/0577650392		
3	Faanofa	P O Box 13119, Accra	030 2252500/220754/2236688/0577650917	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	Burma Camp Spot bank	P. O. Box 13119, Accra	307011525	N/A	Spot bank
			ASHANTI REGION		
18	Adum	P O Box 4542, Kumasi	032 225379/225729/232773/0577650922-3	032 225379	Branch
19	Kumasi Central	P O Box 4542, Kumasi	032 2024418/2023075/2080726/0577651045	032 2024418	Branch
20	Asafo	P O Box 4542, Kumasi	032 2049060/032 2049061/032 2049061/0577650910	032 2049060	Branch
21	Suame	P O Box 4542, Kumasi	032 22091979/032 20430570577650908/0577650909	N/A	Branch
22	Kejetia	P.O. BOX KJ 437, Kumasi	032 2198353-5 / 020-2801070 / 020-2801080	N/A	Branch
			BRONG AHAFO REGION		
23	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
			CENTRALREGION		
25	Kasoa	P. O. BOX 13119,Accra	030 27844/030 2963765	N/A	Branch
26	Cape Coast	P O Box 1019, Cape Coast	033 2132159/2133503/2132355/2132406	033 2132406	Branch
27	Dunkwa	P O Box 64, Dunkwa	033 2228393/2228665	033 2228665	Branch
			EASTERN REGION		
28	Akim Oda	P O Box 325, Akim Oda	034 2922188/2922776 /0577650949/50	034 29222188	Branch
29	Koforidua	P O Box 987, Koforidua	034 2022236/2022778/2024860/0577650936	034 2022778	Branch
			NORTHERN REGION		
30	Tamale	P O Box TL 192, Tamale	037 2022139/2022722/0577650953/0577650954	037 2022139	Branch
			UPPER EAST REGION		
31	Bolgatanga	P O Box 344, Bolgatanga	038 2023305/2023139/2022064/0577650959/0577650960	038 2022064	Branch
			UPPER WEST REGION		
32	Wa	P O Box 240, Wa	039 2022147/2022155/0577655978/0577655979	039 2022147	Branch
			VOLTA REGION		
33	Ho	P O Box HP - 360, Ho	036 2026651/2028053/0577650928/0577650929	036 2028053	Branch
			WESTERN REGION		
34	Bibiani	P O Box 58, Bibiani	031 2093031/2093032/0577650925	N/A	Branch
35	Tarkwa	P O Box 219, Tarkwa	031 2320951/2320950/0577650942/0577650943	031 2320950	Branch
36	Takoradi	P O Box 660, Takoradi	031 2024660/2022888/0577650940/0577650941	031 2024660	Branch
37	Takoradi Market Circle	P. O. Box 660, Takoradi	031 2033288/33280/024 4325652		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 2014 ACCOUNTS

   The Board shall propose the acceptance of the 2014 Accounts as the true and fair view of the state of affairs of the company for the year ended 31 December 2014

2. 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, Nii Adja Nablah, Mr Alexandre Maymat and Mrs Teresa Ntim retire by rotation and being eligible; offer themselves for re-election as Directors.

4. ELECT DIRECTORS

   In accordance with Section 298 of the Companies Code 1963 Act 179 and Section 72(1) and Section 90 (2) of the Regulations of the Bank, Messrs Francois Marchal and Arnaud Crouzet appointed as Directors seek shareholders approval for the appointment 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 GHS300,000.

6. 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.

7. TO INCREASE STATED CAPITAL

   In accordance with Section 66 of the Companies Code 1963 (Act 179) and Section 45 of the Regulations of the Bank, the Board of Directors recommend that the Company be and is hereby authorised to increase its stated capital to GHc100,000,000.

8. TRANSFER FROM SHARE DEALS ACCOUNT TO STATED CAPITAL

   In accordance with Section 66 (1)(c)1of the Companies Code 1963 (Act 179) and Section 45 of the Regulations of the Bank, the Board of Directors recommend that the Company be and is hereby authorised in accordance with its Regulations to transfer GHc2,943,755 from its Share Deals Account to Stated Capital.

9. TRANSFER FROM INCOME SURPLUS ACCOUNT TO STATED CAPITAL

   In accordance with Section 66 (1)(c)1of the Companies Code 1963 (Act 179) and Section 45 of the Regulations of the Bank, the

Board of Directors recommend that the Company be and is hereby authorised in accordance with its Regulations to transfer GHc34,662,687 from its Income Surplus Account to Stated Capital.

10. TO ISSUE BONUS SHARES

That the Company be authorized in accordance with Section 74 (1) of the Companies Code 1963 Act 179 and Section 45 (1) of the Regulations of the Bank issue Bonus Shares of one (1) new bonus share for every ten (10) existing shares currently held by the existing shareholders be allotted and That 33,389,390 shares be issued to support the Bonus Share Issue.

11. TO DETERMINE THE MODALITIES AND DURATION OF THE BONUS ISSUE

That the directors are hereby authorised, subject to the Rules of the Ghana Stock Exchange,to determine the modalities and the duration of the Bonus Issue.

PROXY FORM

I/We…………………………………..………………..………………………………………….......

(Block Capital Please)

of………………………………........................…………….
being member/members of Societe Generale Ghana Limited, hereby appoint………………………………………………….……………………………......…..……………

(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 Tuesday 31ST March 2015 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	GAINST
1. To receive the Accounts		
2. To re-elect as a Director Nii Adja Nablah		
3. To re-elect as a Director Mrs Teresa Ntim		
4. To re-elect as a Director Mr Alexandre Maymat		
5. To elect as a Director Mr Francois Marchal		
6. To elect as a Director Mr Arnaud Crouzet		
7. To approve Directors' fees		
8. To authorise the Directors to fix the Auditors fees		
9. To increase stated capital to GHc100,000,000.		
10. To transfer Ghc2,943,755 from Share Deals Account to Stated Capital		
11. To transfer GHc34,662,687 from Income Surplus Account to Stated Capital.		
12. To issue Bonus Shares of one (1) new bonus share for every ten (10) existing shares currently held by the existing shareholders be allotted and That 33,389,390 shares be issued to support the Bonus Share Issue.		
13. To authorise the Directors, subject to the Rules of the Ghana Stock Exchange, to determine the modalities and the duration of the Bonus issue.		

Signed this ……...…… day of …...…… 2015

Shareholder's Signature………..…..

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

HEAD OFFICE

RING ROAD CENTRAL

P. O. BOX 13119

ACCRA

FOLD HERE

FOLD HERE

BUILDING TEAM SPIRIT TOGETHER

SOCIETE GENERALE
GHANA

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