ANNUAL REPORT 2017

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SOCIETE GENERALE
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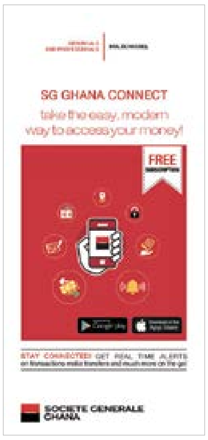
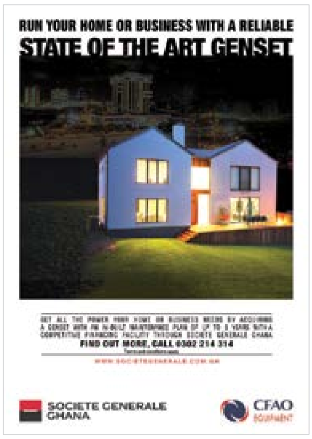
2017 ANNUAL REPORT
AND FINANCIAL STATEMENTS

2017 Major Events

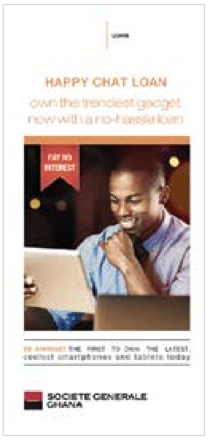
WE INTRODUCED NEW INNOVATIVE PRODUCTS & OFFERS

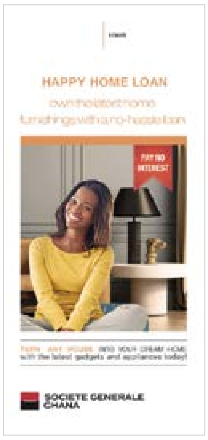


SG GHANA CONNECT
The Mobile Banking App
(for real time alerts and transactions)



Co-branded offers with CFAO
(Gensets and Vehicles)





Special Faclity offer with new partners

WE EXPANDED THE DIGITAL SELF-SERVICE CUSTOMER JOURNEY

In-branch Digital Zone
for Quick Digital Transactions

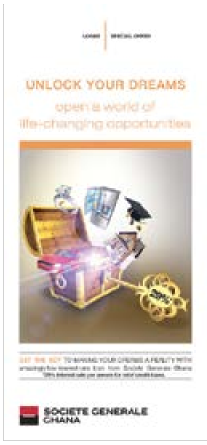
Off-site 24/7 Digital Zone
for Quick Digital Transactions

COMING SOON

DIG'IT for free
access to online
banking services

OpenApp for
paperless
account opening
in all branches

WE LAUNCHED EXCITING COMMERCIAL PROMOTIONS & CAMPAIGNS

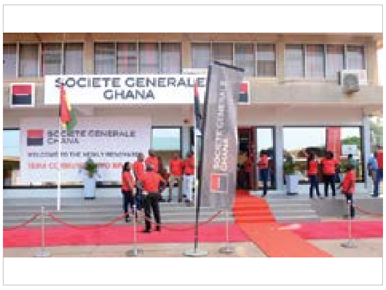


2 Loans Promotion during 2 separate quarters of the year

Receive and Win Promotion for Remittance

Deposit & Win Campaign with 6 cars to be won across the regions

WE CONTINUED REFURBISHING MORE OUTLETS



Tema Comm. 2 Branch

Spintex Branch

Madina Branch

Adum Branch

Tudu Branch

Premier Towers Branch

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Notice and Agenda
for Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the 38th Annual General Meeting of Societe Generale Ghana Limited will be held at the Alisa Hotel, Ridge Arena, in Accra on Wednesday 28th March 2018 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 2017.
2. To re-elect Directors retiring by rotation pursuant to Section 88(1) of the Company's Regulations who being eligible, offer themselves for re-election:
   - Pierre Wolmarans
   - Michel Miaille
   - Kofi Ampim
3. To re-elect the following Directors appointed during the year and retiring in accordance with Section 72(1) of the Company's Regulations:
   - Laurette Otchere
   - Joseph Torku
   - Bilankalama Ibrahim Traore
4. To approve Directors' fees.
5. To authorize the Directors to determine the remuneration of the Auditors.

Special Business

To pass the following Special Resolutions

1. To increase the number of authorized shares from 500,000,000 to 1,000,000,000 (one billion)
2. To authorize the increase of the stated capital of the Company to GHS 400 Million to meet the new minimum capital requirement set by the Bank of Ghana through:

a. a transfer GHS 97,000,000 from income surplus to stated capital and to undertake a bonus issue by issuing 1 ordinary share to each existing shareholder for every 6 ordinary shares held; and

b. a renounceable rights issue to raise up to **GHS170,000,000** (the "**Rights Issue**"), subject to applicable regulatory approvals.

To pass the following Ordinary Resolution:

3. That the Directors be authorized, subject to the rules of the Ghana Stock Exchange, to determine the modalities and the duration of the increase in stated capital of the Company.

Dated, this 15th day of February 2018.

BY ORDER OF THE BOARD

ANGELA NANA ANSAA 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 with the Registrars, NTHC Limited, Martco House, PO Box KA 9563, Airport Accra, Ghana not less than 48 hours before the appointed time of the meeting.

Corporate Information

Board of Directors

Kofi Ampim	Chairman
Sionle Yeo	Managing Director
Francois Marchal	Deputy Managing Director
Alexandre Maymat	Non-Executive Director
Michel Miaille	Non-Executive Director
Pierre Wolmarans	Non-Executive Director
Teresa Ntim	Non-Executive Director
Hakim Ouzzani	Non-Executive Director
Kofi Asamoah	Withdrawn 21st April 2017
Nii Adja Nablah	Resigned 25th April 2017
Arnaud Crouzet	Resigned 15th September 2017
Joseph Torku	Appointed on 26th July 2017
Laurette Otchere	Appointed on 26th July 2017
Bilankalama Ibrahim Traore	Appointed on 1st December 2017

Company Secretary

Angela Nanansaa Bonsu
Societe Generale Ghana Limited
2nd Crescent, Royalt Castle Road
Ring Road Central
P.O. Box 13119
Accra, Ghana

Registered Office

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

Auditors

Ernst & Young Chartered Accountants
No G 15 Building
Airport Residential Area
White Avenue
Accra Ghana
P. O. Box KA 16009
Airport, Accra, Ghana

Registrars

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

Country of Incorporation

Ghana, Accra

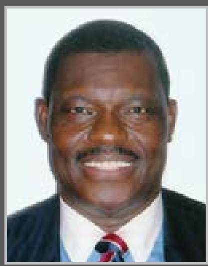
Holding Company

SG Financial Services, Holding

Ultimate Holding Company

Societe Generale incorporated in France

The Board of Directors



KOFI AMPIM
Chairman

EXECUTIVE DIRECTORS

SIONLE YEO
Managing

FRANCOIS MARCHAL
Deputy Managing

IBRAHIM TRAORE
Chief Operating Officer

NON EXECUTIVE DIRECTORS

ALEXANDRE MAYMAT
Member

TERESA NTIM
Member

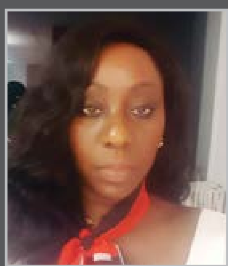
JOSEPH TORKU
Member

LAURETTE OTCHERE
Member

PIERRE WOLMARANS
Member

MICHEL MIAILLE
Member

HAKIM OUZZANI
Member



ANGELA NANANSAA BONSU
Company Secretary

Profile of
The Board of Directors

Kofi Ampim: Chairman of the Board of Directors: He holds a Bachelor's degree and a Master's degree in International Business and Finance from the Pace University Lubin School of Business in New York. He is an Investment Banker and a Director of Total Oil Company. He is also the Chairman of Belstar Capital Limited and Allianz Insurance Ghana Limited which is a subsidiary of one the largest insurance companies in the world. He joined the Board of Directors on 26th March, 2003.

Sionle Yeo: Managing Director of the Bank: He holds a Post Graduate ITB degree from Institut Technique de Banque CNAM Paris. He is also a graduate of Engineering ENSIEG from Ecole Nationale Superieure d'Ingenieurs Electriciens de Grenoble group ING and specialised in Automation and Industrial Computer Science with honours. He also holds an Engineering ESIM degree from Ecole Superieure d'ingenieurs de Marseille, with cross training option in Civil Engineering. Prior to joining Societe Generale Ghana he was Chief Executive Officer of Societe Generale Burkina Faso from 2011 to 2015. Mr Yeo was the Deputy Managing Director of Societe Generale Cote d'Ivoire from 2008 to July 2011 and was instrumental in re-launching the Bank after the Ivorian crisis. Mr Yeo was appointed to the Board of Directors of Societe Generale Ghana in April 2015 with the Bank of Ghana granting approval to the said appointment on 30th July 2015.

Francois Marchal: Deputy Managing Director of the Bank: He holds a Master of Science in Finance and Management degree and a Master's 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.

Bilankalama Ibrahim Traore: Chief Operating Officer: He holds a Bachelor in Business Management degree majoring in Management Information Systems (MIS) from the University of Quebec-Montreal Canada and a Master in Bank and Finance from Saint-Etienne University France. In the last nineteen years he has built strong expertise in Information System Management, Projects Management and Business Processing Management. He has worked in various capacities as Information System Deputy General Manager in Societe Generale Burkina Faso (SGBF) and as Information System General Manager in Societe Generale Madagascar (BFV-SG), as Chief Information Officer for Societe Generale Ghana, as Africa Sub-Saharan Programs Manager in Societe Generale Shared Service Center based in Cote d'Ivoire covering 12 countries. As the Chief Operating Officer, he manages five strategic departments; Organization and Projects, Logistics and Support, Centralized Back Offices, Purchasing and Security. He joined the Board of Directors on 1st December 2017.

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 Societe Generale de Banque in Cameroun. He is now the Deputy Head of the Group's International Retail Banking Division. He joined the Board of Directors 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 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.

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

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

Hakim Ouzzani: He holds a Bachelors of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Superieure d'Administration et de Gestation National School of Management and Administration. He also holds a Diploma in Bank and Finances from the Institute of Financing of the Development Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. He is presently the Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun, Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. From 2012 to 2016, he was the CEO of Societe Generale Chad. He also held

Profile of the Board of Directors cont'd

various positions within the Societe Generale Group as Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. From 1999 to 2002, he was the General Manager. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. In 1998, he was the New Products Development Manager at the Union Bank. He has worked as a Professor at the Ecole Superieure de Banque. He also worked with the Central Bank of Algerie as a Senior Officer Loans & Refinancing Direction and Licencing & Regulatory Direction. Mr Ouzzani was appointed to the Board of Directors of Societe Generale Ghana on 16th November 2016 with the Bank of Ghana granting approval to the said appointment on 23rd January 2017.

Laurette K Otchere: She is a Barrister at Law and a Deputy Director General Operations and Benefits at Social Security and National Insurance Trust. She holds a Juris Doctor, a Bachelor of Arts in Economics and a Certified Professional in Human Resources (SHRM-CP). She is a member of the Ghana Bar, State of New Jersey Bar and the United States District Court, District of New Jersey. She is an Adjunct Professor Rutgers University School of Management and Labour Relations and the Society for Human Resource Management. She has extensive working and professional experience internationally and locally. She joined the Board of Directors in July 2017 with Bank of Ghana granting approval on 6th September 2017.

Mr. Joseph Torku: He is currently the Managing Partner of Palmfields Investments Limited, an independent investment advisory firm in Ghana. He has previously been Managing Director of Gold key Properties Limited in Ghana; Chief Finance Officer for Ecobank Group in East Africa and Executive Director of Finance at Shell Oil Company in Ghana. Mr Torku also spent several years at the Social Security and National Insurance Trust (SSNIT) as an Investment Analyst with responsibility for Banking and Hospitality investments. Mr Torku is a member of the Institute of Chartered Accountants (ICA) Ghana. He holds a degree in Economics and Diploma in Education from the University Of Cape Coast (UCC), a Diploma in Finance from UC-Berkeley, USA and MBA in Banking and Finance from CESAG in Senegal. He joined the Board of Directors in July 2017 with Bank of Ghana granting approval on 6th September, 2017.

Key Management
Personnel

Sionle Yeo: 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.

Ibrahim Traore: Chief Operating Officer: Please refer to the section under Board of Directors.

Edmund Wireko Brobbey: Advisor to the Managing Director: 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.

Kwame Abbey: Chief Risk Officer in charge of Credit and Market Risk: He is a graduate of the Kwame Nkrumah University of Science and Technology Ghana with a BSc in Mechanical Engineering. He is also a professionally qualified member of both the Chartered Institute of Management Accountants (UK) and the Chartered Institute of Bankers Ghana. Kwame Abbey has over 17 years banking experience specializing in Corporate Banking, Credit and Risk Management having worked in various positions as Assistant Corporate Relationship Manager, Senior Credit Analyst, Head of Business Credit Administration and Leasing in the Business Banking Department. He is a member of the Credit and Market Risk Committee of the Bank.

Dorcas Hazel Quaye: Chief Compliance Officer: She holds a BA in Social Sciences from the Kwame Nkrumah University of Science and Technology. She has over 30 years of rich banking experience in branch management, Retail and SME businesses, and Operational Risk management. As a branch manager, she managed three branches, and thereafter she was appointed as the Head of the SME Business Banking Unit. She was appointed the first Head of Compliance, AML & CFT when the Unit was created in the Bank in 2010. In October 2015, she was appointed as the Head of Permanent Control and Operational Risk, with oversight responsibility for Managerial Supervision, Business Continuity and Crisis Management, Compliance / Anti Money Laundering and Operational Risk. She is the Chief Compliance Officer of the bank overseeing the enhanced operations of Compliance, AML/CFT. She manages the New Product Committee, Outsourced Committee and a member of the Legal Affairs Committee of the bank. She also presents the Permanent Control activities to the Audit and Account Committee of the Board.

Mohamed Fehri: Chief Financial Officer: He holds a Bachelor's and Master's degree in Accounting Science from Institut Supérieur de Comptabilité et d'Administration des Enterprises. He also holds a Master's degree in Tax Law and a Master's degree in Financial Risk Management. Mr Fehri has a certificate in Accounting "IFRS" From Ecole Superieure de Commerce de Paris (ESCP) and a certificate in leadership and Innovation from Mc Gill University- Institut des Cadres. Mr Fehri is a member and treasurer of "Cercle des Financiers de la Tunisie". He was also member of the National Committee of Tax of Tunisia. He was a lecturer in Accounting, Financial management and taxation at various Tunisian business schools and the Tunisian banking college. He joined Societe Generale Group in Tunisia in 2007 where he acted as Head of Tax, Head of Financial Reporting and Tax before becoming Head of Control and Management Direction of Societe Generale Group in Tunisia.

Irene Owiredu Akrofi: General Manager, Treasury: She holds an Executive Master of Business Administration (Finance) degree, a BSc Administration degree 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 26 year banking career she has built expertise in Retail Banking, Product Development, Card Payment Systems, Operational Risk Management and Control, Project Management, Treasury Business Development & Sales, and Executive Management. She is charged with managing the bank's Assets and Liabilities and is also responsible for the bank's Market Activity.

Angela Nanansaa Bonsu: General Manager, Company Secretariat: She holds a Master of Business Administration from the Middlesex University Business School, London and an honours degree in Law from the Birkbeck College, University of London. She is a professionally qualified member in good standing with the Institute of Directors Ghana. She has a rich professional experience 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 for the Bank which is listed on the Ghana Stock Exchange, Ms Bonsu also has oversight responsibility for the Legal Department. She also manages Communications, Environmental & Social Management Systems, Sustainable Development and Corporate Social Responsibility for the bank.

Fred Obosu: General Manager, Corporate Banking: He holds a Master of Business Administration 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

Key Management Personnel cont'd

of Finance UK and a Professional Post Graduate Diploma in Marketing from the Chartered Institute of Marketing UK. With over 15 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.

Kwaku Tweneboa Kodua: 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 over 4000 members. 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. Whilst there, he was able to obtain sponsorship syndications with corporate Ghana and thus playing a vital role in bringing theatre on a regular basis to Ghanaians.

Bernice Allotey: General Manager, Organisation & Projects: She holds an Executive Masters in Business Administration (Finance) and a BSC in Computer Science and Statistics from the University of Ghana, Legon and was accredited a Prince 2 Practitioner by the Association of Project Managers Group in 2005 and a Lean Six Sigma Green belt trained. She has extensive knowledge and proven expertise in Application support, Project and Change Management, Project Portfolio Management Process improvement/ Procedure writing. Over her 21 years' experience in the Banking industry, she has managed programmes and projects for all functions in the bank, including the Core Banking Application. As the Head of Organisation and Projects in Societe Generale Ghana, she is responsible for the bank's Project Portfolio Management, Methods/Procedures and ensuring overall alignment of the organisational structures to business strategy.

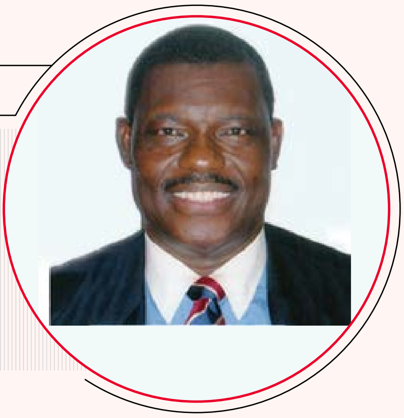
Lawrence Ribeiro: Assistant General Manager, Logistics & Support: He holds Post Graduate Diploma in Legal Studies from the Ghana School of Law, Executive Master of Business Administration (Finance option) from the University of Ghana, Legon and BSc Electrical/Electronic Engineering degree from the Kwame Nkrumah University of Science and Technology. In the last seventeen years, he has built extensive experience in enterprise IT management and service delivery. He is also experienced in Logistics and Estate management. He worked in various capacities as Head of Data Centre Operations, Head of Network and System, Head of IT Security and Business Continuity Planning and Head of Information Systems and Technology.

Albert Ofori: Assistant General Manager Human Resources Management: He is a professionally qualified member in 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 16 years' experience in Generalist and Specialist Roles in Human Resource Management and 6 years' experience in Retail Banking.

Hend Boulahya: Head Marketing, Multi-Channel and Quality: She holds a Master's degree in Management and Marketing from the University of Paris XIII. She joined Societe Generale Group in Tunisia in 2003 where she acted as Head of Multichannel Department of Societe Generale Tunisia UIB before becoming Head of Marketing and Communication. She previously held for 6 years the position of Head of E-cash Management and E-Banking in Citibank Tunisia. Before joining the banking sector, Hend Boulahya was Sales Manager for Abou Nawas Resorts in Tunisia.

Chairman's

Statement



Distinguished Shareholders, on behalf of the Board of Directors and Management of Societe Generale Ghana Limited, I warmly welcome you to the 38th Annual General meeting of our Bank and present to you, the Annual Report and Financial Statements for the financial year ended 31 December 2017. Our Bank's financial performance remained robust within the context of a competitive and dynamic environment.

Economic Environment

Global economic activity continues to rebound, and is expected to be sustained over the medium term. According to the International Monetary Fund, output on the global scale is estimated to have grown by 3.7 percent in 2017 which is half percentage point higher than in 2016. The broad based recovery is supported by the pickup in investment, trade, and industrial production coupled with strengthening business and consumer confidence.

Growth forecasts for 2018 and 2019 have been revised upward by 0.2 percentage points to 3.9 percent for both years. The revision reflects increased global growth momentum and the expected macroeconomic impact of the United States tax reform, in particular the reduction in corporate tax rates.

Growth in emerging economies is also projected to pick up in 2018 driven mainly by the recovery in commodity prices, sustained growth in China and India, end of recession in large emerging economies such as Russia and Brazil, and a pickup in global trade.

A modest growth is underway in Sub-Saharan Africa driven by improvements in macroeconomic imbalances, particularly in Nigeria and South Africa. The growth in this region is at 2.7 percent in 2017 after sharply slowing to 1.3 percent in 2016. The upturn is indicative of recovering global commodity prices and improvements in domestic conditions. Beyond the near term, growth is expected to rise gradually, but barely above population growth, as large consolidation needs weigh on public spending.

Operating Environment

Ghana continues to be one of the most peaceful and stable nations in Sub-Saharan Africa. It is widely regarded as a rapidly maturing African democracy, with peaceful elections and transitions of power since the multi-party system was introduced in 1992 - the latest election being 2016.

Ghana's economic activity for 2017 has been fairly robust and the momentum is expected to persist over the medium term, supported by continued favorable external financing conditions.

The Government's fiscal consolidation efforts continued over the course of the year, remaining broadly on course, despite revenue shortfalls. Furthermore, economic activity picked up significantly during the year. The non-oil sector also saw a rebound, after a sluggish performance in the first half of the year, supported by continued improvements in the economic fundamentals and investor confidence.

