

SOCIETE GENERALE GHANA LIMITED
UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR
ENDED 30 JUNE 2018

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 30 JUNE 2018

	2018 GH¢	2017 GH¢
Interest Income	167,680,853	152,550,356
Interest Expense	(35,610,123)	(28,556,074)
Net Interest Income	132,070,730	123,994,282
Fees & Commission Income	42,977,400	35,341,240
Fees & Commission Expense	(8,909,253)	(8,213,641)
Net Fees and Commission Income	34,068,147	27,127,599
Net Trading Revenue	16,570,458	13,403,923
Net income from other financial instruments carried at fair value	6,206,972	24,994,853
Other Operating Income	3,555,201	1,361,423
Total Other Operating Income	26,332,631	39,760,199
Operating Income	192,471,508	190,882,080
Net impairment loss on financial assets	(23,338,732)	(13,016,719)
Personnel Expense	(54,559,855)	(53,777,534)
Depreciation and Amortization	(10,727,594)	(6,148,673)
Other Expenses	(54,015,125)	(45,678,087)
Profit before Income Tax	49,830,202	72,261,067
Income Tax Expenses	(15,312,455)	(21,633,360)
Profit after Tax Expense	34,517,747	50,627,707
<i>Other comprehensive income, net of income tax</i>		
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- Available for sale financial assets		
Net fair value gain on available-for-sale financial assets during the year	(2,992,320)	492,720
Total Comprehensive Income for the period	31,525,427	51,120,427
Profit attributable to:		
Controlling Equity holders of the bank	19,571,563	28,705,910
Non-controlling interest	14,946,184	21,921,797
Profit for the period	34,517,747	50,627,707
Total Comprehensive Income attributable to:		
Controlling Equity holders of the bank	17,874,917	28,985,282
Non-controlling interest	13,650,510	22,135,145
Total Comprehensive Income for the period	31,525,427	51,120,427
Earnings Per Share:		
Basic and diluted earnings per share (GH¢)	0.15	0.24

STATEMENT OF CASHFLOWS FOR THE HALF YEAR ENDED 30 JUNE 2018

	2018 GH¢	2017 GH¢
Cash flow from Operating Activities		
Operating Profit before Taxation	49,830,202	72,261,067
Adjustments for:		
Depreciation and Amortization	10,727,594	6,148,673
Unrealized Losses on forex and revaluations	(1,765,982)	600,998
Profit on Sales of Property, Plant and Equipment	(1,825)	(381,761)
Operating Profit before Working Capital Changes	58,789,989	78,628,977
Changes in Operating and Other Assets and Liabilities		
Change in Non-Pledged Trading assets	4,980,316	9,447,498
Change in Loans and Advances to Customers	(262,947,826)	(296,498,012)
Change in Other Assets	(16,099,527)	(19,251,221)
Change in Derivative assets held for risk management	(5,873,373)	-
Change in Derivative liabilities held for risk management	-	2,968,536
Change in Borrowings	134,882,411	24,759,579
Change in Deposit from Banks	(5,457,220)	(1,399,472)
Change in Deposit from Customers	259,222,040	64,323,262
Change in Other Liabilities	13,855,600	26,266,523
	122,562,421	(189,383,307)
Income Tax Paid	(18,271,884)	(8,743,431)
Net Cash Generated from Operating Activities	163,080,526	(119,497,761)
Cash flow from Investing Activities		
Change in Investment securities	(384,598,619)	(133,213,774)
Investments (other than securities)	(287,898)	(1,487,160)
Purchase of Property, Plant and Equipment	(18,199,954)	(16,105,085)
Purchase of Intangible Assets	(739,659)	(597,594)
Proceeds from Sale of Property, Plant and Equipment	1,825	358,448
Net Cash generated/(used in) from Investing Activities	(403,824,305)	(151,045,165)
Cash flow from Financing Activities		
Dividend Paid	-	(14,158,986)
Withholding Tax & Other Expenses on Bonus Issue	(6,798,336)	-
Net Cash used in Financing Activities	(6,798,336)	(14,158,986)
Change in Cash and Cash Equivalents	(247,542,115)	(284,701,912)
Net Foreign Exchange Difference	1,761,096	(844,616)
Cash & Cash Equivalents as 1 January	757,751,599	775,207,151
Cash and Cash Equivalents at 30 June 2018	511,970,580	489,660,623
Operational Cash Flows from Interest:		
Interest Received	153,690,333	148,656,445
Interest Paid	25,314,945	23,474,621

