

SOCIETE GENERALE GHANA LIMITED

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR ENDED 30 JUNE 2019

	2019 GH¢	2018 GH¢
Interest Income	204,868,828	167,680,853
Interest Expense	(42,276,862)	(35,610,123)
Net Interest Income	162,591,966	132,070,730
Fees & Commission Income	42,320,831	42,977,400
Fees & Commission Expense	(10,808,516)	(8,909,253)
Net Fees and Commission Income	31,512,315	34,068,147
Net Trading Revenue	24,322,779	16,570,458
Net income from other financial instruments carried at fair value	16,126,939	6,206,972
Other Operating Income	11,299,037	3,555,201
Total Other Operating Income	51,748,755	26,332,631
Operating Income	245,853,036	192,471,508
Net impairment loss on financial assets	(30,260,500)	(23,338,732)
Personnel Expense	(60,751,636)	(54,559,855)
Depreciation and Amortization	(16,194,378)	(10,727,594)
Other Expenses	(70,321,739)	(54,015,125)
Profit before Income Tax	68,324,783	49,830,202
Income Tax Expenses	(20,405,953)	(15,312,455)
Profit after Tax Expense	47,918,830	34,517,747
Other comprehensive income, net of income tax		
Items that may be reclassified subsequently to profit or loss:		
- Available for sale financial assets		
Net fair value gain on available-for-sale financial assets during the year	-	(2,992,320)
Total Comprehensive Income for the period	47,918,830	31,525,427
Earnings Per Share:		
Basic and diluted earnings per share (GH¢)	GH¢13.08p	GH¢15.0p

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019

	2019 GH¢	2018 GH¢
Assets		
Cash and Cash Equivalents	725,973,725	511,970,580
Non-Pledged Trading assets	72,525,475	69,285,995
Investment securities	666,099,939	616,656,345
Loans and Advances to Customers	2,238,577,361	1,633,846,199
Investments (other than securities)	2,807,042	2,181,558
Derivative assets held for risk management	44,616	5,873,373
Other Assets	37,319,589	47,207,663
Property, Plant and Equipment	297,968,780	284,548,150
Intangible Assets	2,211,662	2,101,957
Total Assets	4,043,528,189	3,173,671,820
Liabilities		
Deposits from banks	312,641	139,343
Deposits from customers	2,575,079,702	2,247,520,785
Borrowings	491,323,927	239,066,965
Current tax liabilities	2,619,699	4,404,963
Other Liabilities	223,351,496	146,833,317
Deferred Tax Liabilities	29,502,649	29,106,634
Total Liabilities	3,322,190,114	2,667,072,007
Shareholders' Fund		
Stated Capital	404,245,427	235,302,925
Income Surplus	25,850,071	27,882,091
Revaluation Reserve	123,670,260	123,670,260
Statutory Reserve	167,572,317	121,256,195
Other Reserves	-	(1,511,658)
Total Shareholders' Fund	721,338,075	506,599,813
Total Liabilities and Shareholders' Fund	4,043,528,189	3,173,671,820

THE FINANCIAL STATEMENTS DO NOT CONTAIN UNTRUE STATEMENTS, MISLEADING FACTS OR OMIT MATERIAL FACTS TO THE BEST OF OUR KNOWLEDGE.

Kofi Ampim (Chairman)

Hakim Ouzzani (Managing Director)

STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2019

	2019 GH¢	2018 GH¢
Cash flow from Operating Activities		
Operating Profit before Taxation	68,324,783	49,830,202
Adjustments for:		
Depreciation and Amortization	16,194,378	10,727,594
Unrealized Losses on forex and revaluations	(9,019,041)	(1,765,982)
Profit on Sales of Property, Plant and Equipment	(541,447)	(1,825)
Operating Profit before Working Capital Changes	74,958,673	58,789,989
Changes in Operating and Other Assets and Liabilities		
Change in Non-Pledged Trading assets	3,082,754	4,980,316
Change in Loans and Advances to Customers	(573,293,160)	(262,947,826)
Change in Other Assets	6,342,879	(16,099,527)
Change in Derivative assets held for risk management	5,335,444	(5,873,373)
Change in Borrowings	141,710,522	134,882,411
Change in Deposit from Banks	(3,354,730)	(5,457,220)
Change in Deposit from Customers	413,697,105	259,222,040
Change in Other Liabilities	43,014,799	13,855,600
	36,535,612	122,562,421
Income Tax Paid	(21,249,460)	(18,271,884)
Net Cash Generated from Operating Activities	90,244,824	163,080,526
Cash flow from Investing Activities		
Change in Investment securities	25,317,334	(384,598,619)
Investments (other than securities)	-	(287,898)
Purchase of Property, Plant and Equipment	(12,553,617)	(18,199,954)
Purchase of Intangible Assets	(261,078)	(739,659)
Proceeds from Sale of Property, Plant and Equipment	525,471	1,825
Net Cash generated/(used in) from Investing Activities	13,028,110	(403,824,305)
Cash flow from Financing Activities		
Dividend Paid	(28,365,655)	-
Bonus Issue Expense	-	(6,798,336)
Net Cash used in Financing Activities	(28,365,655)	(6,798,336)
Change in Cash and Cash Equivalents	74,907,280	(247,542,115)
Net Foreign Exchange Difference	9,230,391	1,761,096
Cash & Cash Equivalents as at 1 January	641,836,054	757,751,599
Cash and Cash Equivalents as at 30 June 2019	725,973,725	511,970,580
Operational Cash Flows from Interest:		
Interest Received	193,343,591	153,690,333
Interest Paid	41,037,962	25,314,945