Economic growth in Ghana for 2018 is expected to strengthen on the back of expected increase in oil and gas production. The favorable ITLOS ruling in favour of Ghana is likely to spur activity in the oil and gas sector and boost growth further. On the domestic front, continued stability in the foreign exchange market, rebound of business and consumer sentiments, implementation of pro-growth government initiatives and gradual improvement in the macroeconomic fundamentals are positive developments for growth. Downside risks to the growth outlook include moderated pace of private sector credit growth, tightening of credit stance and shutdown of the Jubilee field in early 2018 for maintenance works.

Gross Domestic Product (GDP) growth momentum was maintained throughout 2017. According to provisional data from Ghana Statistical Service, real GDP grew by 9.3 percent in the third quarter of 2017 up from the 9.0 and 6.6 percent recorded in the second and first quarters of the year respectively. GDP growth for 2017 is projected at 7.9 percent from 3.6 percent in 2016 and also exceeding the 2017 GDP target of 6.3 percent. The 2018 overall growth forecast of 6.9 percent is mainly on account of the anticipated reduction in petroleum output as a result of planned maintenance works scheduled for 2018. Although the overall projected growth for 2018 is lower than that of the provisional results for 2017, the non-oil projected growth for 2018 is however higher than the 2017 results (5.4 percent compared with 4.8 percent), on account of government's intervention in the non-oil sectors of the economy.

During the year under review, the International Monetary Fund (IMF) concluded the fourth review under the ongoing Extended Credit Facility (ECF) program. The review resulted in a US$94.2 million tranche disbursement as a Balance of Payment support. The Government of Ghana also reached an agreement with the

Fund to extend the duration of the programme by a year. Thus the 3 year ECF programme which was initially scheduled to end in April 2018 has been extended to April 2019.

Global developments coupled with continued improvement in the macro fundamentals impacted favorably on the country's external position for 2017. Provisional estimates of the Balance of Payments showed an overall surplus attributable to significant improvements in the trade and current account balances. The trade account recorded a surplus of US$1,067.1 million (2.3% of GDP) in 2017 compared with a deficit of US$1,773.3 million (4.2% of GDP) in 2016 mainly on account of higher export receipts. The surplus in trade resulted into a lower current account deficit of US$2.1 billion (4.6 percent of GDP) as against US$2.8 billion (6.6 percent of GDP) recorded in December 2016. The balance of payments outlook remains positive and is expected to be supported by increased crude oil production from the Jubilee and Sankofa Oilfields, alongside the TEN Fields. Gold production is also projected to improve above 2017 levels.

The improvement in the Balance of payments provided some room for a stronger reserve build-up of over US$1 billion in 2017. Consequently, Gross International Reserves (GIR) stood at US$7.6 billion (4.3 months of import cover) compared to US$6.2 billion (3.5 months of import cover) in December 2016.

As a result of these strong external sector developments, the domestic currency market remained stable throughout 2017, although some seasonal demand pressures emerged in the last quarter. The cedi's stability can also be attributable to the issuance of over GHS9billion domestic bonds in the early part of 2017 which attracted over 90% offshore participation with a resultant boost in Foreign Exchange supply to support the local currency as well as the issuance of US$1.3 billion Cocoa syndicated loan in September 2017. This is notwithstanding the non-issuance of the usual Eurobond and lower Foreign Exchange inflows from cocoa. Overall, the Ghana cedi depreciated against the US dollar by 4.9 percent year-on-year, compared with 9.7 percent in 2016, and this has been the strongest performance of the cedi against the dollar since 2011.

The three major commodity exports exhibited mixed developments on the international commodities market in the course of 2017. Crude oil prices rebounded towards the end of 2017 with an annual average price of US$54.3 per barrel, compared to an average of US$45.2 per barrel in 2016. An improving global growth outlook, the extension of the OPEC agreement to limit oil production, geopolitical tensions and increased energy demand accounted for the rising oil prices in 2017 and this trend is expected to continue in 2018.

Gold prices performed better than expected in 2017 as the global economic recovery gained traction. However, this performance may moderate as interest rates rise in advanced economies. Gold prices on the international market grew by 10% on a year-on-year basis from US$1,151.2 per fine ounce in December 2016 to US$1,266.6 per fine ounce at the end of 2017. It is worth noting that gold prices peaked at US$1,315.8 per fine ounce in the third quarter of 2017 before plummeting to the end of 2017 figure.

Cocoa prices on the other hand were generally depressed in 2017 on account of excess supply across the West African sub-region. Cocoa prices are expected to remain modest as the prevailing market dynamics persist. International cocoa prices recorded a negative year on year growth of 16.0% from US$2,268.4 per tonne in December 2016 to US$1,905 per tonne at end of 2017. The target for the 2017/2018 cocoa season is projected at 850,000 metric tonnes of cocoa as against the 2016/2017 actual production of 969,000 metric tonnes of cocoa. An amount of US$1.3 billion was raised in the syndicated loan market to fund the purchases of cocoa for the 2017/2018 season as well support key interventions in the cocoa sector.

Favorable developments in the external environment saw a declining trend in prices during 2017, with inflation dropping from 15.4 percent in December 2016 to 11.8 percent in December 2017. Notwithstanding this downward trajectory, inflation witnessed some marginal upticks in the last quarter of 2017, mainly attributable to price pressures from domestic food and rising international crude oil prices which translated directly into ex-pump prices. The decreasing inflation was supported by the monetary policy tightening over the past years, the relative stability of the exchange rate coupled with the easing of the underlying inflation pressures. The inflation outlook for 2018 is expected to further improve to an average of 9.8% on the back of improved macroeconomic conditions and continuous fiscal consolidation programme of the government.

The trend decline in inflation allowed for some 550 basis points policy rate cuts in 2017. The year witnessed the easing up of the monetary policy rates by the Central Bank on the back of the general improvement in the economic climate. The policy rate ended 2017 at 20.0% from 25.5% in December 2016.

Interest rates also reflected a declining trend following the improved macroeconomic conditions. Interbank rates declined to 19.3 percent against 25.4 percent in December 2016. The interest rate equivalent of the benchmark treasury securities also declined — the 91-day treasury bill rate dropped to 13.3 percent (16.8 percent in December 2016), the 182-day rate also declined to 13.8 percent (18.5 percent in December 2016) and the 1-year note also declined markedly to 15 percent (21.5 percent in December 2016).

2017 Operating Results

Our Bank recorded a Profit Before Taxation of GHS127, 029,093 from which taxation of GHS 36,521,589 was deducted giving a Profit After Tax of GHS90, 507,504. Net Banking Income increased by 17.4% and Current Operating Expenses grew by 11.4%. Shareholders' Funds increased from GHS332, 555,424 to GHS518, 853,023 representing an increase of 56.02%.

Dividend

The Board of Directors have recommended that no Dividend will be paid for the year ended 31st December 2017 to enable compliance with Bank of Ghana's Directive with the minimum Stated Capital of GHS400million.

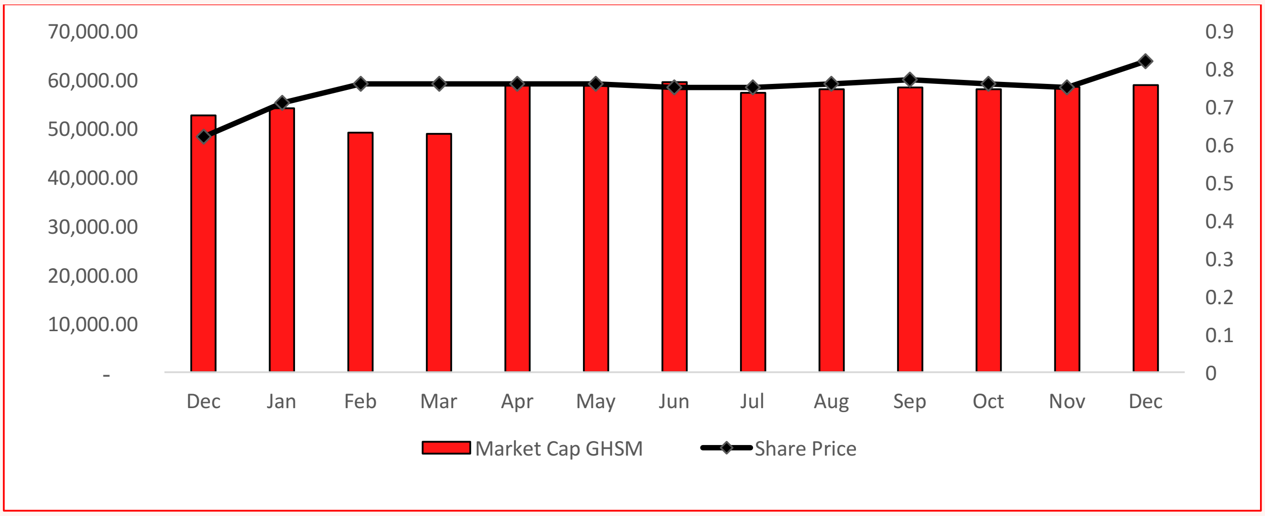
Share Performance

The share price of SG Ghana over the year saw an upward trend despite fluctuations at certain times during the year. At the beginning of the year, the share price was GHS 0.62 and grew steadily to GHS 0.82 as at the end of December 2017. The 32 percent growth over the year was also an indication of the strong performance of the local bourse for the 2017 financial year. After a bearish run for two consecutive years, the GSE was bullish over the year. The GSE CI recorded a gain of 52.73% while the GSE FSI recorded a gain of 49.51%.

New Minimum Capital Requirement of GHS400 million

The Bank of Ghana (BOG) announced to all Banks per Notice No BG/GOV/SEC/2017/19 of the upward revision of the regulatory minimum capital from GHS120 million to GHS400 million for both existing banks and new entrants. The deadline for full compliance of this regulatory minimum capital directive is 31st December 2018. Bank of Ghana requires a more sophisticated and robust capital framework adequate to transform the banking sector and consistent with the growing risk levels of sophistication and exposure that banks are currently facing. In accordance with Section 28(1) of the Banks and Specialised Deposit Taking Institutions Act 2016 Act 930, the BOG announced the upward revision to a new level of GHS400 million under the following conditions;

Banks were required to meet the minimum capital through (a) Fresh capital injection (b) Capitalisation of income surplus (c) a combination of fresh capital injection and capitalisation of income surplus. Banks are however not allowed to capitalise revaluation reserves on financial instruments through other comprehensive income, statutory reserves, credit risk and unaudited profit.



Chairman's Statement cont'd

All existing Banks have up to 31st December 2018 to meet the new minimum paid up capital requirement under the following;

a. maintain a minimum unimpaired paid up capital as per Section 28(1) and (3) of the Banks and Specialised Deposit Taking Institutions Act 2016 Act 930 of GHS400million by the end of December 2018

b. in computing impairment of the paid up capital all banks were reminded that in addition to the provisions of Section 28(3) of the Banks and Specialised Deposit Taking Institutions Act 2016 Act 930, losses shall not be set off against credit risk reserve and unaudited profit but shall be adjusted with unaudited losses

c. all Banks which have been granted approval in principle shall comply with the new minimum capital levels by the end of December 2018

d. all pending applications for banking licence i.e. without approval in principle are required to meet the new minimum capital requirement of GHS400 million and feasibility reports accompanying such applications are to be amended accordingly.

Non Compliance with the new minimum paid up capital requirement shall be dealt with in accordance with Section 33 of the Banks and Specialised Deposit Taking Institutions Act 2016 930.

In view of the above we are unable to declare any dividend for the financial year ending 2017. I would however, in the interest of our Bank, strongly urge all shareholders to support the Special Resolutions to increase the Banks Stated Capital to enable compliance with Bank of Ghana's Directive.

Changes in the Board of Directors

During the year, two Non-Executive Directors exited. Nii Adja Nablah resigned as a Director of the Bank and Mr Kofi Asamoah was withdrawn by the Social Security and National Insurance Trust as a representative on the Board of the Bank. Whilst Messrs Nablah and Asamoah served on the Board, they served the Bank with professionalism and integrity. We would like to thank them for their immense contribution during their tenure as directors of the Board of the Bank.

We are happy to welcome our two new Non-Executive Directors to the Board. Mr Joseph Torku and Mrs Laurette Otchere joined the Board on 26th July 2017 with Bank of Ghana granting approval on 6th September 2017. As required by the Regulations of our Bank they will be seeking election as Directors.

Also an Executive Director Mr Arnaud Crouzet resigned as a Director of the Bank when he was appointed as the Managing Director of Societe Generale in Congo. While here at Societe Generale Ghana, he served the Bank with commitment and responsibility as the Chief Operating Officer and as Executive Director for Societe Generale Ghana. On behalf of the Board of Directors of the Bank and on my own behalf, I would like to thank Mr Arnaud Crouzet for his immense contribution to the development of our Bank during his tenure.

We warmly welcome a new Director Mr Bilankalama Ibrahim Traore as the Chief Operating Officer and Executive Director of Board of the Bank. His appointment has been approved by the Bank of Ghana as required by the Banks and Specialised Deposit Taking Institutions Act 2016 Act 930.

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 Act 1963 Act 179, The Banks and Specialised Deposit Taking Institutions Act 2016 Act 930, the Securities Industry Act 2016 Act 292, the 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 the Year 2018

I am extremely positive about the future of Ghana and Societe Generale Ghana. The opportunities that we have as a Bank are exciting. The political stability that the country is experiencing gives us the confidence that we can overcome any economic challenges facing us to enable us improve our operations to satisfy our customers and enhance shareholder value. In the Bank more innovative digitalized banking products and services will be launched during the year as we intend to be recognized as the most innovative bank in Ghana.

Acknowledgement

On behalf of the Board of Directors, I wish to express our appreciation and sincere gratitude to our shareholders for their continued support. I would also like to thank our customers and clients for the trust and confidence in our Bank and for the business they gave us over the past year. I would like to thank Management and employees of the Bank for their contribution to the sustainable growth and the profits we made in 2017. It is my hope that we will together continue to dedicate ourselves to building Societe Generale Ghana into the preferred Banking Institution.

Thank you for your attention.

KOFI AMPIM,

CHAIRMAN

Managing Director's Review

It is my pleasure to present to you a review of our Bank's operations which will give an insight into the performance of our Bank for the year 2017.

2017 Operating Results

Notwithstanding the intense competition in the Banking industry during the 2017 financial year, our Bank recorded a Profit after Taxation of GHS 90,507,504 representing an increase over the 2016 profit by 41.6%. Operating Expenses grew by 11.4% whilst Shareholders' Funds increased by 56% from GHS 332.6 million to GHS 518.9 million

Review of Operations

For our bank, 2017 was clearly a good year, materializing the success of the transformational strategy designed in 2015 and implemented in 2016. During the period under review we accomplished the following:-

- The Transformation Programme
- Strong Global Transaction Banking
- New Initiatives at Human Resources
- Operational Risk and Permanent Control
- Exemplary Performance in Retail Banking

The Success of the Transformation Programme

Many new products were launched and new distribution channels like the Mobile Branch were availed to our customers, increasing the convenience of our offer, our outreach to customers and the loyalty of our clients. With regards to the Branches Network, 25 out of 38 were renovated to provide to both our customers and our front office staff a very comfortable, innovative and convenient place to interact and strengthen their relationship.

To aggressively grow our Retail business, we introduced a comprehensive set of measures clearly targeting the acquisition of salaried workers through the signing of more institutional loans agreements and a special focus has been put on the Controller and Accountant General Department's ("CAGD") scheme.

On the Corporate side, the completion of the staffing of all business sectors freed the heads of sectors from any direct portfolio management. This has allowed them to fully act as experts and effective team leaders. The ramping up of the Global Transaction Banking organization backed by a good level of expertise and commercial aggressiveness in Trade Finance has helped stabilize our Cash Management tool that has helped to narrow the gap with our competitors in this area. The pro-activeness of our Foreign Exchange Sales desk visiting customers and sharing their expertise with the Corporate Coverage teams, the tight steering of the commercial performance through the Monthly Corporate Business Development Committees co-chaired by DMD and myself, have highly contributed to strengthen our competitiveness amongst the various business sectors in Ghana.

These have secured a strong yearly commercial performance in 2017: our gross loan book grew by over 42% for both Retail and Corporate, translating into steady market share gains from 3 % in 2016 to over 4% in 2017.

As people are key in the success of any major ambition, our staff were involved in the Transformation since its inception. Also training and skills development is now delivered across the bank, both locally and at an international stage each time the need is justified. The staff compensation was reviewed upward significantly as at 2017. More attention is given to career development and a significant number of individuals have benefited from valuable promotions. Management has ensured that advanced Ghanaian talents are given the opportunity to go into an expatriation scheme. Also opportunities are offered to staff who would like to engage in a personal project outside the bank to benefit from a helpful package as designed by the Collective Bargaining Agreement. Also a special recognition was given to the Trade Union leader, Alfred TWUM BARIMAH, as he was elected in 2017 to the high position of the National Vice Chairman of the Industrial and Commercial Workers Union.

Managing Director's Review cont'd

Global Transaction Banking

The bank-wide transformation which started in 2016 continued at the new Global Transaction Banking Department with the inclusion of Merchant Acquiring POS business development to the department, in line with best practices of the Societe Generale Group and the market. A good level of expertise has been achieved to support our customers in Cash Management, International Trade, Factoring, Finance Leasing and Merchant Acquiring POS business.

Consistent with the digital transformation of the bank, our electronic banking solutions for corporates was actively deployed leading to an increase in the number of electronic transfers performed by Corporate Customers from 50% to 74% of all corporate transfers. Several projects were embarked on to adapt our offer to the client needs, increase the automation of our processes and to close the gap with our most advanced competitors. The bank was on boarded onto the Cash Management worldwide business line of the Societe Generale Group which allows us to benefit from synergies, expertise sharing and shared tools of the group.

Our aggressive marketing of international trade services led to an increase in trade business market share from 3% to 5%. Even though 2017 was a difficult year for the non-oil sector of the real economy, our smart trade solutions offered to customers enabled SG Ghana to excel in this space and consequently increase its market share. We also launched a joint generator financing scheme with CFAO Equipment and a vehicle financing scheme with CFAO Ghana on Finance Lease. Factoring's steady growth over the years continued with a 21% increase in income.

New Initiatives at Human Resources Management

In 2017, the Human Resource Management Department continued its initiatives in alignment with the Bank's 3 year Transformation Program which began in 2016; aimed at increasing the bank's market share through operational efficiency and quality of service delivery. The focus of 2017 was on sustaining changes that have occurred in 2016 and positioning the Bank to achieve its Transformation goals. To achieve these, the Bank led by HRM undertook a Graduate Recruitment program that saw the employment of 65 young graduates mainly into our Retail Banking, Corporate Coverage, Central Back Office and Organization and Projects Departments. The bank also recruited from the banking industry, talents into middle level roles. These recruitment efforts were aimed at diversifying our staffing portfolio to harness the present talents while growing future talents. In the area of people development, supervisory, middle and executive management staff from both the commercial and support functions had the opportunity to participate in international programs at Group level to enhance skills, knowledge and experience; and to share best practice within the Societe Generale Group. The Bank also initiated a Change Management project aimed at promoting culture and behavior change, improving staff communication and addressing developmental gaps with the objective of preparing the human capital adequately to execute growth strategy of the Bank.

Operational Risk and Permanent Control

Operational Risk and Permanent Control department continues to play a pivotal role in deepening the risk culture of staff in the Bank. In 2017, SGGH witnessed a number of innovative products and services to the delight of our customers and this enhanced the improvement in our business. The Risk Control Self- Assessment (RCSA) exercise which identified the residual risks of the Bank activities and the Business Impact Analysis (BIA) were the strong control pillars performed in 2017 to strengthen our control systems. Our enhanced compliance activities also focused on strong ethical and regulatory standards giving SGGH an overall sound and solid image.

Exemplary Performance in Retail Banking

The transformation that started in 2016 was further enhanced during 2017, with full implementation of the revamped branch structure which comprised mainly a team of sales staff; Branch Manager, Deputy Branch Manager, Universal Relationship Officers, Welcome Desk Officers and Tellers. The role of a Welcome Desk Officer was introduced as a key service point where traffic can be directed to the appropriate areas for clients' needs to be addressed. It is also meant to serve as a place where issues requiring quick fixes can be handled without having to wait for an extended period. This has enhanced operations in branches, bringing an appreciable level of efficiency to the work of branch staff.

The introduction of the Controller and Accountant General Department (CAGD) loan scheme, which started during the latter part of 2016 gained full momentum in 2017, resulting in a year on year growth in excess of 1,300%. This is fast becoming a key driver in our loan book, and we are poised to exploit it further in 2018. Consequently, we have deployed additional teams across our territories in Gold, Savanna, Jubilee as well as those in Accra and Tema.