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	2018 GH¢	2017 GH¢
Assets		
Cash and Cash Equivalents	511,970,580	489,660,623
Non-Pledged Trading assets	69,285,995	60,410,208
Investment securities	616,656,345	674,598,703
Loans and Advances to Customers	1,633,846,199	1,238,805,584
Investments (other than securities)	2,181,558	1,893,660
Derivative assets held for risk management	5,873,373	-
Other Assets	47,207,663	48,522,653
Property, Plant and Equipment	284,548,150	98,553,207
Intangible Assets	2,101,957	2,731,712
Total Assets	3,173,671,820	2,615,176,350
Liabilities		
Derivative liabilities held for risk management	-	9,465,393
Deposits from banks	139,343	767,025
Deposits from customers	2,247,520,785	1,855,387,325
Borrowings	239,066,965	225,493,375
Current tax liabilities	4,404,963	12,716,487
Other Liabilities	146,833,317	137,564,501
Deferred Tax Liabilities	29,106,634	4,265,379
Total Liabilities	2,667,072,007	2,245,659,485
Shareholders' Fund		
Stated Capital	235,302,925	138,302,925
Income Surplus	27,882,091	102,619,080
Revaluation Reserve	123,670,260	17,983,906
Statutory Reserve	121,256,195	102,656,810
Credit Risk Reserve	-	6,075,378
Other Reserves	(1,511,658)	1,878,766
Total Shareholders' Fund	506,599,813	369,516,865
Total Liabilities and Shareholders' Fund	3,173,671,820	2,615,176,350
Total attributable to:		
Controlling Equity holders of the bank	1,799,471,922	1,482,804,990
Non-controlling interest	1,374,199,898	1,132,371,360
Profit for the period	3,173,671,820	2,615,176,350

The financial statements do not contain untrue statements, misleading facts or omit material facts to the best of our knowledge.

Kofi Ampim (Chairman)

Sionle Yeo (Managing Director)

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¢	Credit risk reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For The Half Year Ended 30 June 2018							
Balance as 1 January 2018	138,302,925	142,772,417	123,670,260	112,626,759	-	1,480,662	518,853,023
<i>Movements during the period:</i>							
Total comprehensive income	-	34,517,747	-	-	-	(2,992,320)	31,525,427
<i>Other Movements in Equity</i>							
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	-	-	-
IFRS 9 First Time Application Impact	-	(36,980,301)	-	-	-	-	(36,980,301)
Balance at 30 June 2018	235,302,925	27,882,091	123,670,260	121,256,195	-	(1,511,658)	506,599,813

	Stated Capital GH¢	Income surplus GH¢	Revaluation Reserve GH¢	Statutory reserve GH¢	Credit risk reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For The Half Year Ended 30 June 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
<i>Movements during the period</i>							
Total Comprehensive Income	-	50,627,707	-	-	-	492,720	51,120,427
<i>Other Movements in Equity</i>							
Dividend Paid	-	(14,158,986)	-	-	-	-	(14,158,986)
Transfer to Statutory Reserve	-	(12,656,927)	-	12,656,927	-	-	-
Transfer from Credit Risk Reserve	-	204,014	-	-	(204,014)	-	-
Balance at 30 June 2017	138,302,925	102,619,080	17,983,906	102,656,810	6,075,378	1,878,766	369,516,865

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 Banking and Specialized Deposit taking institution Act, 2016 Act 930 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.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2018

Statement of compliance

The financial statements of the Bank for the half year ended 30th June 2018 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 2018 IAS 39 which was used for the classification, measurement and impairment of financial instruments has been replaced by IFRS 9.

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 are at fair value. Land and buildings are also carried under the revaluation model.

QUANTITATIVE DISCLOSURES	2018	2017
Capital Adequacy Ratio	14.7%	15.8%
Non-Performing Loan Ratio	12.9%	14.3%

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, policies and limits.

Liquidity Breaches

The Bank complied with all liquidity regulations within the period.