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2019

	Stated Capital GH¢	Income Surplus GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Other Reserves GH¢	Total shareholders' Equity GH¢
Balance as at 1 January 2019	404,245,427	30,256,311	123,670,260	143,612,902	-	701,784,900
Movements during the Quarter:						
Profit for the period	-	47,918,830	-	-	-	47,918,830
Other comprehensive income	-	-	-	-	-	-
Other Movements in Equity	-	-	-	-	-	-
Transfer to Statutory Reserve	-	(23,959,415)	-	23,959,415.00	-	-
Dividend Paid	-	(28,365,655)	-	-	-	(28,365,655)
Balance as at 30 June 2019	404,245,427	25,850,071	123,670,260	167,572,317	-	721,338,075

STATEMENT OF CHANGES IN EQUITY FOR THE HALF YEAR ENDED 30 JUNE 2018

	Stated Capital GH¢	Income Surplus GH¢	Revaluation Reserve GH¢	Statutory Reserve GH¢	Other Reserves GH¢	Total shareholders' Equity GH¢
Balance as at 1 January 2018	138,302,925	142,772,417	123,670,260	112,626,759	1,480,662	518,853,023
Movements during the Quarter:						
Profit for the period	-	34,517,747	-	-	-	34,517,747
Other comprehensive income	-	-	-	-	(2,992,320)	(2,992,320)
Other Movements in Equity	-	-	-	-	-	-
Bonus Issue	97,000,000	(97,000,000)	-	-	-	-
Withholding Tax & other Expenses on Bonus Issue	-	(6,798,336)	-	-	-	(6,798,336)
Transfer to Statutory Reserve	-	(8,629,436)	-	8,629,436	-	-
Transfer to General Regulatory Credit Reserve	-	-	-	-	-	-
IFRS 9 First Time Application Impact	-	(36,980,301)	-	-	-	(36,980,301)
Balance as at 30 June 2018	235,302,925	27,882,091	123,670,260	121,256,195	(1,511,658)	506,599,813

THE FUTURE IS YOU



SOCIETE GENERALE
GHANA

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2019

THE REPORTING ENTITY

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 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 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.

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 the applicable accounting standards have been followed.
- Ensure that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the bank will continue in business.

The Directors are responsible for ensuring that the 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 Banking Act, 2004 (Act 673) and the Banking (Amendment) Act, 2007 (Act 738) and International Financial Reporting Standards. They are responsible for safeguarding the assets of the bank and hence for taking steps for the prevention and detection of fraud and other irregularities.

Statement of compliance

The financial statements of the Bank for the half year ended 30 June 2019 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Accounting policies

The accounting policies adopted are consistent with those of the previous financial year. However in 2019, IAS 17 which was used for the classification and measurement of leases has been replaced by IFRS 16.

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 and buildings are also carried under the revaluation model.

QUANTITATIVE DISCLOSURES

	2019	2018
Capital Adequacy Ratio	19.5	14.7
Non-Performing Loan Ratio	10.7	12.9

QUALITATIVE DISCLOSURES

RISK MANAGEMENT

1. The Bank is exposed to the following risks: credit, liquidity, interest rate, market and other operational risks.
2. The risks inherent in the Bank's activities are 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.
3. The Board of Directors is responsible for the overall risk management approach and for approving the risk management strategies and principles. In addition, there are Risk Committees that have the overall responsibility for the development of risk strategy and implementing principles, frameworks, polices and limits.

Liquidity Breaches

The bank complied with all liquidity regulations within the period.