To aggressively grow the Retail business, Retail Management introduced some measures that targeted the acquisition of salaried workers through the signing of more institutional loan agreements. With more staff assigned to the Institutional Sales teams, 3 mobile branches have now been deployed, bringing our sales and operations to the doorstep of more institutions. Brand new vehicles have also been assigned to each branch for their prospection activities, with the ancillary benefit of improving our brand presence and image.

Managing Director's Review cont'd

In conjunction with Marketing, some sales promotional activities were embarked upon to improve the overall Retail results in Unlock Your Dreams Loan Promo; B3 Gy3 Wo De3 Loan Promo; Akyede3 Nkoaa Deposit Promo; Aben W) Ha Deposit Promo; and Spread The Word Referral & Win Promo (2017 version). MY KIT (the standard account for Salaried Workers) was revamped by introducing an Overdraft feature to make it more appealing to the targeted set of customers.

The Future

For the year 2018 we will develop the Bank's "Digital Bouquet" which is composed of 5 products: SG Ghana Connect, YUP the bank's e-wallet and Mobile Money offer, OpenApp an evolving application that starts with the paperless Retail account opening transaction running on a tablet, the Digital Corner a 24/7 self-service banking area in all our branches and off-site, starting with the university campuses countrywide and e-Ticket. We will implement the Quality Stream of the Transformation Programme that will let us commit on quality standards that bind us to our customers. With the leveraging on the SG Group worldwide expertise we will become a major player in Corporate Investment Banking business in Ghana in terms of structured finance and syndications, as well as market operations. The Change Management stream is designed to ensure that all our staff – both the commercial and back office teams – adopt the right behaviors and attitudes when interacting with our customers or working on any customer request. This is intended to make SG Ghana the best and preferred bank in Ghana when it comes to customer service. The Communication stream will be designed to make our transformation and its positive results widely known by both our customers and the general public and to increase the awareness to the SG brand. The campaign that is currently being prepared will be run on TV, radio, press, billboards and social media, as soon as the Digital Bouquet is fully launched.

Finally I would like to end by thanking each and every member of staff for their individual and collective contribution to the sustainable growth of the Bank. In 2018 we will continue to work harder to increasing the Banks market share in industry for the benefit of all stakeholders.

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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 2017 report as follows:

	2017	2016
	GH¢	GH¢
The Bank recorded net profit before taxation	127,029,093	91,888,031
From which is deducted taxation of	**(36,521,589)**	(27,988,176)
Giving a net profit after taxation of	90,507,504	63,899,855
There was transfer to statutory reserves of	**(22,626,876)**	(15,859,777)
Leaving a profit for the year after taxation and transfer to statutory reserves of	67,880,628	48,040,078
When added to the opening balance on the income surplus account as of 1 January of	78,603,272	50,505,724
Of which transfer of revaluation gain to income surplus	4,168,111	-
From which is deducted a right issue expenses	-	(1,182,701)
From which is deducted final Dividend Paid of	**(14,158,986)**	(27,913,376)
Leaving a balance of	136,493,025	69,449,725
And adjusting it with transfer from Credit Risk Reserve of	**6,279,392**	9,153,547
It leaves a closing balance on the Income Surplus account of	**142,772,417**	78,603,272

Objective of the bank and Nature of business

Societe Generale Ghana Limited is a public limited liability company incorporated under the Companies Act of Ghana 1963 Act 179 as amended by the Companies (Amendment) Act 2012 Act 835. The company which is a Bank is listed on the Ghana Stock Exchange. The Company is licensed by the Bank of Ghana as a Universal Bank in Ghana under the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

Holding company

The Societe Generale Group through its wholly owned investment subsidiary SG Financial Services Holding owns 56.67% of the issued capital of the bank, thus making Societe Generale Ghana Limited, a subsidiary of Societe Generale Group.

Subsidiary

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.

Changes in Board of Directors and Senior Management

Re-election of Directors

In accordance with Section 88 (1) of the Regulations of the Bank, Pierre Wolmarans, Michel Miaille and Kofi Ampim retire by rotation and being eligible; offer themselves for re-election as directors.

Pierre Wolmarans: He holds LLB and B Com (Law, Economics and Accountancy 3A) and is an Attorney by profession. He joined 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."

Report of the Directors cont'd

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.

Kofi Ampim: Chairman of the Board of Directors. He holds a Bachelor's degree and a Master's degree in International Business and Finance from the Pace University Lubin School of Business in New York. He is an Investment Banker and a Director of Total Oil Company. He is also the Chairman of Belstar Capital Limited and also Chairman of Allianz Insurance Ghana Limited which is a subsidiary of the largest insurance companies in the world. He joined the Board of Directors on 26th March, 2003.

Election of Directors

In accordance with Regulation 72(1) and 90 of the Regulations of the Bank, Mrs. Laurette Korkor Otchere and Mr Joseph Torku were appointed as directors during the year offer themselves for election.

Laurette Korkor Otchere: A Barrister at Law by Profession and currently a Deputy Director General at SSNIT. She holds a Juris Doctor; a Bachelor of Arts in Economics; a Certified Professional in Human Resources (SHRM-CP). She is a member of the Ghana Bar; State of New Jersey Bar; and the United States District Court, District of New Jersey. She is an Adjunct Professor of Rutgers University School of Management and Labour Relations and the Society for Human Resource Management. She has extensive working and professional experience internationally and locally. She joined the Board of Directors in July 2017 with Bank of Ghana granting approval on 6th September 2017.

Joseph Torku: He is currently the Managing Partner of Palmfields Investments Limited, an independent investment advisory firm in Ghana. He has previously been Managing Director of Gold key Properties Limited in Ghana; Chief Finance Officer for Ecobank Group in East Africa and Executive Director of Finance at Shell Oil Company in Ghana. Mr Torku also spent several years at the Social Security and National Insurance Trust (SSNIT) as an Investment Analyst with responsibility for Banking and Hospitality investments. Mr Torku is a member of the Institute of Chartered Accountants (ICA) Ghana. He holds a degree in Economics and Diploma in Education from the University of Cape Coast (UCC), a Diploma in Finance from UC-Berkeley, USA and MBA in Banking and Finance from CESAG in Senegal.

Bilankalama Ibrahim Traore: Chief Operating Officer: He holds a Bachelor in Business Management degree majoring in Management Information Systems (MIS) from the University of Quebec-Montreal Canada and a Master in Bank and Finance from Saint-Etienne University France. In the last nineteen years he has built strong expertise in Information System Management, Projects Management and Business Processing Management. He has worked in various capacities as Information System Deputy General Manager in Societe Generale Burkina Faso (SGBF) and as Information System General Manager in Societe Generale Madagascar (BFV-SG), as Chief Information Officer for Societe Generale Ghana, as Africa Sub-Saharan Programs Manager in Societe Generale Shared Service Center based in Cote d'Ivoire covering 12 countries. As the Chief Operating Officer, he manages five strategic departments; Organization and Projects, Logistics and Support, Centralized Back Offices, Purchasing and Security. He joined the Board of Directors on 1st December 2017.

Directors' Interest

One director holding office at the end of the year owned a total of 2,134 shares of the Banks total shares of 429,060,180. 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 recommended that no dividend will be paid for the year ended 31st December 2017 to enable compliance with Bank of Ghana's directive with the minimum Stated Capital of GHS400million.

Corporate Responsibilities and Compliance:

Policy and performance in connection with environmental and social responsibility.

The Bank has a Policy on Environmental and Social Management Systems which was approved by the Board of Directors on 25th July 2014. It also has an Environmental and Social Management Systems Charter which was duly approved by the Board of Directors of the Bank on 26th July 2013. Societe Generale Ghana, considers that the banking and financial sector is an essential contributor to economic development. Fully aware of its role in assisting the economic sphere, Societe Generale Ghana is committed to conducting its activities in a responsible way. Taking into account the economic, environmental and social consequences and impacts of its activities is a major focus of the Bank's sustainable development policy.

Report of the Directors cont'd

Based on continuous improvement, sustainable development as interpreted by Societe Generale Ghana draws on best practices of the Societe Generale Group and the other economic sectors. The objective of the Bank is to better understand, manage and improve its impacts on society and the environment, in conjunction with its stakeholders.

Societe Generale Ghana has established an Environmental and Social Management Systems (ESMS) General Guidelines. The ESMS General Principles stem from the legal and regulatory framework applicable to the Bank's activities. They are implemented through processes and procedures adapted to the different activities of the Bank. The guidelines outline the key standards and parameters enabling a responsible engagement of Societe Generale Ghana in all its activities. They may evolve in time, according to legislative or regulatory evolutions and as a result of the discussions between the Bank and its various stakeholders. The scope of these guidelines apply to banking and financial services provided by Societe Generale Ghana.

Societe Generale Ghana complies with the Environmental and Social laws and regulations in force in Ghana and with the applicable international Environmental and Social conventions and agreements. Societe Generale Ghana being part of the Societe Generale Group adopts and respects the values and principles enshrined in the following international conventions and agreements:

- the Universal Declaration of Human Rights and associated covenants (namely, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights);
- the main Conventions of the International Labour Organization;
- the UNESCO Convention concerning the Protection of the World Cultural and Natural Heritage;
- the OECD Guidelines for Multinational Enterprises.
- the UNEP Finance Initiative;
- the UN Global Compact;
- the Equator Principles.

Legal and regulatory obligations and adoption of the above standards and initiatives entail that Societe Generale Ghana shall not knowingly finance transactions linked to certain goods and services defined in its policy.

A Code of Ethics for all company employees

Societe Generale Ghana has a Code of Ethics for staff and this has been made available to all employees of the Bank.

Code of Ethics for the Board and waivers to the ethics code

The Regulations of the Bank provides for ethics for the Board and provides that the Directors stand in a fiduciary relationship towards the Company in any transaction with it or on its behalf. A Director shall act all times in what he believes to be the best interests of the Company as a whole so as to preserve its assets, further its business, and promote the purposes for which it was formed, and in such manner as a faithful, diligent, careful and ordinarily skilful Director would act in the circumstances. In considering whether a particular transaction or course of action is in the best interests of the Company as a whole, a Director may have regard to the interests of the employees, as well as the members, of the Company, and, when appointed by, or as representative of, a special class of members, employees, or creditors may give special, but not exclusive, consideration to the interests of that class.

Report of the Directors cont'd

Types and duties of outside board and management positions

Name	Nationality	Age	Position	Appointed	Profession & Directorships held
Kofi Ampim	Ghanaian	71	Chairman	2003	Investment Banker
					• Total Oil Co. Ltd
					• Allianz Ghana Ltd
					• Belstar Ltd.
Sionle Yeo	Ivorian	58	Executive	2015	Bank Chief Executive
					• Societe Generale Ghana
					• SSB Investment Co. Ltd
Francois Marchal	French	37	Executive	2014	Banker
Bilankalma Ibrahim Traore	Burkinabe	48	Executive	2017	• Banker • IT Specialist
Alexandre Maymat	French	50	Non-executive	2012	Statistician/Economist/Banker
Teresa Ntim	Ghanaian	73	Non-executive	2005	Consultant
					• Lower Pra Rural Bank
					• Isser Development Fund;
					• Ave Maria Health Farm
					• Telecom International Ghana Ltd
Michel Miaille	French	74	Non-executive	2003	Retired Banker
Lauretta Korkor Otchere	Ghanaian	56	Non-executive	2017	• Deputy Director General SSNIT
					• Barrister at Law
					• Human Resource Expert
Pierre Wolmarans	South African	58	Non-executive	2005	• Banker
Joseph Torku	Ghanaian	55	Non-executive	2017	• Chartered Accountant
					• Management Consultant
Hakim Ouzzani	French	47	Non-executive	2016	• Banker

Number of outside board and management positions held by the Directors

The Bank complies with the provisions of the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

Professional development and training activities

Once Directors are appointed as members of the Board, they are provided with a copy of the Regulations of the Bank; The Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930; the last Annual Report and a Memorandum of Directors Responsibilities, Duties and Obligations for their learning.

Performance evaluation process

The Board has in place an evaluation process which covers the functions of the Board; Board meetings management and procedures; Appointment, Induction, Training and Development; Succession and Removal; Board Structure; Information and Communication. An evaluation was undertaken during the Reporting Period.

Report of the Directors cont'd

Role and functions of the board of directors and committees of the board

The main task of the Board of Directors is to make sure that the Bank's operations comply with the relevant applicable regulations and with the strategy defined. In this capacity, it must:

Define and follow up the implementation of the Bank's strategic orientations while making sure its business is developing in the proper conditions of security,

Check and approve management (business activities, results, human and technical resources, investments, etc.) by relying on the work of the reporting committees from which it regularly receives information and to which it may assign tasks where necessary

Appoint, according to applicable local rules, the Bank's Representatives who shall manage the Bank,

Make sure the information given to the banking and market authorities and to shareholders is reliable. Therefore, it draws up the financial statements then presents them to the shareholders' meeting for approval.

It must assess the way it operates annually. There are three reporting Committees responsible for supporting the Board of Directors which are The Credit Risk Committee; The Audit and Accounts Committee; and the Nomination and Compensation Committee.

Existence of procedure(s) for addressing conflicts of interest among board members

The Board relies on Section 205 of the Companies Act (Act 179) as amended by the Companies Amendment Act 2012 (Act 835) and Section 85(3) of the Regulations of the Bank should the need arise to address conflicts of interest situations.

Independence of the board of directors

The Bank is committed to achieving the highest standards of corporate governance, corporate responsibility and risk management when conducting its business. The Bank ensures that it conducts its business activities in accordance with all laws and regulations which govern its business activities. The Board of Directors are responsible for ensuring that Societe Generale Ghana achieves and maintains a high standard of corporate governance and practices.

The Bank has an eleven member Board comprising three executive directors and eight non-executive directors. The Board consists of highly qualified individuals with diverse professional experiences: The core role of the Board is to promote the success of the Bank by providing direction and supervision in the Bank's affairs. Among other roles, the Board:

- provides leadership to the Bank within a framework of prudent and effective controls which enable risks to be assessed and managed;
- provides input into the development of the long-term objectives and overall commercial strategy for the Bank and is responsible for the oversight of the Bank's operations while evaluating and directing the implementation of the Bank's controls and procedures;
- provides oversight of the Bank's strategic aims, ensuring that the necessary financial and human resources are in place for the Bank to meet its objectives, as well as reviewing management performance;
- upholds the Bank's values and standards and ensures that its obligations to its shareholders and other stakeholders are understood and met; and
- ensures timely and accurate financial reporting to shareholders

Determination and composition of directors' remuneration

Section 194(1) of the Companies Code 1963 (Act 179) as amended by the Companies (Amendment) Act 2012 Act 835 provides that the fees and other remuneration payable to the Directors in whatsoever capacity shall be determined from time to time by ordinary resolution of the company and not by any provisions in the Regulations or in any agreement which provision shall be null and void. Section 78(3) of the Regulations of the Bank provides that fees payable to Directors shall not be increased except pursuant to an ordinary resolution passed at a General Meeting, where notice of the proposed increase has been given in the Notice convening the meeting. Collectively, the Directors at the Board meeting preceding the Annual General Meeting agree their fees and this then placed before the Shareholders of the Bank through an ordinary resolution at the Annual General Meeting.

Checks and balances mechanisms balancing the power of the CEO with the power of the board

Section 87 of the Regulations of the Bank provide that the Board of Directors may from time to time appoint one of their body to the office of Managing Director, who shall be the Chief Executive, for such period and on such terms as may be determined and, subject to the terms of any agreement entered into in any particular case, may revoke such appointment and such appointment shall be automatically determined if the holder of the office ceases from any cause to be a Director.

Subject to any directives of the Board on matters of general policy the Managing Director shall be responsible for the direction of the day-to-day business of the Bank and for its administration.

If the Managing Director is absent from Ghana or is otherwise incapacitated from performing duties of the office, the Board may authorise an employee of the Bank to exercise, for the time being, all the duties and powers of the Managing Director.

The Directors may entrust to and confer upon a Managing Director any of the powers exercisable by them upon such terms and with such restrictions as they think fit, and either collaterally with, or to the exclusion of, their own powers and, subject to the terms of any agreement entered into in any particular case, may from time to time revoke or vary all or any of such powers.

Process for appointment of external auditors

Section 81 of the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930 vests the shareholders of a bank with the power to point the external auditors at an Annual General Meeting and be approved by the Bank of Ghana in the manner and on the terms as may be described.

Process for interaction with external auditors

The Board of Directors on an annual basis invite the external auditors of the company to a meeting for an Independent Auditors Report on the Audited Financial Statements of the Company. At the meeting, a Management letter of the company is submitted to the Directors of the Company. The external auditors of the company explain to the Board the completion of the audit on the company which is undertaken in accordance with international standards. They usually state that the audit is conducted to enable the external auditors form an opinion on the financial statements that have been prepared by management with oversight of the Board of Directors. They further explain to the Board that the audit of the financial statements does not relieve management or the Board of their responsibilities. The auditors draw the Board's attention to any matters identified during the audit of the financial statements of the company. The auditors obtain Management's responses to any matter(s) and draw the Board's attention to any areas of concern. At the meeting the External Auditors report on the Financial Statements, the Directors Responsibility for the Financial Statement, the Auditors Responsibility, Opinion and Report on other legal and regulatory requirements.

Duration of current auditors

Messrs Ernst & Young were appointed as Auditors of Societe Generale Ghana Limited on 31 March 2017 during the Bank's Annual General Meeting. Thus, they are in their second year of providing auditing services to the bank. This is in accordance with Section 134(5) of the Companies Code 1963 (Act 179) as amended by the Companies (Amendment) Act 2012, Act 835 and Section 54(2) (d) of the Regulations of the Bank.

Auditors' involvement in non-audit work and the fees paid to the auditors

Apart from the audit assignment, Ernst and Young were not engaged by the bank to undertake any non-audit work during the year.

Auditors Remuneration

In accordance with Section 134(5) of the Companies Code 1963 (Act 173) as amended by the Companies (Amendment) Act 2012 (Act 835). Messrs.' Ernst & Young the Company's auditors have agreed to continue in office as the Bank's auditors. A Resolution to authorize the Directors to determine their remuneration for the year ended 31 December 2017 will be proposed at the Annual General Meeting.

Stated Capital of the Bank

The stated capital of the Bank is GHS138, 302,925.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in note (44) 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 directors:

Michel Miaille	-	Chairman
Alexander Maymat	-	Member
Hakim Ouzanni	-	Member
Sionle Yeo	-	Member
Francois Marchal	-	Member

The Credit Risk Committee

- Analyses on a periodical basis the organisation and functioning of the Bank's risks departments.
- Reviews the portfolio of credit and market risks to which the Bank is exposed.
- As regards counterparty risks, the Risk Committee shall review the following:
- the content of and changes to the portfolio per type of facility and debtor,

Report of the Directors cont'd

- The regulatory ratios and key indicators (consumption of own funds by major risks, risk worsening ratios, concentration risk per sector, cost of the risk, etc.),
- changes to the quality of commitments: sensitive, irregular, non-performing files,
- Compliance with the conditional authorizations issued by Société Générale, etc.
- adequacy of the level of provision for the risks incurred,
- the efficiency of debt collection,
- Reports to the Board of Directors on its work.

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

Audit and Accounts Committee

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

- Joseph Torku - Chairman
- Alexander Maymat - Member
- Hakim Ouzzani - 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.

The Audit and Accounts Committee:

- Keeps up-to-date with changes in the legal and regulatory environment affecting the work. The committee monitors for proper execution
- Reviews and validates the accounts of the bank and the work of the External Auditors
- Periodically gives an opinion of the organisation and functioning of the Bank's periodic and permanent internal control. Suggests to the Board of Directors the relevant adaptations, monitors the implementation of these measures and reports on their application to the Board of Directors
- Validates, in consultation with the Group's relevant Departments, the Audit Plan of the Bank while making sure that the development method enables the areas of risk to be properly detected and covered.
- Follows up the implementation of the Audit Plan and proposes adjustments if necessary.
- Reviews the work done by Periodic and Permanent Control:
- Reports to the Board of Directors on any anomalies and gives its opinion of the relevance of the corrective measures chosen by the Bank's Management,
- Monitors the implementation, according to the deadlines set, of the critical periodic control recommendations as well as the solving of the critical points identified,
- Informs the Board of Directors of any discrepancies in the critical and priority corrective measures (failures exposing the entity to a high risk).
- Reviews the procedures and the functioning of the anti-money laundering and terrorism financing systems, and the compliance risk control.
- Submits to the Board of Directors the measures likely to improve, where applicable, the security of operations, and monitors the implementation of the selected measures
- Is generally informed by Management of any event occurring in the operation of the Bank which is likely to adversely affect its control of risks.

The list of issues to be addressed at the Audit and Accounts Committee meetings are formalised in the Audit and Accounts Committee File; Audit and Accounts Committee Appendix; Permanent Control activity; Internal Audit Report to the Audit and Accounts Committee and discussed according to the Agenda.

Report of the Directors cont'd

Nomination and Compensation Committee

In line with its Corporate Governance principles the Board of Directors has a Nomination and Compensation Committee made up of the following directors:

Teresa Ntim	-	Chairperson
Laurette K Otchere	-	Member
Kofi Ampim	-	Member
Joseph Torku	-	Member
Michel Miaille	-	Member
Sionle Yeo	-	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 Nomination and Compensation Committee

The following are the elements that may come under its scope and authority:-

- The Bank's general wage policy
- The detailed salaries of the Bank's senior executives and Key management Personnel
- Changes in social liabilities
- Administrators and Company Managers pay.

The Nomination & Compensation Committee does not however have authority to make decisions on these issues and has a purely advisory capacity; therefore it may only formulate opinions and recommendations to the Board of Directors.

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 2017. 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 Division and its functions
- Report on Compliance Monitoring, Anti Money Laundering and Permanent Supervision ensuring continuous monitoring of operational activities.
- Report on Counterparty Risks
- Report on Changes in Organisational Structure
- Report on Business Continuity Plan
- Audit Reports on Branches submitted.

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

By order of the board

Managing Director	Director
(Sionle Yeo)	(Teresa Ntim)
ACCRA	ACCRA
23 February, 2018	23 February, 2018

Statement of Directors' Responsibilities

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

- Select suitable accounting policies and then apply them consistently.
- Make judgments and estimates that are reasonable and prudent.
- State whether 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) as amended by the Companies (Amendment) Act 2012 (Act 835) and the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930 and International Financial Reporting Standards. They are responsible for safeguarding the assets of the bank and taking steps for the prevention and detection of fraud and other irregularities.

The above statement should be read in conjunction with the statement of the auditors' responsibilities on page 28, which is made with a view to distinguishing, for shareholders, the respective responsibilities of the Directors and the Auditors in relation to the financial statements.

Independent Auditor's Report

To The Shareholders of Societe Generale Ghana Limited

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Report on the audit of the financial statements

Opinion

We have audited the financial statements of Societe Generale Ghana Limited (the Bank) set out on pages 32 to 84, which comprise the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as at 31 December 2017, 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 Act, 1963 (Act 179) and the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and other independence requirements applicable to performing audits of Societe Generale Ghana Limited. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, and in accordance with other ethical requirements applicable to performing the audit of Societe Generale Ghana Limited. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

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Independent Auditor's Report cont'd

Key Audit Matter	How the matter was addressed in the audit
Impairment of loans and advances in line with IFRS Due to the significance of the bank's loans and advances to customers (which represent 51% of the bank's total assets) and the related estimation uncertainty of the provision for impairment, this is considered a key audit risk. Disclosures related to impairment losses and the Bank's accounting policies regarding estimating these have been disclosed in note 2.15 and note 19. The appropriateness of loan loss provisions is a key area of judgement for management. The identification of impairment and the determination of the recoverable amount are inherently uncertain processes involving various assumptions and factors including the financial condition of the counterparty, expected future cash flows, estimated time to realisation of collaterals and expected net selling prices. The use of different modelling techniques and assumptions could produce significantly different estimates of loan loss provisions.	We assessed and tested the design and operating effectiveness of the controls over individual and collective impairment calculations including the quality of underlying data and systems. For loan loss provisions calculated on an individual basis we tested the assumptions underlying the impairment identification and quantification including forecasts of future cash flows, valuation of underlying collateral and estimates of recovery on default. For loan loss provisions calculated on a collective basis, we tested the reasonableness of the underlying assumptions in relation to industry norms.
Adequacy of regulatory credit risk provisioning Aside application of IFRS impairment rules, Bank of Ghana has specific rules governing regulatory provisions as disclosed in note 2.16 and 19d of the financial statements. Unlike IFRS impairment rules however, regulatory provision rules are more deterministic and triggered mainly by the number of days a facility has been in default. The excess of regulatory provision over IFRS provision is recognised directly in equity as Credit risk reserves. Regulatory credit risk provisions represent a key risk area for the bank as misstatements in the carrying amount of this balance could have significant impact on the bank's financial statements including the accuracy of its capital adequacy computations and other key industry performance indicators.	We assessed the systems and related controls instituted by management to ensure the accurate determination of these provisions. We reviewed the process for aging and categorisation of the various loan buckets and the application of related regulatory provision rates. We tested a sample of these provisions based on our overall risk assessment of this account.

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Independent Auditor's Report cont'd

Key Audit Matter	How the matter was addressed in the audit
Revaluation of the Bank's Land and Buildings As disclosed in note 2.5, management has elected to account for Land and Buildings at fair value. They have determined that Land and Buildings constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property and are valued with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value. The Bank consequently revalued its Land and Building in 2017. The fair value of the properties was determined using the open market values. These were based on valuations performed by the Bank's valuers (Value Properties and KOA Consult) who are both accredited independent valuers with valuation experience for similar office properties in Ghana. The valuations were based on the valuers' proprietary databases of prices of transactions for properties of similar nature, location and condition. A revaluation surplus of GHS146,639,693 was recognised in the carrying amount of Property, Plant and Equipment and a net gain of GHS109,979,769 (net of deferred taxes) recognised in Other Comprehensive Income (OCI) as disclosed in note 21b. We identified the valuation of Land and Building as a key audit matter because of the following: • The revaluation surplus constitutes 5% of the Bank's total assets thus a small adjustment to or variances in the assumptions and data used to compute the valuation of these properties, when aggregated, could have a significant impact on the Bank's total assets and equity. • The valuation of these properties is inherently subjective requiring significant judgement and estimation, particularly in determining open market values, which increases the risk of error or potential management bias.	**Our audit procedures to assess the valuation of these properties include the following:** • Reviewing the procurement processes leading to the appointment of the valuers • Obtaining and inspecting the valuation reports prepared by the external property valuers engaged by the Bank and reconciling the amounts in these reports to the computation of gains on revaluation. • We reviewing the valuation reports for the key estimates and assumptions adopted in the valuations, including the open market values; • Meeting the Bank's valuation specialists to discuss and understand the methodology adopted as well as the assumptions and estimates used in performing the valuations. • Reviewing documentation to assess the independence, objectivity, qualifications and expertise of the external property valuer in the properties being valued; • Engaging our independent valuers to review the valuation reports and provide us an opinion on the reasonableness of the fair values estimated by the Bank's valuers.

Other Information

The directors are responsible for the Other Information. The other information comprises notice and agenda for the Annual General Meeting, Corporate information, The Board of directors, profile of the Board of directors, Key management personnel, chairman's statement and Managing Director's review. Other information does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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Independent Auditor's Report cont'd

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 1963 (Act 179) and the and the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930, 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.

In preparing the financial statements, the directors are responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Bank or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting processes.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit 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 Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the bank to express an opinion on

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Independent Auditor's Report cont'd

the financial statements. We are responsible for the direction, supervision and performance of the Bank's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal requirements

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

- 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;
- In our opinion proper books of account have been kept by the Bank, so far as appears from our examination of those books;
- Proper returns adequate for the purpose of our audit have been received from branches not visited by us; and
- The balance sheet (statement of financial position) and the profit or loss account (profit or loss section of the statement of profit or loss and other comprehensive income) are in agreement with the books of account.

The Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930 under section 85(2) requires that we report on certain matters. Accordingly, we state that;

- The accounts give a true and fair view of the statement of affairs of the bank and the results of operations for the year under review;
- We were able to obtain all the information and explanation required for the efficient performance of our duties;
- The transactions of the bank are generally within the powers of the bank;
- The bank has generally complied with the provisions of the Anti-Money Laundering Act, 2008 (Act 749), the Anti-Terrorism Act, 2008 (Act 762) and regulations made under these enactments;
- The bank has generally complied with the provisions of the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

Ernst & Young

Pamela Des Bordes (ICAG/P/1329)

For and on behalf of Ernst & Young (ICAG/F/2018/126)

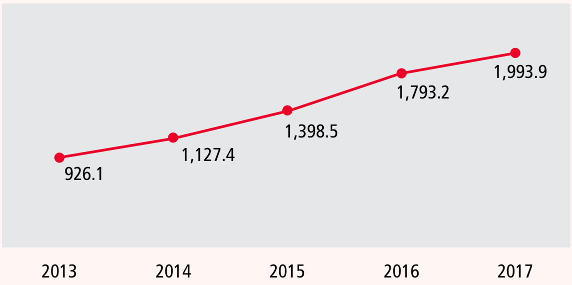
Chartered Accountants

Accra, Ghana

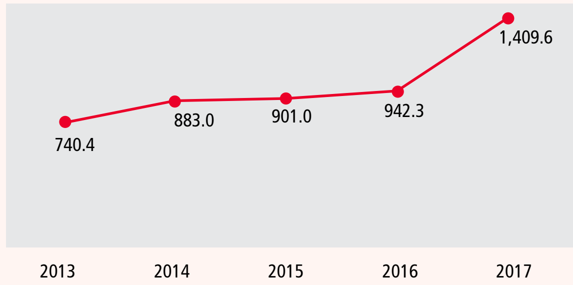
Date: 2 March, 2018

Financial Highlights

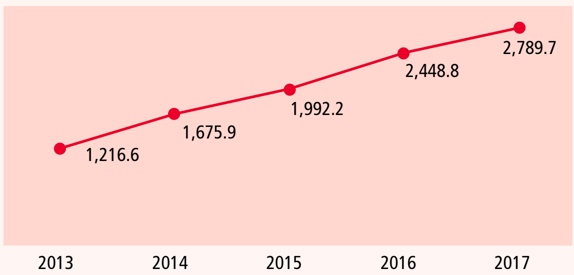
Deposits GHS'M



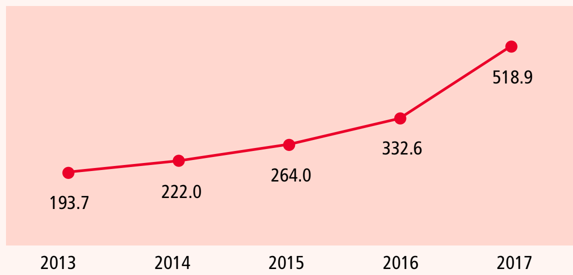
Loans GHS'M



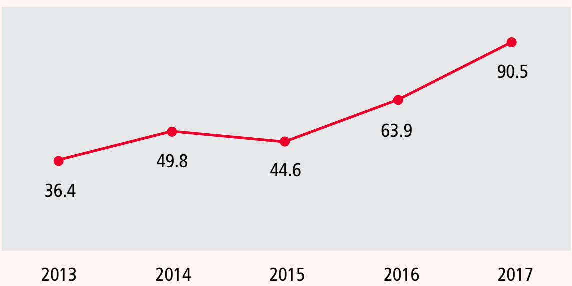
Total Asset GHS'M



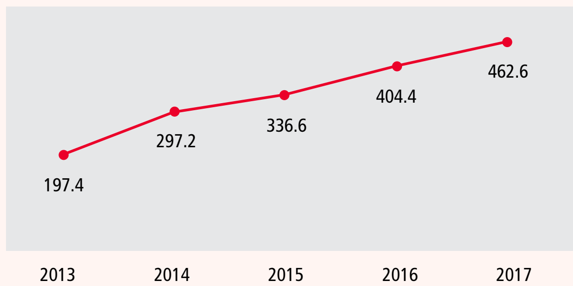
Net Worth GHS'M

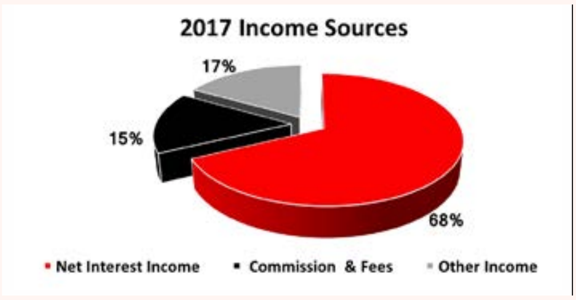


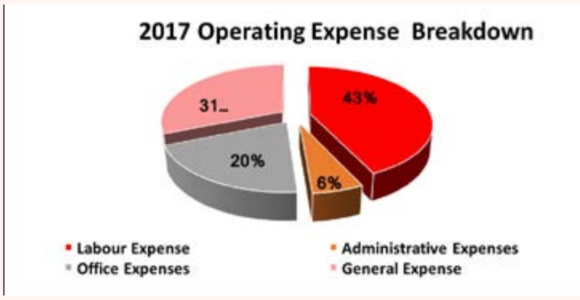
Profit After Tax GHS'M

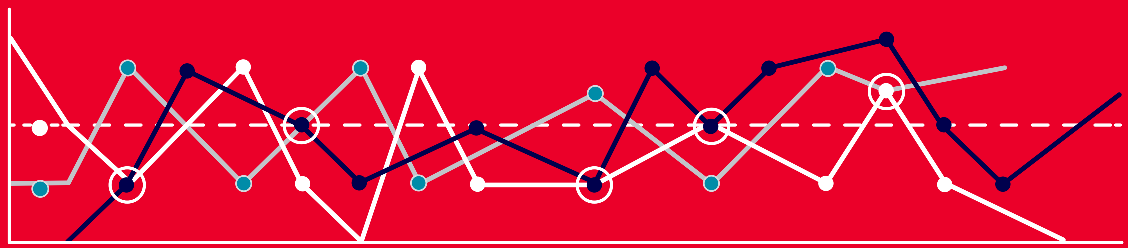


Gross Income GHS'M









FINANCIAL
STATEMENTS

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2017

	Note	2017 GH¢	2016 GH¢
Interest Income	5	321,780,912	259,746,071
Interest Expense	6	(60,186,997)	(61,803,444)
Net Interest Income		**261,593,915**	**197,942,627**
Fees & Commission Income	7	75,948,755	71,765,799
Fees & Commission Expense	7a	(16,748,916)	(14,147,517)
Net Fees and Commission Income		**59,199,839**	**57,618,282**
Net Trading Revenue	8a	24,007,351	19,905,271
Net income from other financial instruments carried at fair value	8b	34,766,469	41,040,230
Other Operating Income	10	6,048,651	11,943,658
Total Other Operating Income		**64,822,471**	**72,889,159**
Operating Income		385,616,225	328,450,068
Net impairment loss on financial assets	11	(39,018,023)	(39,513,455)
Personnel Expense	12	(100,512,163)	(96,798,852)
Depreciation and Amortization	21	(13,526,385)	(11,236,207)
Other Expenses	13	(105,530,561)	(89,013,523)
Profit before Income Tax		127,029,093	91,888,031
Income Tax Expenses	14	(36,521,589)	(27,988,176)
Profit after Tax Expense		**90,507,504**	**63,899,855**
Other comprehensive income, net of income tax			
Items that may be reclassified subsequently to profit & loss:			
- Available for sale financial assets			
Net fair value gain on available-for-sale financial assets during the year		94,616	1,463,155
Items that may not be reclassified subsequently to profit or loss:			
Revaluation Gain on Fixed Assets during the year		109,979,769	(5,994,635)
Other comprehensive income for the period (net of tax)		**110,074,385**	**(4,531,480)**
Total Comprehensive Income for the period		**200,581,889**	**59,368,375**
Profit attributable to:			
Controlling Equity holders of the bank		51,290,603	36,212,048
Non-controlling interest		39,216,901	27,687,807
Profit for the period		**90,507,504**	**63,899,855**
Total Comprehensive Income attributable to:			
Controlling Equity holders of the bank		113,669,756	33,644,058
Non-controlling interest		86,912,133	25,724,317
Total Comprehensive Income for the period		**200,581,889**	**59,368,375**
Earnings Per Share:			
Basic and diluted earnings per share (GH¢)	15	**0.21**	**0.17**

Statement of Financial Position

As at 31 December 2017

	Note	2017 GH¢	2016 GH¢
Assets			
Cash and Cash Equivalents	16	757,751,599	775,207,151
Non-Pledged Trading assets	17	74,300,516	70,023,376
Investment securities	20	234,033,847	540,724,245
Loans and Advances to Customers	19	1,409,551,517	942,307,572
Investments (other than securities)	18	1,893,660	406,500
Current Tax Assets	23	-	597,611
Other Assets	24	31,108,136	29,271,430
Property, Plant and Equipment	21	278,799,650	87,325,289
Intangible Assets	22	2,303,361	2,973,027
Total Assets		**2,789,742,286**	**2,448,836,201**
Liabilities			
Derivative liabilities held for risk management	25	-	6,496,857
Deposits from banks	27	5,596,563	2,166,497
Deposits from customers	27	1,988,298,745	1,791,064,063
Borrowings	26	104,184,554	200,733,796
Current tax liabilities	23	1,707,754	-
Other Liabilities	28	132,977,720	111,297,978
Deferred Tax Liabilities	14b	38,123,927	4,521,586
Total Liabilities		**2,270,889,263**	**2,116,280,777**
Shareholders' Fund			
Stated Capital	29	138,302,925	138,302,925
Income Surplus	40c	142,772,417	78,603,272
Revaluation Reserve	40d	123,670,260	17,983,906
Statutory Reserve	40e	112,626,759	89,999,883
Credit Risk Reserve	40f	-	6,279,392
Other Reserves	30	1,480,662	1,386,046
Total Shareholders' Fund		**518,853,023**	**332,555,424**
Total Liabilities and Shareholders' Fund		**2,789,742,286**	**2,448,836,201**
Total attributable to:			
Controlling Equity holders of the bank		294,034,008	188,459,159
Non-controlling interest		224,819,015	144,096,265
Profit for the period		**518,853,023**	**332,555,424**

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

Approved by the Board on 15 February 2018 and signed on its behalf as follows:

Teresa Ntim (Director)
23 February, 2018

Sionle Yeo (Managing Director)
23 February, 2018

Statement of Changes in Equity

For the year ended 31 December 2017

	Stated Capital	Income surplus	Revaluation Reserve	Statutory reserve	Credit risk reserve	Other reserves	Total shareholders' equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
For the year ended 31 December 2017							
Balance as 1 January 2017	138,302,925	78,603,272	17,983,906	89,999,883	6,279,392	1,386,046	332,555,424
Movements during the Year							
Profit for the period	-	90,507,504	-	-	-	-	90,507,504
Other comprehensive income	-	-				94,616	94,616
Other Movements in Equity							
Revaluation of fixed assets	-	-	109,979,769	-	-	-	109,979,769
Transfer of revaluation gain	-	4,168,111	(4,168,111)	-	-	-	
Write Off	-	-	(125,304)				(125,304)
Dividend Paid	-	(14,158,986)	-	-	-	-	(14,158,986)
Transfer to Statutory Reserve	-	(22,626,876)	-	22,626,876	-	-	-
Transfer to Income Surplus		6,279,392	-	-	(6,279,392)	-	
Balance at 31 December 2017	138,302,925	142,772,417	123,670,260	112,626,759	-	1,480,662	518,853,023

For the year ended 31 December 2016	Stated Capital	Income surplus	Revaluation Reserve	Statutory reserve	Credit risk reserve	Other reserves	Total shareholders' equity
	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢	GH¢
Balance as 1 January 2016	100,000,000	50,505,724	23,978,541	74,140,106	15,432,939	(77,109)	263,980,201
Movements during the Year							
Profit for the period	-	63,899,855	-	-	-	-	63,899,555
Other comprehensive income	-	-	-	-	-	1,463,155	1,463,155
Other Movements in Equity							
Right Issue	38,302,925	-	-	-	-	-	38,302,925
Expenses on Issue	-	(1,182,701)	-	-	-	-	(1,182,701)
Dividend Paid	-	(27,913,376)	-	-	-	-	(27,913,376)
Transfer to Statutory Reserve	-	(15,859,777)	-	15,859,777	-	-	-
Transfer to regulatory Credit Reserve	-	9,153,547	-	-	(9,153,547)	-	-
Deferred Tax On Capital Surplus	-	-	(5,994,635)	-	-	-	(5,994,635)
Balance at 31 December 2016	**138,302,925**	**78,603,272**	**17,983,906**	**89,999,883**	**6,279,392**	**1,386,046**	**332,555,424**

Statement of Cash Flows

For the year ended 31 December 2017

	Note	2017 GH¢	2016 GH¢
Cash flow from Operating Activities			
Operating Profit before Taxation		127,029,093	91,888,031
Adjustments for:			
Depreciation and Amortization	21	13,526,385	11,236,207
Unrealized Losses on forex and revaluations		404,145	(3,836,394)
Profit on Sales of Property, Plant and Equipment	10	(352,778)	(122,632)
Operating Profit before Working Capital Changes		**140,606,845**	**99,165,212**
Changes in Operating and Other Assets and Liabilities			
Change in Non-Pledged Trading assets		(4,395,106)	(18,745,458)
Change in Loans and Advances to Customers	19	(467,243,945)	(41,345,750)
Change in Other Assets	24	(1,836,706)	(5,552,099)
Change in Derivative liabilities held for risk management	25	(6,496,857)	6,496,857
Change in Borrowings	26	(96,549,242)	5,296,789
Change in Deposit from Banks	27	3,430,066	1,056,477
Change in Deposit from Customers	27	197,234,682	393,633,580
Change in Other Liabilities	28	21,679,742	17,569,089
		(354,177,366)	**358,409,485**
Income Tax Paid	23a & 23b	**(37,263,576)**	(27,729,685)
		(37,263,576)	**(27,729,685)**
Net Cash Generated from Operating Activities		**(250,834,097)**	**429,845,012**
Cash flow from Investing Activities			
Change in Investment securities		306,818,512	(463,109,705)
Investments (other than securities)	18	(1,487,160)	
Purchase of Property, Plant and Equipment	21b	(56,765,229)	(12,693,691)
Purchase of Intangible Assets	22	(989,117)	(1,422,431)
Proceeds from Sale of Property, Plant and Equipment		358,448	84,372
Net Cash generated/(used in) from Investing Activities		**247,935,454**	**(477,141,455)**
Cash flow from Financing Activities			
Dividend Paid	31	(14,158,986)	(27,913,377)
Subordinated Debt		-	(40,544,574)
Right Issue		-	37,120,224
Net Cash used in Financing Activities		**(14,158,986)**	**(31,337,727)**
Change in Cash and Cash Equivalents		(17,057,629)	(78,634,170)
Net Foreign Exchange Difference		(397,923)	3,686,307
Cash & Cash Equivalents as 1 January		775,207,151	850,155,014
Cash and Cash Equivalents at 31 December 2017	16	**757,751,599**	**775,207,151**
Operational Cash Flows from Interest:			
Interest Received		**321,780,912**	**259,746,071**
Interest Paid		**58,879,912**	**60,915,009**

Notes to the Financial Statements

For the year ended 31 December 2017

1. Reporting Entity

Societe Generale Ghana Limited (the Bank) is a limited liability company incorporated in Ghana under the Companies Act, 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 2017 were authorized for issue in accordance with a resolution of the board of directors on 15 February 2018.

1.2 Statement of compliance

The financial statements of the Bank For the year ended 31 December 2017 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 37.

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 "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:

Notes to the Financial Statements cont'd

2.4 Segmental reporting cont'd

a. Retail banking

b. Corporate banking

c. 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 39.

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. Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

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.

2.5 Property, plant and equipment cont'd

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 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:

Notes to the Financial Statements cont'd

2.9 Revenue cont'd

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.

2.10 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.

Notes to the Financial Statements cont'd

2.10 Interest expense cont'd

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.

2.11 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 Income Tax Act, 2015 (Act 896) 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.

2.12 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.

2.13 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.

2.14 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.

2.14 Financial instruments - Initial recognition and subsequent measurement cont'd

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

The fair value of financial instruments is the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under market conditions or in the absence of a principal market, the most advantageous market for the asset or liability.

1. **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.
2. **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

Financial assets

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.

Financial liabilities

A financial liability (trading or other) is removed from the balance sheet when it is extinguished – that is, when the obligation is discharged, cancelled or expired. The condition is met when the liability is settled by paying the creditor, or when the debtor is released from primary responsibility for the liability either by process of law or by the creditor.

A gain or loss on extinguishment of a financial liability is recognised in the income statement. Any net cash flow in relation to the restructuring of financial liabilities is an adjustment to the debt's carrying amount and is amortised over the remaining life of the liability.

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 a significant 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.

2.15 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.

Notes to the Financial Statements cont'd

2.15 Impairment of financial assets cont'd

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.

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.

2.16 Regulatory Credit Reserve

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 Credit Reserve.

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

2.17 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.

2.18 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.

2.19 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.

2.20 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.

2.21 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.

2.22 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 Value of unquoted equity Instruments

Unquoted equities are carried at cost.

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 14b.

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 2.15(b) and (c) for details.

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 were in issue:

The standards and interpretatoions that were issued but not yet effective for the financial year under review are disclosed below.

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).

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required but providing comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Bank plans to adopt the new standard on the required effective date and will not restate comparative information. During 2017, the Bank has performed a detailed impact assessment on the adoption of IFRS 9. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Bank in 2018 when the Bank will adopt IFRS 9. Overall, the Bank expects a significant impact on its statement of financial position and equity mainly resulting from the effect of applying the impairment requirements of IFRS 9. The Bank expects an increase in the loss allowance resulting in a negative impact on equity as discussed below. In addition, the Bank will implement changes in classification of certain financial instruments.

a. Classification and measurement

The Bank does not expect a significant impact on its balance sheet or equity in applying the classification and measurement requirements of IFRS 9. It expects to continue measuring at fair value all financial assets currently held at fair value through profit or loss whilst available for sale (AFS) securities will also continue to be valued through other comprehensive income and measured at fair value, however, unquoted equity shares currently held at cost will be reclassified as fair value through profit and loss and be measured at fair value.

Loans and advances to customers are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Bank analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

b. Impairment Overview

IFRS 9 will also fundamentally change the loan loss impairment methodology. The standard will replace IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach. The Bank will be required to record an allowance for expected losses for all loans and other debt financial assets not held at FVPL, together with loan commitments and financial guarantee contracts. The allowance is based on the expected credit losses associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination, in which case, the allowance is based on the probability of default over the life of the asset.The Bank has established a policy to perform an assessment at the end of each reporting period of whether credit risk has increased significantly since initial recognition by considering the change in the risk of default occurring over the remaining life of the financial instrument.

To calculate ECL, the Bank will estimates the risk of a default occurring on the financial instrument during its expected life. ECLs are estimated based on the present value of all cash shortfalls over the remaining expected life of the financial asset, i.e., the difference between: the contractual cash flows that are due to the Bank under the contract, and the cash flows that the Bank expects to receive, discounted at the effective interest rate of the loan.

In comparison to IAS 39, the Bank expects the impairment charge under IFRS 9 to be more volatile than under IAS 39 and to result in an increase in the total level of current impairment allowances.

The Bank groups its loans into Stage 1, Stage 2 and Stage 3, based on the applied impairment methodology, as described below:

- Stage 1 – Performing loans: when loans are first recognised, the Bank recognises an allowance based on 12-month expected credit losses.
- Stage 2 – Underperforming loans: when a loan shows a significant increase in credit risk, the Bank records an allowance for the lifetime expected credit loss.
- Stage 3 – Impaired loans: the Bank recognises the lifetime expected credit losses for these loans.

The Bank will record impairment for FVOCI debt securities, depending on whether they are classified as Stage 1, 2, or 3, as explained above. However, the expected credit losses will not reduce the carrying amount of these financial assets in the statement of financial position, which will remain at fair value. Instead, an amount equal to the allowance that would arise if the asset were measured at amortised cost will be recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss.

For 'low risk' FVOCI debt securities, the Bank intends to apply a policy which assumes that the credit risk on the instrument has not increased significantly since initial recognition and will calculate EC. Such instruments will generally include Ghana Government and Bank of Ghana Treasury bills which the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Bank will not consider instruments to have low credit risk simply because of the value of collateral. Financial instruments are also not considered to have low credit risk simply because they have a lower risk of default than the Bank's other financial instruments.

When estimating lifetime ECLs for undrawn loan commitments, the Bank will:

- Estimate the expected portion of the loan commitment that will be drawn down over the expected life of the loan commitment and
- Calculate the present value of cash shortfalls between the contractual cash flows that are due to the entity if the holder of the loan commitment draws down that expected portion of the loan and the cash flows that the entity expects to receive if that expected portion of the loan is drawn down For financial guarantee contracts, the Bank will estimate the lifetime ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the guarantor expects to receive from the holder, the debtor or any other party. If a loan is fully guaranteed, the ECL estimate for the financial guarantee contract would be the same as the estimated cash shortfall estimate for the loan subject to the guarantee.

  For revolving facilities such as overdrafts, the Bank measures ECLs by determining the period over which it expects to be exposed to credit risk, taking into account the credit risk management actions that it expects to take once the credit risk has increased and that serve to mitigate losses. The Bank intends to apply a policy that if the transfer into Stage 2 had been initially triggered by indicators other than the movement in the probability of default, the loan can only return to Stage 1 after a probation period of two years.

Forward looking information

The Bank will incorporate forward-looking information in both the assessment of significant increase in credit risk and the measurement of ECLs.The Bank considers forward-looking information such as macroeconomic factors (e.g., unemployment and GDP growth) and economic forecasts. To evaluate a range of possible outcomes, the bank intends to formulate three scenarios: a base case, a worse case and a better case. The base case scenario represents the more likely outcome resulting from the Bank's normal financial planning and budgeting process, while the better and worse case scenarios represent more optimistic or pessimistic outcomes. For each scenario, the Bank will derive an ECL and apply a probability weighted approach to determine the impairment allowance.

4.2 Standards and Interpretations in issue not yet adopted cont'd

The Bank will use internal information coming from internal economic experts, combined with published external information from government and other global organisations the world Bank and IMF. Both the Risk and Finance management teams will need to approve the forward-looking assumptions before they are applied for different scenarios.

c. **Hedge accounting-The Bank determined that it does not have any hedging relationships hence this may not have any impact on the Bank.**

In summary, the impact of IFRS 9 adoption is expected to be, as follows:

Impact on statement on financial position (increase/(decrease)) as of 31 December 2017:

Impact on statement of Financial Position	
Assets	**Adjustments**
Due from Banks	(193,132)
Loans and advances to customers	(30,163,212)
Net Impact on Asset	**(30,356,344)**
Liabilities	**Adjustments**
Provisions for off balance sheet items	6,623,956
Net Impact on liability	**6,623,956**
Equity	**Adjustments**
Revenue Reserve	(36,980,301)
Net Impact on Equity	**(36,980,301)**

Impact on Profit or Loss and Equity	
Profit or Loss	**Adjustments**
Impairment charged for the year	(36,980,301)
Income tax expense	(9,245,075)
Deferred tax	9,245,075
Net Impact	**(36,980,301)**

Impact on profit or loss and Capital Adequacy as of 31 December 2017:

The impact on Capital Adequacy Ratio is a reduction of 125bp to 15.47% from 16.72%

IFRS 16 Leases

The IASB issued the new standard for accounting for leases - IFRS 16 Leases in January 2016. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss.

IFRS 16 is effective for annual periods beginning on or after 1 January 2019. Early application is permitted provided the new revenue standard, IFRS 15, is applied on the same date. Lessees must adopt IFRS 16 using either a full retrospective or a modified retrospective approach.

In 2018, the Bank will continue to assess the potential effect of IFRS 16 on its financial statements.

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) that was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features.

A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Bank.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively. The Bank will apply these amendments when they become effective.

IFRS 2 Classification and Measurement of Share-based Payment Transactions — Amendments to IFRS 2 The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if elected for all three amendments and other criteria are met. The amendments are effective for annual periods beginning on or after 1 January 2018, with early application permitted. This is not expected to impact the Bank.

Transfers of Investment Property — Amendments to IAS 40

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. Entities should apply the amendments prospectively to changes in use that occur on or after the beginning of the annual reporting period in which the entity first applies the amendments. An entity should reassess the classification of property held at that date and, if applicable, reclassify property to reflect the conditions that exist at that date. Retrospective application in accordance with IAS 8 is only permitted if it is possible without the use of hindsight. Effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed. The Bank does not expect any impact when the standard become effective.

IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice

The amendments clarify that:

- An entity that is a venture capital organisation, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss.
- If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

  The amendments should be applied retrospectively and are effective from 1 January 2018, with earlier application permitted. If an entity applies those amendments for an earlier period, it must disclose that fact. These amendments are not applicable to the Bank.

Notes to the Financial Statements cont'd

4.2 Standards and Interpretations in issue not yet adopted cont'd

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The Interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the transaction date for each payment or receipt of advance consideration. Entities may apply the amendments on a fully retrospective basis. Alternatively, an entity may apply the Interpretation prospectively to all assets, expenses and income in its scope that are initially recognised on or after:

(i) The beginning of the reporting period in which the entity first applies the interpretation

Or

(ii) The beginning of a prior reporting period presented as comparative information in the financial statements of the reporting period in which the entity first applies the interpretation.

The Interpretation is effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed. However, since the Bank's current practice is in line with the Interpretation, the Bank does not expect any effect on its financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Interpretation specifically addresses the following:

- Whether an entity considers uncertain tax treatments separately
- The assumptions an entity makes about the examination of tax treatments by taxation authorities
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates
- How an entity considers changes in facts and circumstances

An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The approach that better predicts the resolution of the uncertainty should be followed. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available. The Bank will apply interpretation from its effective date. In addition, the Bank may need to establish processes and procedures to obtain information that is necessary to apply the Interpretation on a timely basis.

5 Interest Income

	2017 GH¢	2016 GH¢
Cash & Short Term Funds	29,267,179	16,619,525
Investments Securities (Note 5a)	41,194,030	18,015,715
Loans & Advances	251,319,703	225,110,831
	321,780,912	**259,746,071**

5a Investments Securities

	2017 GH¢	2016 GH¢
Government bonds and Bank of Ghana Securities	41,086,818	17,929,490
Other Securities	107,212	86,225
	41,194,030	**18,015,715**

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
6	**Interest and Similar Expense**		
	Savings Accounts	28,853,449	23,783,079
	Current Accounts	440,607	451,000
	Term Deposits	23,410,949	20,750,019
	Borrowings	7,481,992	16,819,346
		60,186,997	**61,803,444**
7	**Fees and Commission Income**		
	Domestic Operations	61,627,919	57,212,292
	Remittance	2,093,489	2,315,941
	Cards Operations	12,227,347	12,009,599
	Brokerage	-	227,967
		75,948,755	**71,765,799**
7a	**Fees and Commission Expense**		
	Remittance	322,337	258,289
	Cards Operations	14,828,144	12,731,178
	Cheque Books	304,341	238,399
	Cash Collection	1,294,094	919,651
		16,748,916	**14,147,517**
8a	**Net Trading Revenue**		
	Forex Trading Gains	63,270,011	33,215,415
	Forex Trading Losses	(39,262,660)	(13,310,144)
		24,007,351	**19,905,271**
8b	**Net income from other financial instruments carried at Fair Value**		
	Gain from Swap	20,276,571	25,370,730
	Margin on Bond Trading	14,489,898	15,669,500
		34,766,469	**41,040,230**
9	**Investment Revenue**		
	Dividend Received	-	-
10	**Other Operating Income**		
	Bad Debt Recoveries	453,731	766,613
	Profit on Sale of Plant, Property and Equipment	352,778	122,632
	Miscellaneous & Others (Note: 10a)	5,640,064	7,368,107
	Exchange Gain	(397,922)	3,686,306
		6,048,651	**11,943,658**

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
10a	**Miscellaneous & Others**		
	Miscellaneous	4,639,438	6,855,680
	Rent/Hiring Fees	131,021	130,468
	Postages	91,585	21,079
	Fees Received - Insurance	778,020	360,880
		5,640,064	**7,368,107**
11	**Net Impairment Loss on Financial Assets**		
	Individual Impairment	50,513,000	48,262,000
	Collective Impairment	5,740,023	-
	Reversals - Collective Impairment	-	(67,545)
	Reversals - Individual Impairement	(17,235,000)	(8,681,000)
		39,018,023	**39,513,455**
12	**Personnel Expenses**		
	Salaries, Bonuses and Staff Allowances	77,491,320	65,080,918
	Social Security Fund Contribution	4,870,496	4,300,047
	Provident Fund Contribution	3,719,569	3,333,650
	Medicals	3,714,931	3,481,942
	Insurance	596,440	519,824
	Termination Expenses	4,200,000	15,035,943
	Training	1,133,392	852,542
	Other Employee Costs	4,786,015	4,193,986
		100,512,163	**96,798,852**

Termination Expenses

23 staff exited the bank in 2017 as a result of the Early Leavers Scheme instituted by the Bank. The Scheme is in line with the bank's policy to allow employees of the bank who have served the bank for a stipulated period of time and would want to exit to pursue other career interests outside the banking industry to do so with a package as stipulated in the Early Leavers Policy.

		2017 GH¢	2016 GH¢
13	**Other Operating Expenses**		
	Directors and Key Management Emoluments (13a)	1,003,936	3,640,987
	Donations	-	328,323
	Advertising and Marketing	6,564,928	5,418,496
	Others: Office Expenses	49,872,384	40,010,285
	Administrative Expenses	10,985,824	8,523,179
	General Expenses	37,103,489	31,092,253
		105,530,561	**89,013,523**

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
13a	**Details of directors and key management emoluments are those disclosed under related party transactions under note 32c.**		
13b	**Auditors' Remuneration**		
	Auditors' remuneration in relation to statutory audit amounted to GH¢ 458,000 (2016: GH¢371,300).		
	Statutory Audit	**458,000**	**371,300**

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.

14 Income Tax Expense

	2017 GH¢	2016 GH¢
Current Tax (23a)	33,217,486	23,585,172
Deferred Tax (14b)	(3,047,352)	(191,398)
National Stabilization Levy (14c)	6,351,455	4,594,402
Charge to statement of profit or loss and other comprehensive income	**36,521,589**	**27,988,176**

14a Current & Deferred Tax

	2017 GH¢	2016 GH¢
Analysis of charge for the year		
Current Tax (23a)	33,217,486	23,585,172
Deferred Tax (14b)	(3,047,352)	(191,398)
	30,170,134	**23,393,774**

The current tax charge on the profit is based on Ghana's corporate tax rate of 25% (2016:25%).

14b Deferred tax

	2017 GH¢	2016 GH¢
Balance as at 1 January	4,521,586	(1,769,371)
Tax expense recognised in profit or loss during the year	(3,047,352)	(191,397)
Tax recognised in equity during the year	36,649,693	6,482,354
Balance as at 31 December	**38,123,927**	**4,521,586**

Deferred tax assets and liabilities are attributable to the following:

	2017			2016		
	Assets GH¢	Liabilities GH¢	Net GH¢	Assets GH¢	Liabilities GH¢	Net GH¢
Property, plant and equipment	-	41,223,420	41,223,420	-	6,993,264	6,993,264
Provisions and Contingencies	(3,593,047)	-	(3,593,047)	(2,933,681)	-	(2,933,681)
(Gains) / losses on AFS investments	-	493,554	493,554	-	462,003	462,003
Net tax liabilities/(assets)	**(3,593,047)**	**41,716,974**	**38,123,927**	**(2,933,681)**	**7,455,267**	**4,521,586**

Notes to the Financial Statements cont'd

		2017	2016
14c	**National Stabilization Levy**		
	Analysis of Charge for the Year	GH¢	GH¢
	Charge to statement of profit or loss and other comprehensive income	**6,351,455**	**4,594,402**
	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 .		
14d	**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:		
	Profit for the year	**127,029,093.00**	**91,888,031.00**
	Tax charge thereon at Ghana corporate tax rate of 25%	31,757,273	22,972,008
	Factors affecting Charge:		
	Non deductible expenses	6,099,110	641,654
	Items of different tax rates	(120,950)	(157,800)
	Income exempted	(7,565,299)	(62,087)
	Levy	6,351,455	4,594,401
	Tax on corporate profit (Note 14)	**36,521,589**	**27,988,176**
	Effective Corporate Income tax rate	28.8%	30.5%
	The tax charge on profit for the year is based on Ghana's corporate tax rate of 25% (2016 : 25%).		

15 Earnings per Share

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

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

	2017	2016
Profit attributable to shareholders of the Bank (GH¢)	90,507,504	63,899,855
Weighted average number of outstanding ordinary shares	429,060,180	367,281,269
Basic Earning per Share (GH¢)	**0.21**	**0.17**

Diluted Earnings per Share: The Bank has no category of dilutive potential ordinary shares.

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
16	**Cash and cash equivalents**		
	Cash on Hand and Cash Balances with Bank of Ghana (Note 16a)	259,644,074	265,547,671
	Due from Banks and other Institutions (Note 16b)	498,107,525	509,659,480
		757,751,599	**775,207,151**
16a	**Cash on Hand and Cash Balances with Bank of Ghana**		
	Cash on Hand	63,220,053	55,466,377
	Balance with Bank of Ghana	196,424,021	210,081,294
		259,644,074	**265,547,671**
16b	**Due from Banks and other Institutions**		
	Nostro Account Balances and Nostro Placements	438,942,175	236,835,727
	Items in Course of Collection	21,165,350	12,823,753
	Placement with Local Banks	38,000,000	260,000,000
		498,107,525	**509,659,480**

Included in Nostro Account Balances and Nostro Placements is a Placement of GHS290,003,950 with the Societe Generale Group.

		2017 GH¢	2016 GH¢
17	**Non-Pledged Trading assets**		
	Government bonds	15,616,532	37,221,043
	Treasury bills	58,683,984	32,802,333
		74,300,516	**70,023,376**

		2017 FV Through P&L GH¢	2016 FV Through P&L GH¢
17a	**Trading assets**		
	Balance as at 1 January	70,023,376	51,080,883
	Additions	2,408,791,340	761,271,511
	Reimbursements/Disposals	(2,404,632,169)	(742,526,053)
	Fair value movement during the year	117,967	197,035
	Balance as at 31 December	**74,300,514**	**70,023,376**

None of the financial instruments was pledged as collateral during the year (2016: Nil).

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
18	**Investments (other than securities)**		
	Advans Ghana Limited (Unlisted Equity)	**1,893,660**	**406,500**

Advans Ghana is a Savings and Loans company which specializes in the collection of deposits and giving of credits. Societe Generale Ghana has a 10% stake in the ownership of the company. It is an unlisted equity investment which is carried at cost less accummulated impairment. Fair value information has not been disclosed for this instrument because their fair value cannot be measured reliably. Currently Societe Generale Ghana has no intention of disposing off the asset.

		2017 GH¢	2016 GH¢
19	**Loans and advances**		
	Overdrafts	468,247,533	416,229,088
	Term Loans	1,054,663,927	624,046,259
	Export Financing	3,451,792	1,006,815
	Staff Loan	40,166,590	31,722,494
	Equipment Finance Lease	64,625,490	73,959,595
	Gross Loans and Advances	**1,631,155,332**	**1,146,964,251**
	Amortised Cost Adjustment	(20,591,864)	(16,615,216)
	Interest in Suspense	(33,386,830)	(52,505,421)
	Less: Allowances for Impairment - Note 19d	(167,625,121)	(135,536,042)
		1,409,551,517	**942,307,572**
	All loans have been written down to their estimated recoverable amount.		
19a	**Other Statistics**		
	i. Loan Loss Provision Ratio	10.2%	11.8%
	ii. Gross Non-performing Loan Ratio	13.3%	16.9%
	iii 50 Largest Exposure (Gross Funded Loan and Advances to Total Exposure)	54.3%	50.5%
19b	**Analysis by Type of Customers**		
	Individual	537,384,166	344,449,233
	Private Enterprise	849,321,109	672,966,383
	Public Enterprise	96,761,649	82,007,665
	Government Departments and Agencies	107,521,818	15,818,476
	Staff	40,166,590	31,722,494
		1,631,155,332	**1,146,964,251**

Notes to the Financial Statements cont'd

		2017	2016
19c	**Analysis by Industry Sector**	**GH¢**	GH¢
	Agriculture, Forestry and Fishing	185,347,994	132,555,230
	Mining and Quarrying	33,544,668	9,887,120
	Manufacturing	208,108,084	216,956,497
	Construction	87,244,445	30,999,100
	Electricity, Gas and Water	151,029,203	89,140,368
	Commerce and Finance	147,653,754	150,137,445
	Transport, Storage, Communication and services	778,031,124	487,810,383
	Miscellaneous	40,196,060	29,478,108
		1,631,155,332	**1,146,964,251**
19d	**Impairment Allowance for Loans and Receivables**		
	Balance at 1 January	135,536,042	98,877,527
	Charge for the Year	39,018,023	39,513,455
	Amount Written Off	(6,928,944)	(2,854,940)
	Balance at 31 December	**167,625,121**	**135,536,042**
	Individual Impairment	159,487,000	133,283,000
	Collective Impairment	8,138,121	2,253,042
	Balance at 31 December	**167,625,121**	**135,536,042**

Loan provisioning/impairment are carried out in accordance with Bank of Ghana Policy as well as the principles of IFRS. Loan impairment losses calculated based on IFRS principles are passed through the statement of comprehensive income. Where provisions per IFRS is more than provisions per of Bank of Ghana guidelines, no regulatory credit reserve is required.

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.

	2017	2016
Provisions per Bank of Ghana Guidelines	166,148,444	141,815,434
Provisions per IFRS	(167,625,121)	(135,536,042)
Regulatory Credit Reserve	**-**	**6,279,392**

In 2017 the Bank's provision under IFRS was high than under Bank of Ghana guidelines consequently no credit risk reserve is required.

20 Investment Securities

	2017	2016
Available for sale investment securities		
Government bonds and Bank of Ghana Securities	234,033,847	540,724,245
	234,033,847	**540,724,245**

Notes to the Financial Statements cont'd

20a	Available for sale investment securities	2017 AFS Through Equity GH¢	2016 AFS Through Equity GH¢
	Balance as at 1 January	540,724,245	75,663,667
	Additions	4,283,194,268	1,107,297,905
	Reimbursements/Disposals	(4,590,010,820)	(644,188,201)
	Fair value movement during the year	126,154	1,950,874
	Balance as at 31 December	**234,033,847**	**540,724,245**

In 2017 GHS 15,439,033 of the bank's financial instruments was pledged as collateral (2016: GHS 1,297,355).

21 Property, Plant and Equipment

	2017	2016
Property, Plant and Equipment (21b)	278,799,650	83,988,539
Long term lease	-	3,336,750
	278,799,650	**87,325,289**

21a Depreciation and Amortization

	2017	2016
Property, Plant and Equipment (21b)	11,867,601	9,447,576
Intangible Assets (22)	1,658,784	1,640,331
Long term lease		148,300
	13,526,385	**11,236,207**

21b Property, Plant and Equipment

2017	Assets in Land & GH¢	Computers Building GH¢	Furniture & Equipment GH¢	Motor Vehicles GH¢	Course of Construction GH¢	Total GH¢
Cost/valuation						
Balance at 1 January	79,002,048	18,654,260	25,884,365	1,451,611	6,641,147	131,633,431
Additions	4,733,885	1,621,355	3,937,713	6,021,825	40,450,451	56,765,229
Transfers	51,132	(932,429)	9,826,648	154,085	(9,099,435)	-
Disposal/Write Offs	(6,449,360)	(14,043)	77,268	(686,450)	(223,691)	(7,296,276)
Revaluations	146,639,693	-	-	-	-	146,639,693
Balance at 31 December	**223,977,398**	**19,329,143**	**39,725,994**	**6,941,071**	**37,768,472**	**327,742,077**
Depreciation						
Balance at 1 January	16,261,920	15,907,440	14,276,523	1,199,009	-	47,644,892
Charge for the year	4,227,609	1,562,106	4,814,810	1,263,076	-	11,867,601
Disposal/Write Offs	(9,147,461)	(364,825)	(371,329)	(686,451)	-	(10,570,066)
Balance at 31 December	**11,342,068**	**17,104,721**	**18,720,004**	**1,775,634**	**-**	**48,942,427**
Net book value						
At 31 December 2017	**212,635,330**	**2,224,422**	**21,005,990**	**5,165,437**	**37,768,472**	**278,799,650**

21b Property, Plant and Equipment cont'd

Management determined that the Land and Buildings of the Bank constitute a separate class of property, plant and equipment, based on the nature, characteristics and risks of the property. Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition. As at the dates of revaluation, the fair values of the Bank's Land and Buildings were are based on valuations performed by Value Properties and KOA Consult who are both accredited independent valuers who have valuation experience for similar office properties in Ghana. A net gain from the revaluation of the Land and Buildings of GHS 109,979,769 in 2017 was recognised in OCI.

Fair value measurement disclosures for the revalued office properties are provided in Note 36.

2016	Assets in Land & GH¢	Computers Building GH¢	Furniture & Equipment GH¢	Motor Vehicles GH¢	Course of Construction GH¢	Total GH¢
Cost/valuation						
Balance at 1 January	75,571,304	16,677,928	23,695,705	1,407,410	3,461,479	120,813,826
Additions	2,289,874	1,543,222	1,201,792	118,888	7,539,915	12,693,691
Transfers	1,140,870	433,110	1,017,532	-	(4,358,347)	(1,766,835)
Disposal/Write Offs	-	-	(30,664)	(74,687)	(1,900)	(107,251)
Balance at 31 December	**79,002,048**	**18,654,260**	**25,884,365**	**1,451,611**	**6,641,147**	**131,633,431**
Depreciation						
Balance at 1 January	12,562,608	14,513,403	10,093,295	1,126,575	-	38,295,881
Charge for the year	3,699,312	1,394,037	4,207,097	147,129	-	9,447,576
Disposal/Write Offs	-	-	(23,869)	(74,695)	-	(98,565)
Balance at 31 December	**16,261,920**	**15,907,440**	**14,276,523**	**1,199,009**	**-**	**47,644,892**
Net book value						
At 31 December 2016	**62,740,128**	**2,746,820**	**11,607,842**	**252,602**	**6,641,147**	**83,988,539**

21c Non Cancellable Operating Lease

	2017 GH¢	2016 GH¢
The Bank as a lessee		
Balance as at 1 January	3,336,750	3,485,050
Amount expensed during the Year	(148,300)	(148,300)
Balance as at 31 December	**3,188,450**	**3,336,750**

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
21d	**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	2,446,950	2,595,250
	Balance as at 31 December	**3,188,450**	**3,336,750**

Long term operating lease payments represent rentals paid by the Bank for its land where the Bank is a lessee.

22 Intangible Assets

	2017 GH¢	2016 GH¢
Computer Software		
Cost		
Balance at 1 January	17,728,235	14,538,968
Additions	989,117	1,422,431
Transfers of asset in course of construction	-	1,766,835
Balance at 31 December	**18,717,352**	**17,728,234**
Amortisation		
Balance at 1 January	14,755,207	13,114,876
Charge for the Year	1,658,784	1,640,331
Balance at 31 December	**16,413,991**	**14,755,207**
Carrying amount		
31 December	**2,303,361**	**2,973,027**

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

23 Current Tax: Assets/Liabilities

	2017 GH¢	2016 GH¢
Corporate tax (note 23a)	1,697,217	(220,225)
National Stabilization Levy (note 23b)	10,537	(377,386)
	1,707,754	**(597,611)**

23a Current Tax: Assets/Liabilities	Balance 01-Jan GH¢	Charge for the year GH¢	Payment/Credits during the year GH¢	Balance 31-Dec GH¢
Corporate tax				
2013 - 2016	(220,225)			(220,225)
2017		33,217,486	(31,300,044)	1,917,442
	(220,225)	**33,217,486**	**(31,300,044)**	**1,697,217**

Notes to the Financial Statements cont'd

23b	National Stabilization Levy	2017	2016
		GH¢	GH¢
	Balance as at 1 January	(377,386)	(416,444)
	Charge to statement of profit or loss and other comprehensive income	6,351,455	4,594,402
	Payment during the year	(5,963,532)	(4,555,344)
	Balance as at 31 December	**10,537**	**(377,386)**

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

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.

24 Other Assets

	2017	2016
Stationary and Consumable Stocks	41,191	-
Prepayments and Sundry Debtors	30,931,444	29,054,027
Accrued Income	135,501	217,403
	31,108,136	**29,271,430**

25 Derivative liabilities held for risk management

	2017	2016
Foreign exchange	-	6,496,857
	-	**6,496,857**

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.

	2017	2017	2016	2016
	GH¢	GH¢	GH¢	GH¢
	Fair value of derivatives held for trading	Notional amount	Fair value of derivatives held for trading	Notional amount
	GH¢	GH¢	GH¢	GH¢
Foreign Exchange SWAP	-	-	6,496,857	393,130,000

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.

		2017 GH¢	2016 GH¢
26	**Borrowings**		
	Borrowings - Repurchase agreement	15,439,033	1,297,355
	European International Bank	32,017,924	35,139,741
	PROPARCO	54,864,641	60,437,559
	International Finance Corporation (IFC)	-	101,015,998
	Edaif Managed Fund	1,862,956	2,843,143
		104,184,554	**200,733,796**

The Bank has not had any defaults of principal, interest or other breaches with regard to any liabilities during 2017 or 2016.

Summary of Borrowing Arrangements

Societe de Promotion et de Participation pour la Cooperation Economique (PROPARCO). This is a USD 30 million long-term credit line ('the facility') granted to the bank. The first draw down of USD 6 million has a fixed interest rate of 5.12% and will mature on 30 April 2020. The second draw down of USD 4 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 31 October 2024. As at December 2017 the amounts outstanding were $ 4.545m and € 6.5m

European Investment Bank (EIB). This is a EUR 20 million credit facility extended to the bank by EIB. The loan is to be drawn in EUR and/or USD and 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 on the drawn portion is fixed at 5.422% and matures on 1 April 2024. As at 31 December 2017 the outstanding balance is $ 7.15m.

International Finance Corporation (IFC). A new facility for USD 20 million IFC Senior Loan was signed in June 2017. 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 current interest rate is 3-months LIBOR plus a margin of 375 basis points. As at 31 December 2017 the outstanding balance is nil.

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¢ 10.0 million. 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.

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.

Notes to the Financial Statements cont'd

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.

The following table summarises the carrying amount of the assets and liabilities under the repurchase agreement

		2017 GH¢	2016 GH¢
	Carrying Amount of Assets	15,000,000	1,296,923
	Carrying Amount of Liabilities	15,439,033	(1,297,355)
		(439,033)	(432)
27	**Deposit from Customers**		
	Retail customers		
	- Term Deposits	182,363,008	128,232,952
	- Current Deposits	471,915,080	294,961,588
	- Savings Deposits	295,015,068	236,099,382
	Corporate Customers		
	- Term Deposits	114,942,747	66,073,751
	- Current Deposits	917,611,456	1,051,038,565
	- Investment Deposits	1,051,815	10,553,619
	Interest payable on deposits	5,399,571	4,104,206
	Deposits from customers	**1,988,298,745**	**1,791,064,063**
	Deposits from banks	5,596,563	2,166,497
		1,993,895,308	**1,793,230,560**
27a	**Analysis by Type of Deposits**		
	Financial Institutions	30,459,370	8,496,089
	Individuals and Other Private Enterprise	1,870,045,867	1,604,938,364
	Government Departments and Agencies	4,874,239	8,514,799
	Public Enterprises	83,116,260	167,177,102
	Deposit Interest payable	5,399,572	4,104,206
		1,993,895,308	**1,793,230,560**
	20 Largest depositors to total deposit ratio	**25.83%**	**34.48%**

Notes to the Financial Statements cont'd

		2017 GH¢	2016 GH¢
28	**Other Liabilities**		
	Creditors	16,951,457	13,217,372
	Other Creditors and Provisions (28a)	64,514,267	65,642,547
	Accruals	51,511,996	32,438,059
		132,977,720	**111,297,978**
28a	**Other Creditors and Provisions**		
	Payment Orders	8,897,187	18,126,343
	Statutory Deductions	2,594,649	1,185,150
	Uncleared Effects	40,715,960	36,227,800
	Subordinated Debt Revaluation	-	-
	Other Commitments & Credit Balances	2,677,292	2,371,530
	Provisions for legal expenses (28b)	1,055,001	2,360,302
	Other Provisions (28b)	8,574,178	5,371,422
		64,514,267	**65,642,547**

Uncleared Effects

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

28b Provisions

Provisions for Litigation	Litigation GH¢	Other Provisions GH¢	Total GH¢
2017			
As at 1 January 2017	2,360,303	5,371,422	7,731,725
Provisions made during the year	-	4,767,410	4,767,410
Provisions reversed during the year	(1,305,302)	(1,564,654)	(2,869,956)
As at 31 December 2017	**1,055,001**	**8,574,178**	**9,629,179**
2016			
As at 1 January 2016	1,425,304	4,590,667	6,015,971
Provisions made during the year	1,284,998	1,597,303	2,882,302
Provisions reversed during the year	(350,000)	(816,548)	(1,166,548)
As at 31 December 2016	**2,360,302**	**5,371,422**	**7,731,724**

29 Stated Capital

a. Authorised ordinary shares	2017	2016
Number of ordinary shares of no par value	500,000,000	500,000,000

	2017		2016	
b. Issued and fully paid ordinary shares	Number	Amount	Number	Amount
		GH¢		GH¢
Issued and fully paid ordinary shares	429,060,180	138,302,925	429,060,180	138,302,925

Increase in Stated Capital

In September 2017, the Bank of Ghana announced a new minimum capital requirement for banks operating in the country. The Central Bank revised upward the minimum paid up capital for existing banks and new entrants from GH¢120M to a new level of GH¢400M. All existing banks have up to December 31, 2018 to meet the new minimum paid up capital requirement.

In line with the new requirement, Societe Generale Ghana has put in place a plan to ensure that it meets the minimum capital of GHS400M from its current stated capital of GHS138M. The plan entails:

- Bonus Issue – Transfer of retained and current earnings from Income Surplus to Stated capital. New shares will be issued to shareholders in the proportion of their existing shareholdings and thus no dilution of ownership occurs.
- Rights issue - The Bank will issue shares at a price to existing shareholders in proportion of their existing holdings. As shareholders may decide whether to exercise their rights or not, potential dilution of ownership may occur after the exercise.

These two exercises are expected to be executed consecutively after the Bank's Annual General meeting in March 2018 to ensure that the minimum capital is achieved by the December 31, 2018 deadline.

30 Other Reserves

	2017	2016
	GH¢	GH¢
Balance 1 January	1,386,046	(77,109)
Movements during the year	94,616	1,463,155
Balance at 31 December	**1,480,662**	**1,386,046**

31 Dividend Declared and Paid

	2017	2016
Equity dividend on ordinary shares:	GH¢	GH¢
Final dividend for the preceding year	14,158,986	27,913,376
Total dividend payments during the year	(14,158,986)	(27,913,376)
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.

32 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. Loans to related parties is done at arm's length and approved by the highest approving authority as spelt out in the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

a. The person to whom the credit facility is given has credit worthiness which is not less than that normally required by the Bank or other persons to whom credit facilities are given.

32 Related Party Transactions / Disclosures cont'd

b. A collateral provided will be evaluated on the same terms and procedures normally required by the Bank for any other person to whom a credit facility is given

c. The terms and conditions of the credit facility are not less favourable to the Bank than those normally offered to other persons and

d. The granting of the credit facility is in the interest of the bank.

The credit facility shall be approved by the Board of Directors.

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

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

	2017		2016	
	Interest Paid Received	Interest Received	Interest Paid	Interest
	GH¢	GH¢	GH¢	GH¢
Societe Generale Borrowing	164,670	107,212	2,816,016	86,225

		2017	2016
b.	Related party balances at December		
	Lending to Related Parties:	GH¢	GH¢
	Officers and Employees other than Directors	40,166,590	31,722,494
	Placement with Societe Generale Group	290,003,950	24,638,550
	Nostro Account Balances with Societe Generale Group	109,774,952	194,737,442
c.	Compensation to key management personnel of the Bank		
	Fees	450,059	559,001
	Directors Expenses	553,877	384,466
	Salaries & Other allowances	4,226,395	2,697,520
		5,230,331	3,640,987

d. Loans to Directors

There were no loans to directors during the period.

e. Controlling Relationship

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

33 Commitments and Contingencies

		2017	2016
a	Contingent Liabilities	GH¢	GH¢
	Guarantees and Indemnities	297,385,371	165,322,863
	Letters of Credit & Others	210,215,232	237,346,530
		507,600,603	402,669,393

Notes to the Financial Statements cont'd

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.

Financial guarantees are initially recognised 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 recognised less cumulative amortisation recognised 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 credit loss expense. The premium received is cognised in the income statement in net fees and commission income on a straight line basis over the life of the guarantee.

b. Undrawn Commitments

	2017	2016
	GH¢	GH¢
Undrawn Commitments	213,919,806	285,500,762

34 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 is related to the alleged opening of an additional account for a customer at the instance of its Executive Chairman (now deceased) without its authority for which the Bank was sued. Adequate provision has been made for all the relevant litigation for which losses may be probable. The probable outflow which could result from all such litigation, based on the current status of the various legal proceedings, is estimated to be no more than GH¢1,055,001 while the timing of the outflow is uncertain.

35 Analysis of Financial Assets and Liabilities

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

31 December 2017	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 Equivalents	757,751,599	-	-	-	757,751,599	757,751,599
Non-Pledged Trading assets	74,300,516	-	-	-	74,300,516	74,300,516
Investments (other than securities)	-	-	-	1,893,660	1,893,660	1,893,660
Loans and Advances to Customers	-	-	-	1,409,551,517	1,409,551,517	1,409,551,517
Investment securities	-	-	234,033,847	-	234,033,847	234,033,847
Total Financial Assets	832,052,115	-	234,033,847	1,411,445,177	2,477,531,139	2,477,531,139
Total Non-Financial Assets						312,211,147
Total Assets						2,789,742,286

Notes to the Financial Statements cont'd

Financial Liabilities	Financial Liabilities Measured at Amortised Cost	Total Carrying Amount	Fair value
	GH¢	GH¢	GH¢
Deposits from Banks and Customers	1,993,895,308	1,993,895,308	1,993,895,308
Borrowings	104,184,554	104,184,554	104,184,554
Other Liabilities	172,809,401	172,809,401	172,809,401
Total Financial Liabilities	**2,270,889,263**	**2,270,889,263**	**2,270,889,263**
Total Non-financial Liabilities			518,853,023
Total Liabilities and Shareholders Fund			**2,789,742,286**

31 December 2016	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 Equivalents	775,207,151	-	-	-	775,207,151	775,207,151
Non-Pledged Trading assets	70,023,376	-	-	-	70,023,376	70,023,376
Investments (other than securities)	-	-	-	406,500	406,500	406,500
Loans and Advances to Customers	-	-	-	942,307,572	942,307,572	942,307,572
Investment securities	-	-	540,724,245	-	540,724,245	540,724,245
Total Financial Assets	**845,230,527**	**-**	**540,724,245**	**942,714,072**	**2,328,668,844**	**2,328,668,844**
Total Non-Financial Assets						120,167,357
Total Assets						**2,448,836,201**

The fair values approximates their carrying amounts. Hence no further disclosure on fair values.

Financial Liabilities	Financial Liabilities Measured at Amortised Cost	Total Carrying Amount	Fair value
	GH¢	GH¢	GH¢
Deposits from Banks and Customers	1,791,064,063	1,791,064,063	1,791,064,063
Borrowings	200,733,797	200,733,797	200,733,797
Other Liabilities	124,482,918	124,482,918	124,482,918
Total Financial Liabilities	**2,116,280,778**	**2,116,280,778**	**2,116,280,778**
Total Non-financial Liabilities			**332,555,423**
Total Liabilities and Shareholders Fund			**2,448,836,201**

36 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
- 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 2017		GH¢	GH¢	GH¢	GH¢
Government securities	17 & 20	-	308,334,363	-	308,334,363
Revaluations of land and building	21b			146,639,693	146,639,693
		-	**308,334,363**	**146,639,693**	**454,974,056**

31 December 2016	Note	Level 1	Level 2	Level 3	Total
		GH¢	GH¢	GH¢	GH¢
Government securities	17 & 20	-	610,747,621	-	610,747,621
		-	**610,747,621**	**-**	**610,747,621**

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.

Level 3 Valuation Technique

The assets in Level 3 comprise revaluation gain on the Bank's fixed assets. Fair value of the properties was determined using the market comparable method. The valuations have been performed by the valuer and are based on proprietary databases of prices of transactions for properties of similar nature, location and condition.

Day 1 Profit

The day 1 profit recognised on the derivative financial instrument was GH¢738,108 (2016: Day 1 profit of GH¢380,000).

37 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.

37 Financial risk management cont'd

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.

Board of Directors

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

Risk Committees

The Risk Committees have the overall responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committees are responsible for managing risk decisions and monitoring risk levels. The main Risk Committees and its frequency of meetings are:

i. Credit Risk Committee - Quarterly;

ii. Asset and Liabilities Committee - Weekly;

iii. Structural Risk Committee - Quarterly;

iv. Market Risk Committee - Quarterly;

v. Operational Risk Committee (Periodic and Permanent Control, Business Continuity Planning and Compliance) - Quarterly.

Risk Management

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

The bank has in place internal control systems and mechanisms aimed at ensuring that legal and regulatory provisions, ethics, and professional practices are complied with, internal processes of the bank are functioning properly and the financial information are reliable. The system is particularly designed to identify malfunctions and irregularities, to efficiently control risks, and to make sure that information systems are reliable. Internal control system distinguishes two levels of control: Permanent Control which forms the first level of control and Periodic Controls as a second level of control.

Permanent Control is essential for the bank's internal control structure and is defined as all procedures implemented on a permanent basis to guarantee that operations carried out on an operational level are correctly handled, secure and valid. It is based on day-to-day security, which is everyone's responsibility and on formal supervision carried out by management.

Periodic control activities are performed by dedicated and specialized teams of auditors which are independent from the operational entities. The scope of Periodic Controls encompasses all the bank's activities and can focus on any aspect of these activities, without any restrictions.

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.

Notes to the Financial Statements cont'd

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

Credit risk

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

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

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

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;
- A consistent approach to risk assessment and monitoring applied throughout the Group.

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 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

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.

At 31 December 2017, the bank's credit exposure were categorised as follows:

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

The balances for each category have been analysed below;

37 Financial risk management cont'd

	2017	2016
	Loans & advances to customers	Loans & advances to customers
	GH¢	GH¢
Neither past due nor impaired	1,284,344,952	887,458,251
Past due but not impaired	114,042,900	26,275,000
Individually impaired	232,767,480	233,231,000
Gross	1,631,155,332	1,146,964,251
Less Allowance for impairment	(167,625,121)	(135,536,042)
Interest in suspense	(33,386,830)	(52,505,421)
Deferred Income	(20,591,864)	(16,615,216)
Net amount	**1,409,551,517**	**942,307,572**

Loans and advances to customers Past due but not impaired have not been deliquent for more than 30 days.

Loans and advances to customers in Ghana analysed by customer type, as well as by industry sector is shown in note 19(b) & 19(c) above.

Maximum Credit Exposure

	2017	2016
	GH¢	GH¢
Due from Bank and Other Financial Institution	498,107,525	509,659,000
Non-Pledged Trading assets	74,300,516	70,023,376
Investment securities	234,033,847	540,724,245
Loans and Advances	1,409,551,517	942,307,572
Contingent Liabilities	507,600,603	402,669,000
	2,723,594,008	**2,465,383,193**

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:

	2017	2016
	GH¢	GH¢
Against Impaired Assets	338,795,332.00	326,324,567.00
Against Past Due but not Impaired Assets	121,014,847.00	30,661,027.00
	459,810,179.00	**356,985,594.00**

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 Societe Generale Group 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.

Notes to the Financial Statements cont'd

The net liquidity gap resulting from liquidity analysis of assets and liabilities of the Bank as of 31 December 2017 is shown in the table below.

Maturity analysis of assets and liabilities

The table shows a summary of assets and liabilities analysed according to their undiscounted contractual terms of the transactions and models of historic client behaviour (models determined with the contribution of the Group), as well as conventional assumptions for some balance sheet items.

As at 31 December 2017	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Assets					
Cash and Cash Equivalents	757,751,599	757,751,599	-	-	-
Non-Pledged Trading assets	74,300,516	74,300,516	-	-	-
Investment securities	234,033,847	168,982,235	2,836,063	30,736,527	31,479,022
Loans and Advances to Customers	1,409,551,517	357,844,545	80,112,665	132,261,251	839,333,056
Investments (other than securities)	1,893,660	47,350	47,350	94,700	1,704,260
Other Assets	31,108,136	21,719,880	6,249,200	3,139,056	-
Property, Plant and Equipment	278,799,650	-	-	-	278,799,650
Intangible Assets	2,303,361	-	-	-	2,303,361
Total Assets	**2,789,742,286**	**1,380,646,125**	**89,245,278**	**166,231,534**	**1,153,619,349**
Liabilities					
Deposits from banks	5,596,563	5,596,563	-	-	-
Deposits from customers	1,988,298,745	473,863,860	78,347,300	156,694,600	1,279,392,985
Borrowings	104,184,554	44,672,700	59,511,854	-	-
Current tax liabilities	1,707,754	1,707,754	-	-	-
Other Liabilities	132,977,720	59,293,275	43,253,684	30,430,761	-
Deferred Tax Liabilities	38,123,927	918,828	918,828	1,837,654	34,448,617
Total Liabilities	**2,270,889,263**	**586,052,980**	**182,031,666**	**188,963,015**	**1,313,841,602**
Net Liquidity Gap	**518,853,023**	**794,593,145**	**(92,786,388)**	**(22,731,481)**	**(160,222,253)**
Contingent liabilities - Guarantees and Letters of Credit	507,600,604	299,325,416	91,970,372	83,453,651	32,851,165

Notes to the Financial Statements cont'd

37 Financial risk management cont'd

31 December 2016	Total	Below 3 months	3 to 6 months	6 to 12 months	Above 1 year
	GH¢	GH¢	GH¢	GH¢	GH¢
Assets					
Cash and Cash Equivalents	775,207,151	775,207,151	-	-	-
Non-Pledged Trading assets	70,023,376	70,023,376	-	-	-
Investment securities	540,724,245	490,109,542	5,011,051	20,166,319	25,437,333
Loans and Advances to Customers	942,307,572	417,252,141	58,496,644	125,486,893	341,071,894
Investments (other than securities)	406,500	-	-	-	406,500
Current Tax Assets	597,611	597,611	-	-	-
Other Assets	29,271,430	14,635,714	10,245,001	4,390,715	-
Property, Plant and Equipment	87,325,289	-	-	-	87,325,289
Intangible Assets	2,973,027	-	-	-	2,973,027
Total Assets	**2,448,836,201**	**1,767,825,535**	**73,752,696**	**150,043,927**	**457,214,043**
Liabilities					
Derivative liabilities held for risk management	6,496,857	6,496,857	-	-	-
Deposits from banks	2,166,497	2,166,497	-	-	-
Deposits from customers	1,791,064,063	1,701,311,749	29,474,565	58,848,130	1,429,619
Borrowings	200,733,796	140,398,205	60,335,591	-	-
Other Liabilities	111,297,978	56,597,206	44,165,845	10,534,927	-
Deferred Tax Liabilities	4,521,587	4,521,587	-	-	-
Total Liabilities	**2,116,280,778**	**1,911,492,101**	**133,976,001**	**69,383,057**	**1,429,619**
Net Liquidity Gap	**332,555,423**	**(143,666,566)**	**(60,223,305)**	**80,660,870**	**455,784,424**
Contingent liabilities - Guarantees and Letters of Credit	402,669,393	333,203,450	20,349,080	38,594,796	10,522,067

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.

Contractual maturities of undiscounted cash flows of financial assets and liabilities

The table shows a summary of financial assets and liabilities analysed according to their undiscounted contractual terms of the transactions and models of historic client behaviour (models determined with the contribution of the Group), as well as conventional assumptions for some balance sheet items.

Notes to the Financial Statements cont'd

As at 31 December 2017	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Financial Assets					
Cash and Cash Equivalents	757,751,599	757,751,599	-	-	-
Non-Pledged Trading assets	74,300,516	74,300,516	-	-	-
Investment securities	239,983,381	168,982,234	2,836,063	30,736,527	37,428,557
Loans and Advances to Customers	1,568,185,463	357,844,544	80,112,665	132,261,251	997,967,003
Investments (other than securities)	2,215,765	47,350	47,350	94,700	2,026,365
Total Financial Assets	**2,642,436,724**	**1,358,926,243**	**82,996,078**	**163,092,478**	**1,037,421,925**
Financial Liabilities					
Deposits from banks	5,596,563	5,596,563	-	-	-
Deposits from customers	2,026,680,534	473,863,859	78,347,300	156,694,600	1,317,774,775
Borrowings	104,184,554	44,672,700	59,511,854	-	-
Total Financial Liabilities	**2,136,461,651**	**524,133,122**	**137,859,154**	**156,694,600**	**1,317,774,775**
Net Liquidity Gap	**505,975,073**	**834,793,121**	**(54,863,076)**	**6,397,878**	**(280,352,850)**
Contingent liabilities - Guarantees and Letters of Credit	507,600,604	299,325,416	91,970,372	83,453,651	32,851,165

31 December 2016	Total GH¢	Below 3 months GH¢	3 to 6 months GH¢	6 to 12 months GH¢	Above 1 year GH¢
Financial Assets					
Cash and Cash Equivalents	775,207,151	775,207,151	-	-	-
Non-Pledged Trading assets	70,023,376	70,023,376	-	-	-
Investment securities	545,531,900	490,109,542	5,011,051	20,166,319	30,244,988
Loans and Advances to Customers	1,006,770,159	417,252,141	58,496,644	125,486,893	405,534,481
Investments (other than securities)	483,329	-	-	-	483,329
Total Financial Assets	**2,398,015,915**	**1,752,592,210**	**63,507,695**	**145,653,212**	**436,262,798**
Financial Liabilities					
Derivative liabilities held for risk management	6,496,857	6,496,857	-	-	-
Deposits from banks	2,166,497	2,166,497	-	-	-
Deposits from customers	1,850,248,018	1,701,311,749	29,474,565	58,848,130	60,613,574
Borrowings	200,733,796	140,398,205	60,335,591		
Total Financial Liabilities	**2,059,645,168**	**1,850,373,308**	**89,810,156**	**58,848,130**	**60,613,574**
Net Liquidity Gap	**338,370,747**	**(97,781,098)**	**(26,302,461)**	**86,805,082**	**375,649,224**
Contingent liabilities - Guarantees and Letters of Credit	402,669,393	333,203,450	20,349,080	38,594,796	10,522,067

37 Financial risk management cont'd

Financing Facilities

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

Entity	Total Amount	Amount Used	Amount Unused
PROPARCO	$10M	$6.36M	$3.64M
PROPARCO	€7.5M	€7.5M	-
EIB	$11M	$8.25M	$2.75M
IFC	$20M	-	$20M
SG Paris	€25M	-	€25M

Structural interest rate

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

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

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

Societe Generale Ghana Limited'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 Societe Generale Ghana Limited is within the range of EUR -1.1 and 5.9 million (i.e. between GH¢ -5.83 and 31.25 million) This lmit is -1.12% and 6.02% of shareholders' equity in reference to the lower and upper limits respectively.

In order to quantify its exposure to structural interest rate risks, Societe Generale Ghana Limited 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 2017, Societe Generale Ghana's global sensitivity to interest rate risk following the procedure described above was 0.44% (0.24% in 2016) of the total financial position and within the limit range of -1.12% and 6.02%. The total sensitivity at the year end was GH¢ 12.18 million (GHS 6.23 -2016) which represents 2.35% (1.87% -2016) 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).

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		**2017**		**2017**		**2017**
GH¢	5%	(5%)	1,816,161	(1,816,161)	1,362,121	(1,362,121)
USD	7%	(7%)	440,151	(440,151)	330,113	(330,113)
EUR	5%	(5%)	13,761,560	(13,761,560)	10,321,170	(10,321,170)
31 December	**2016**		**2016**		**2016**	
GH¢	5%	(5%)	12,521,458	(12,521,458)	9,391,094	(9,391,094)
USD	7%	(7%)	1,496,416	(1,496,416)	1,122,312	(1,122,312)
EUR	5%	(5%)	281,974	(281,974)	211,481	(211,481)

Notes to the Financial Statements cont'd

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 Financial department (cash, liquid assets, balance sheet hedging) in relation with the Assets and Liabilities Management Committee
- professional customers (companies and institutional investors)
- define and monitor alert procedures
- make sure that the Back Office is really independent from the Front Office.

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 positive 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		**2017**		**2017**		**2017**
			GH¢	GH¢	GH¢	GH¢
USD	10%	-10%	652,961	(1,171,844)	878,883	(878,883)
GBP	8%	-8%	(251,435)	53,113	(39,835)	39,835
EUR	7%	-7%	(850,589)	583,773	(437,829)	437,829
Other currencies	5%	-5%	112,131	(106,861)	80,146	(80,146)
31 December		**2016**		**2016**		**2016**
			GH¢	GH¢	GH¢	GH¢
USD	10%	-10%	1,171,844	(1,171,844)	878,883	(878,883)
GBP	8%	-8%	(53,113)	53,113	(39,835)	39,835
EUR	7%	-7%	(583,773)	583,773	(437,829)	437,829
Other currencies	5%	-5%	106,861	(106,861)	80,146	(80,146)

Exchange rate 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.

Methods and assumptions used in the computation of sensitivity analysis

37 Financial risk management cont'd

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 2017	USD	GBP	EURO	Others	Total
	GH¢	GH¢	GH¢	GH¢	GH¢
Assets					
Cash and Balances with Bank of Ghana	5,899,202	1,829,556	2,365,967	-	10,094,725
Due from Other Banks and Financial Institutions	321,751,892	15,292,047	112,872,652	2,261,395	452,177,986
Other Assets	(3,732,725)	-	5,998	-	(3,726,727)
Loan and Advances to Customers	433,137,819	557	98,443,451	-	531,581,827
Total Assets	**757,056,188**	**17,122,160**	**213,688,068**	**2,261,395**	**990,127,811**
Liabilities					
Due to Other Banks and Financial Institutions	51,643,034	-	34,426,275	-	86,069,309
Due to Customers	562,370,157	18,224,059	179,078,404	18,763	759,691,383
Other Liabilities	92,450,744	832,212	5,499,572	19	98,782,547
Total Liabilities	**706,463,935**	**19,056,271**	**219,004,251**	**18,782**	**944,543,239**
Net on Balance Sheet Position	**50,592,253**	**(1,934,111)**	**(5,316,183)**	**2,242,613**	**45,584,572**
Net Off Balance Sheet Position	**(37,533,025)**	**-**	**-**	**-**	**(37,533,025)**
Net open position	**13,059,228**	**(1,934,111)**	**(5,316,183)**	**2,242,613**	**8,051,547**

31 December 2016	USD	GBP	EURO	Others	Total
Assets	GH¢	GH¢	GH¢	GH¢	GH¢
Cash and Balances with Bank of Ghana	8,636,896	1,439,988	2,761,950	-	12,838,834
Due from Other Banks and Financial Institutions	160,150,752	13,518,221	92,698,357	1,133,344	267,500,674
Other Assets	(99,165)	1,444	26,106	-	(71,615)
Loan and Advances to Customers	203,982,500	1,112	61,499,302	-	265,482,914
Total Assets	**372,670,983**	**14,960,765**	**156,985,715**	**1,133,344**	**545,750,807**
Liabilities					
Due to Customers	556,827,105	14,596,586	123,416,241	16,343	694,856,275
Other Liabilities	80,288,098	1,016,567	10,592,440	16	91,897,121
Due to Other banks and Financial Institutions	162,184,995	-	33,275,250		195,460,245
Total Liabilities	**799,300,198**	**15,613,153**	**167,283,931**	**16,359**	**982,213,641**
Net on Balance Sheet Position	**(426,629,215)**	**(652,388)**	**(10,298,216)**	**1,116,985**	**(436,462,834)**
Net Off Balance Sheet Position	**439,132,681**	**-**	**1,774,680**	**1,153,950**	**442,061,311**
Net open position	**12,503,466**	**(652,388)**	**(8,523,536)**	**2,270,935**	**5,598,477**

Operational Risk

Operational risk is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruption.

These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

Operational procedures are documented in an Operations Manual.

The Bank has established and implemented an integrated Operational Risk (OR) framework comprising (i) Loss Collection policy, (ii) Key Risk Indicators (KRI) policy, (iii) Permanent Supervision policy, (iv) Compliance and anti- money laundering. Policy which set out the organizational structure, overall policy framework, processes and systems for identifying, assessing, monitoring and controlling/ mitigating operational risks in the bank.

Societe Generale Ghana Limited has adopted the Societe Generale 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 Societe Generale 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 train and advise staff and increase their awareness of compliance issues.

38 Regulatory Breaches

During the year under review, the Bank was unable to meet the regulatory deadline for the submission of the BOG Prudential Returns as stipulated in section 93 of the Banks and Specialized Deposit Taking Institutions Act,2016(Act 930) between the

Notes to the Financial Statements cont'd

38 Regulatory Breaches cont'd

months of January and July 2017. This breach resulted in seven(7) fines being levied against the bank by the regulator to the total value of GHS 57,600. The internal challenges which caused these breaches have since been controlled and BOG Prudential Returns to the Central bank are now performed within the time required.

39 Segmental Reporting

For management purposes, the bank is organized broadly into three operating segments based on products and services as follows;

- **Retail Banking**

  This unit primarily serves the needs of individuals, high net worth clients, institutional clients and very small businesses. 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.

- **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 2017	Retail Banking	Corporate Banking	Treasury	Total
	GH¢	GH¢	GH¢	GH¢
Revenue				
Interest & Similar Revenue (3rd Parties)	148,645,689	173,135,223	-	321,780,912
Interest & Similar Expense	(31,408,923)	(28,778,074)	-	(60,186,997)
Net Interest income	**117,236,766**	**144,357,149**	**-**	**261,593,915**
Fees & Commission Revenue	39,349,283	36,585,892	13,580	75,948,755
Fees & Commission Expense	(15,443,098)	(1,305,818)	-	(16,748,916)
Net Commission Income	**23,906,185**	**35,280,074**	**13,580**	**59,199,839**
Trading Revenue	1,323,409	22,637,554	34,812,857	58,773,820
Investment Revenue	-	-	-	-
Other Operating Income	2,846,005	3,170,785	31,861	6,048,651
Total Other Operating Income	**4,169,414**	**25,808,339**	**34,844,718**	**64,822,471**
Total Operating Income	**145,312,365**	**205,445,562**	**34,858,298**	**385,616,225**
Credit Loss Expenses	(7,602,922)	(31,415,101)	-	(39,018,023)
Net Operating Income	**137,709,443**	**174,030,461**	**34,858,298**	**346,598,202**
Personnel Expenses	(52,351,113)	(40,593,805)	(7,567,245)	(100,512,163)
Depreciation/Amortization	(7,008,262)	(5,572,609)	(945,514)	(13,526,385)
Other Operating Expenses	(39,767,247)	(56,223,738)	(9,539,576)	(105,530,561)
	-	-	-	
Total Operating Expenses	(99,126,622)	(102,390,152)	(18,052,335)	(219,569,109)
Profit Before Tax	**38,582,821**	**71,640,309**	**16,805,963**	**127,029,093**
Total Assets	**1,304,458,157**	**1,469,718,164**	**15,565,965**	**2,789,742,286**
Total Liabilities	**1,048,376,069**	**1,222,513,194**		**2,270,889,263**

No revenue from transactions with a single customer or counter party amounted to 10% or more of the Bank's total revenue in 2017 or 2016.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 Banking	Corporate Banking	Treasury	Total
	GH¢	GH¢	GH¢	GH¢
31 December 2016				
Revenue				
Interest & Similar Revenue (3rd Parties)	99,832,595	159,913,476	-	259,746,071
Interest & similar expense	(27,349,725)	(34,453,719)	-	(61,803,444)
Net Interest income	72,482,870	125,459,757	-	197,942,627
				-
Fees & Commission Revenue	33,518,838	38,016,654	230,307	71,765,799
Fees & Commission Expense	(13,174,676)	(972,841)		(14,147,517)
Net Commission Income	20,344,162	37,043,813	230,307	57,618,282
Trading Revenue	(309,179)	20,214,450	41,040,230	60,945,501
Investment Revenue				
Other Operating Income	5,086,882	9,087,597	(2,230,821)	11,943,658
Total Other Operating Income	4,777,703	29,302,047	38,809,409	72,889,159
Total Operating Income	97,604,735	191,805,617	39,039,716	328,450,068
				-
Credit Loss Expenses	(2,286,998)	(37,226,458)	-	(39,513,456)
				-
Net Operating Income	95,317,737	154,579,159	39,039,716	288,936,612
				-
Personnel expenses	(53,648,089)	(35,564,699)	(7,586,064)	(96,798,852)
Depreciation/Amortization	(5,891,637)	(4,440,701)	(903,869)	(11,236,207)
Other Operating Expenses	(31,396,383)	(49,264,747)	(8,352,392)	(89,013,522)
Total Operating Expenses	(90,936,109)	(89,270,147)	(16,842,325)	(197,048,581)
				-
Profit Before Tax	4,381,628	65,309,012	22,197,391	91,888,031
Total Assets	883,082,396	1,121,587,480	444,166,325	2,448,836,201
				-
Total Liabilities	**775,540,152**	**1,340,740,625**	**-**	**2,116,280,777**

40 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:

Notes to the Financial Statements cont'd

40. Capital cont'd

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. Revaluation Reserve

This amount comprises revaluation of property, plant and equipment.

e. Statutory Reserve

This is amount set aside from annual profit as a non-distributable reserve in accordance with regulatory requirements.

The transfer to Statutory Reserve Fund is in compliance with the Banks and Specialized Deposit Taking Institutions Act, 2016 Act 930.

f. Credit Risk Reserve

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

g. 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.

h. Regulatory Capital

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

j. Capital adequacy

The adequacy of the Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the Bank of Ghana. The capital adequacy ratio of the Bank as of 31 December 2017 is shown below:

	2017	2016
	Actual	Actual
	GH¢	GH¢
Ordinary share capital	138,302,925	138,302,925
Retained earnings	142,772,417	78,603,272
Other Reserves	112,626,759	96,279,275
Non controlling interests	(1,893,660)	(406,500)
Intangible assets	(20,505,677)	(20,535,099)
Other regulatory adjustments	-	6,279,392
Net Tier 1 Capital	**371,302,764**	286,964,481
Revaluation Reserves	62,575,460	19,369,952
Tier 2 Capital	**62,575,460**	19,369,952
Total Regulatory Capital	**433,878,224**	305,334,433
Total Adjusted Asset Base (b)	**2,595,718,966**	1,825,389,090
Total regulatory Capital as a % of RWA	16.72%	16.73%
Total Tier 1 capital as a % of RWA	14.30%	15.67%

Notes to the Financial Statements cont'd

41 Compliance Status of Externally Imposed Capital Requirement

During the past year Societe Generale Ghana Limited had complied in full with all its externally imposed capital requirements.

Analysis of Shareholdings

Category	Number of shareholders	Number of shares	Percentage Holding %
1-1,000	28,398	8,643,358	2%
1,001-5,000	4,345	8,763,477	2%
5,001-10,000	695	4,430,342	1%
Over 10,000	539	407,223,003	95%
	33,977	**429,060,180**	**100%**

42 Subsequent events

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

43 Value Added Statement

	2,017 GH¢	2016 GH¢
Value Added Statements for the year ended 31 December 2017		
Interest earned and other operating income	462,199,360	404,278,397
Direct cost	(76,935,913)	(75,950,961)
Value added by banking services	**385,263,447**	**328,327,436**
Non - banking income	352,778	122,632
Impairments	(39,018,023)	(39,513,455)
Value added	**346,598,202**	**288,936,613**
Distributes as follows:		
To Employees :-		
Directors (without executives)	(736,809)	(621,999)
Executive Directors	(4,493,522)	(3,018,987)
Other employees	(96,285,768)	(95,946,310)
To Government :-		
Income Tax	(36,521,589)	(28,179,573)
To providers of capital :-		
Dividend to shareholders	(14,158,986)	(27,913,376)
To expansion and growth :-		
Depreciation	11,867,601	(9,447,576)
Amortisation	1,658,784	(1,788,631)
To retained earnings	90,507,504	63,899,855

44 Twenty Largest Shareholders

	Shareholders Account Name	Number of Holding	% Owned
1	SG-FINANCIAL SERVICES HOLDING,	243,159,895	56.7
2	SOCIAL SECURITY AND NATIONAL INSURANCE TRUST,	83,049,522	19.4
3	OFORI, DANIEL	31,226,974	7.3
4	SCGN / ENTERPRISE LIFE ASS. CO. POLICY HOLDERS	6,811,159	1.6
5	AMENUVOR, GIDEON	3,166,229	0.7
6	SOCIETE GENERAL EMPLOYEES' SHARE OWNERSHIP	2,869,823	0.7
7	SCGN/CITIBANK KUWAIT INV AUTHORITY	2,714,517	0.6
8	SCBN/CITIBANK LONDON ROBECO AFRIKA FONDS N.V	2,184,150	0.5
9	HFCN/ EDC GHANA BALANCED FUND LIMITED	1,580,000	0.4
10	ENO INTERNATIONAL LLC,	1,500,000	0.3
11	SCGN/CACEIS BANK RE:HMG GLOBETROTTER	1,286,105	0.3
12	SCGN/DATABANK BALANCED FUND LIMITED	1,259,096	0.3
13	TEACHERS FUND,	1,056,528	0.2
14	MR, PHILIP OPOKU-MENSAH	1,000,000	0.2
15	SCGN:ENTERPRICE LIFE, C/O STANDARD CHARTERED BANK GHANA SCGN/ E L A L	924,820	0.2
16	MBG ESSPA SCHEME	865,057	0.2
17	SCGN/SSB EATON VANCE TAX-, MANAGED EMERGING MARKET FUND	814,000	0.2
18	HFCN/ COCOBOD TIER 3 PENSION SCHEME (OLD FUND) COL	742,313	0.2
19	METLIFE CLASSIC A/C, STD NOMS TVL PTY/METLIFE GOLD PLAN FUND MICAC	701,900	0.2
20	STD NOMS TVL PTY/DATA BANK ARK FUND	680,833	0.2
	Total	**387,592,921**	**90.3**
	Others	**41,467,259**	**9.7**
	Grand Total	**429,060,180**	**100.0**

45 Directors shareholding

Director	Shareholding
Mrs. Teresa Ntim	2,134 shares

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 Wednesday 28th March 2018 at 11.00 a.m. and at every adjournment thereof):

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

	RESOLUTION	FOR	AGAINST
1.	To receive the Accounts		
2.	To re-elect as a Director Pierre Wolmarans		
3.	To re-elect as a Director Michel Miaille		
4.	To re-elect as a Director Kofi Ampim		
5.	To elect as a Director Joseph Torku		
6.	To elect as a Director Laurette Otchere		
7.	To elect as a Director Bilankalama Ibrahim Traore		
8.	To approve Directors' fees		
9.	To increase the number of authorized shares to 1,000,000,000		
10.	To transfer GHS 97,000,000 from income surplus to stated capital		
11.	To undertake a bonus issue by issuing 1 ordinary share to each existing shareholder for every 6 ordinary shares held		
12.	To undertake a renounceable rights issue to raise up to **GHS170,000,000** subject to applicable regulatory approvals.		
13.	That the Directors be authorized, subject to the rules of the Ghana Stock Exchange, to determine the modalities and the duration of the increase in stated capital of the Company.		

Signed this …………… day of ……………………………………………………………… 2018

Shareholder's Signature………………………………………………………………………

THIS PROXY FORM SHOULD NOT BE SENT TO THE REGISTRAR 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.

Resolutions to be passed

at the Annual General Meeting on Wednesday, 28th March, 2018 at 11 a.m.

BOARD RESOLUTIONS

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

1. **RECEIVE THE 2017 ACCOUNTS**

   The Board shall propose the acceptance of the 2017 Accounts as the true and fair view of the state of affairs of the company for the year ended 31st December 2017

2. **RE-ELECT OF DIRECTORS RETIRING BY ROTATION**

   In accordance with Section 298(a) of the Companies Act 1963 Act 179 as amended by the Companies (Amendment) Act 2012, Act 835 and Section 88 (1) of the Company's Regulations, Mr. Pierre Wolmarans, Mr. Michel Miaille and Mr. Kofi Ampim and retire by rotation and being eligible; offer themselves for re-election as Directors.

4. **ELECTION OF DIRECTORS APPOINTED DURING THE YEAR**

   In accordance with Section 72(1) of the Company's Regulations Mrs Laurette Otchere, Mr Joseph Torku and Bilankalama Ibrahim Traore appointed as Directors during the year and retiring being eligible offer themselves for election.

5. **APPROVE DIRECTORS FEES**

   In accordance with Section 194(1) of the Companies Act 1963 (Act 179) as amended by the Companies (Amendment) Act 2012, Act 835 and Section 78(3) of the Company's Regulations it is hereby proposed that the Directors remuneration be paid at such a rate not exceeding an aggregate of GHS400,000.00

6. **AUTHORISATION OF THE DIRECTORS TO DETERMINE THE REMUNERATION OF THE AUDITORS**

   In accordance with Section 134(5) of the Companies Code 1963 as amended by the Companies (Amendment) Act 2012, Act 835 and Section 54(2) (d) of the Company's Regulations, the Board of Directors recommend that the current Auditors Messrs Ernst & Young as Auditors continue as the Auditors of Societe Generale Ghana Limited. The Board will request that they fix the fees of the Auditors.

7. **TO INCREASE THE NUMBER OF AUTHORISED SHARES TO ONE BILLION**

   In accordance with Section 9 of the Company's Regulations it is proposed that the number of authorized shares be increased from 500,000,000 to 1,000,000,000 (One Billion)

8. **TO INCREASE THE STATED CAPITAL TO FOUR HUNDRED MILLION GHANA CEDIS (GHS400,000,000)**

   In accordance with Section 66 of the Companies Act 1963 (Act 179) as amended by the Companies (Amendment) Act 2012, Act 835 and Section 45 of the Company's Regulations. It is proposed that Shareholders authorise the increase of the stated capital of the company to GHS400,000,000 to meet the new minimum capital requirement set by the Bank of Ghana through:-

   a. A transfer of GHS97,000,000 from Income Surplus to Stated Capital and to undertake a bonus issue by issuing 1 ordinary share to each existing shareholder for every 6 shares held and

   b. To undertake a renounceable rights issue to raise up to GHS170,000,000 subject to applicable regulatory approvals

9. **TO AUTHORISE THE DIRECTORS TO DETERMINE THE MODALITIES AND DURATION OF THE INCREASE IN STATED CAPITAL**

   In accordance with Section 203 of the Companies Act 1963 (Act 179) as amended by the Companies (Amendment) Act 2012, Act 835 and Section 84 and 85 of the Company's Regulations it is proposed that the Directors be authorized, subject to the rules of the Ghana Stock Exchange, to determine the modalities and the duration of the increase in stated capital of the Company.

THE REGISTRAR
NTHC LIMITED
MARTCO HOUSE
P. O. BOX KA 9563
AIRPORT
ACCRA

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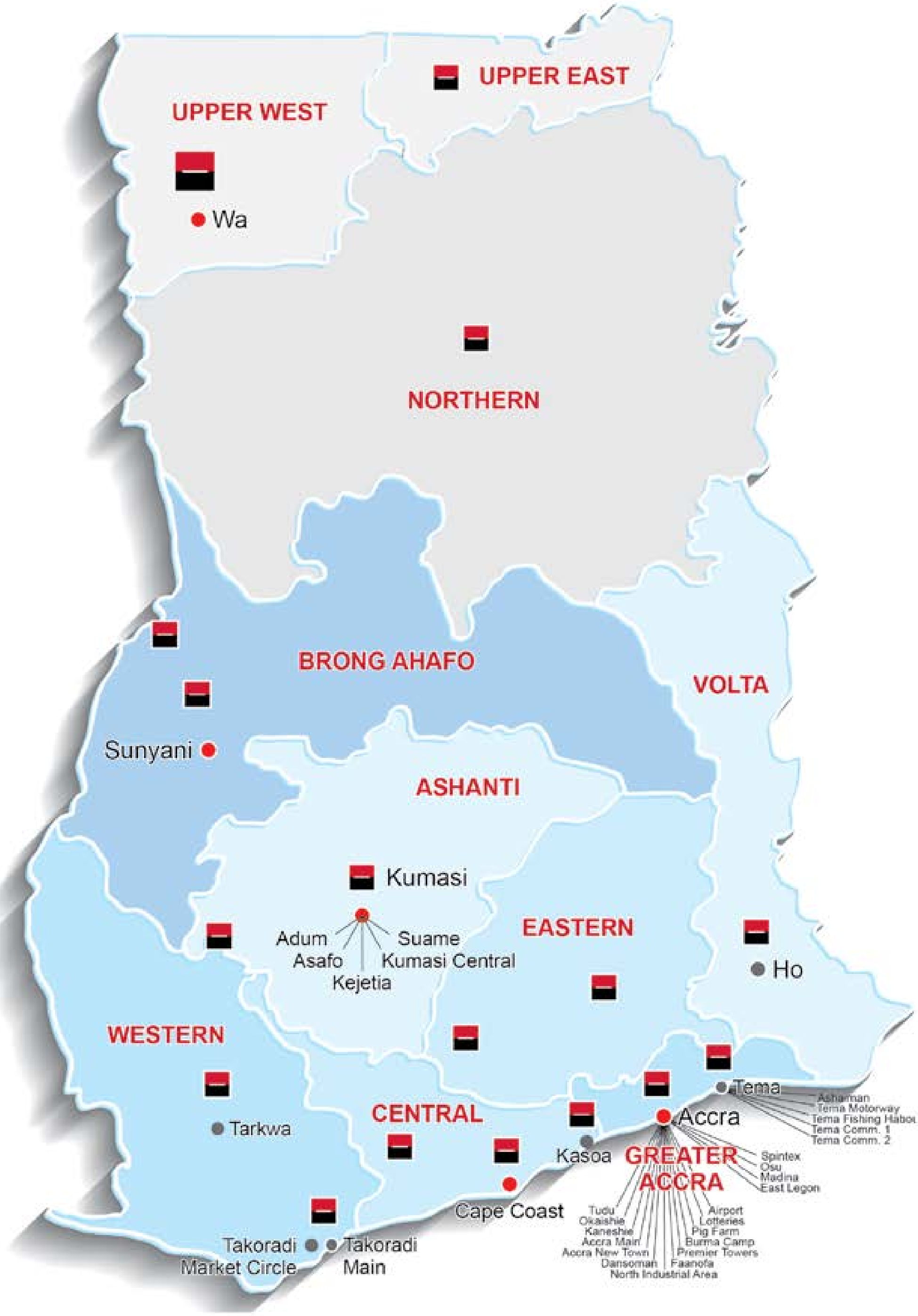
SOCIETE GENERALE GHANA
BRANCH NETWORK



Branch Network

Name Of Branch	Address	Phone No.	Fax No.
Greater Accra Region			
Accra Main	P. O. Box 13119, Accra	030 2223375 / 030 2222136 / 030 2911022 / 030 2911013	030 2222136
Accra New Town	P. O. Box 13119, Accra	030 2248054 / 0577 650390-2	030 2228512
Airport City	P. O. Box 13119, Accra	030 7010416 / 030 7011347 / 030 7011126 / 030 7011152	N/A
Ashaiman	P. O. Box Co 2885, Tema	030 7011518 / 030 7011654	N/A
Burma Camp Spot Bank	P. O. Box 13119, Accra	030 7011525	N/A
East Legon	P. O. Box 13119, Accra	030 2543728/9 / 030 2543730	N/A
Faanofa	P. O. Box 13119, Accra	030 2252500 / 030 2234704	N/A
Kaneshie	P. O. Box 13119, Accra	030 2681372 / 030 2676128	030 2681372
Dansoman	P. O. Box 13119, Accra	030 2322547-49	N/A
Lotteries	P. O. Box 13119, Accra	030 2667370 / 030 2672610	030 2668651
Madina	P. O. Box 13119, Accra	030 7011003 / 030 7012922	030 7012922
North Industrial Area	P. O. Box 13119, Accra	030 2222981 / 030 2222139	030 2229811
Okaishie	P. O. Box 13119, Accra	030 2668998 / 030 2662458	030 2666898
Osu	P. O. Box 13119, Accra	030 2790384 / 302790382	N/A
Pig Farm Spot Bank	P. O. Box 13119, Accra	030 2248053 / 0577 650469	N/A
Premier Towers	P. O. Box 13119, Accra	030 2667146 / 030 2668650	030 2667147
Spintex Road	P. O. Box 13119, Accra	030 2961993 / 030 2934970	0577 650918
Tema Community 1	P. O. Box Co 2885, Tema	030 3218096 / 030 3218097	N/A
Tema Community 2	P. O. Box Co 2885, Tema	030 3202558 / 030 3206495	030 3201960
Tema Fishing Harbour	P. O. Box Co 1668, Tema	030 3202288 / 0577 650912	030 3204462
Tema Motorway	P. O. Box Co 2885, Tema	030 2959127	N/A
Tudu	P. O. Box 13119, Accra	030 2663907 / 030 2667938	030 2671462
Ashanti Region			
Adum	P. O. Box 4542, Kumasi	032 225379 / 032 225729	032 225379
Asafo	P. O. Box 4542, Kumasi	0577 650905 / 0577 650910	N/A
Kejetia	P. O. Box 4542, Kumasi	020 2801070	N/A
Kumasi Central	P. O. Box 4542, Kumasi	0322 023075 / 0577 650973	032 2024418
Suame	P. O. Box 4542, Kumasi	032 2043057 / 0577 650909	
Brong Ahafo Region			
Berekum	P. O. Box 49, Berekum	035 2222261 / 0577 650964	035 2222261
Sunyani	P. O. Box 1131, Sunyani	035 2027124 / 035 2027050	035 2027124

Branch Network cont'd

Name Of Branch	Address	Phone No.	Fax No.
Central Region			
Cape Coast	P. O. Box 1019, Cape Coast	0577 650938 / 0577 650939	033 2132406
Dunkwa	P. O. Box 64, Dunkwa	033 2228393 / 033 2228665	033 2228665
Kasoa	P. O. Box 13119, Accra	030 3932443 / 030 2984479	N/A
Eastern Region			
Akim Oda	P. O. Box 325, Akim Oda	034 2922188 / 034 2922776	034 29222188
Koforidua	P. O. Box 987, Koforidua	034 2022778 / 034 2022236	N/A
Northern Region			
Tamale	P. O. Box 192, Tamale	037 2023437 / 037 2023253	037 2022139
Upper East Region			
Bolgatanaga	P. O. Box 344, Bolgatanga	038 2023305 / 038 2022064	038 2022064
Upper West Region			
Wa	P. O. Box 240, Wa	039 2022147 / 039 2022155	039 2022147
Western Region			
Bibiani	P. O. Box 58, Bibiani	031 2093031 / 031 2093032	031 2093031
Takoradi	P .O. Box 660, Takoradi	031 2024660 / 031 2022888	031 2024660
Takoradi Market Circle	P. O. Box 660, Takoradi	031 2033280 / 031 2033288	031 2033288
Tarkwa	P. O. Box 219, Tarkwa	031 2320951 / 031 2320950	031 2320950
Volta Region			
Ho	P. O. Box HP 360, Ho	036 2026651 / 036 2028053	

Notes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