

# SOCIETE GENERALE GHANA LIMITED

## UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE HALF YEAR ENDED 30 JUNE 2020

	2020 GH¢	2019 GH¢
Interest income	242,365,077	204,868,828
Interest expense	(53,312,189)	(42,276,862)
<b>Net interest income</b>	<b>189,052,888</b>	<b>162,591,966</b>
Fees & commission income	44,395,559	42,320,831
Fees & commission expense	(9,866,058)	(10,808,516)
<b>Net fees and commission income</b>	<b>34,529,501</b>	<b>31,512,315</b>
Net trading revenue	25,680,716	24,322,779
Net income from other financial instruments carried at fair value	25,014,111	16,126,939
Other operating income	(5,002,544)	11,299,037
<b>Total other operating income</b>	<b>45,692,283</b>	<b>51,748,755</b>
<b>Operating income</b>	<b>269,274,672</b>	<b>245,853,036</b>
Net impairment loss on financial assets	(16,938,330)	(30,260,500)
Personnel expense	(63,124,989)	(60,751,636)
Depreciation and amortization	(17,358,761)	(16,194,378)
Other expenses	(77,560,468)	(70,321,739)
<b>Profit before income tax</b>	<b>94,292,124</b>	<b>68,324,783</b>
Income tax expenses	(28,607,222)	(20,405,953)
<b>Profit after tax expense</b>	<b>65,684,902</b>	<b>47,918,830</b>
Other comprehensive income, net of income tax	-	-
<b>Total comprehensive income for the period</b>	<b>65,684,902</b>	<b>47,918,830</b>
<b>Earnings per share:</b>		
Basic and diluted earnings per share (GH¢)	<b>GH¢0.19</b>	<b>GH¢0.14</b>

### STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

	2020 GH¢	2019 GH¢
<b>Assets</b>		
Cash and cash equivalents	868,943,666	725,973,725
Non-pledged trading assets	95,408,359	72,525,475
Investment securities	1,027,462,471	666,099,939
Loans and advances to customers	2,737,328,940	2,238,577,361
Investments (other than securities)	8,862,900	2,807,042
Derivative assets held for risk management	-	44,616
Other assets	67,492,442	37,319,589
Property, plant and equipment	293,658,529	297,968,780
Intangible assets	1,812,219	2,211,662
Deferred tax assets	9,529,212	-
<b>Total assets</b>	<b>5,110,498,738</b>	<b>4,043,528,189</b>
<b>Liabilities</b>		
Deposits from banks	3,832,559	312,641
Deposits from customers	3,377,964,255	2,575,079,702
Borrowings	512,203,389	491,323,927
Derivative liabilities held for risk management	13,857,367	-
Current tax liabilities	29,608,874	2,619,699
Other liabilities	305,385,961	223,351,496
Deferred tax liabilities	-	29,502,649
<b>Total liabilities</b>	<b>4,242,852,405</b>	<b>3,322,190,114</b>
<b>Shareholders' Fund</b>		
Stated capital	404,245,427	404,245,427
Income surplus	99,004,200	25,850,071
Revaluation reserve	123,670,260	123,670,260
Statutory reserve	240,726,446	167,572,317
<b>Total shareholders' Fund</b>	<b>867,646,333</b>	<b>721,338,075</b>
<b>Total liabilities and shareholders' Fund</b>	<b>5,110,498,738</b>	<b>4,043,528,189</b>

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 CASH FLOWS

FOR THE HALF YEAR ENDED 30 JUNE 2020

	2020 GH¢	2019 GH¢
<b>Cash flow from operating activities</b>		
Operating profit before taxation	94,292,124	68,324,783
<b>Adjustments for:</b>		
Depreciation and amortization	17,358,761	16,194,378
Unrealized gains/losses on forex and revaluations	5,754,543	(9,019,041)
Profit/loss on sales of property, plant and equipment	(2,560)	(541,447)
<b>Operating profit before working capital changes</b>	<b>117,402,868</b>	<b>74,958,673</b>
<b>Changes in operating and other assets and liabilities</b>		
Change in non-pledged trading assets	(37,884,423)	3,082,754
Change in loans and advances to customers	(93,934,939)	(573,293,160)
Change in other assets	(4,978,207)	6,342,879
Change in derivative assets held for risk management	-	5,335,444
Change in derivative liabilities held for risk management	13,857,366	-
Change in deposit from banks	(21,842,831)	(3,354,730)
Change in deposit from customers	208,258,284	413,697,105
Change in other liabilities	<b>72,266,852</b>	<b>43,014,799</b>
<b>Income tax paid</b>	<b>(44,007,660)</b>	<b>(21,249,460)</b>
<b>Net Cash Generated from Operating Activities</b>	<b>209,137,310</b>	<b>(51,465,696)</b>
<b>Cash flow from Investing Activities</b>		
Change in investment securities	(944,357,479)	25,317,334
Purchase of property, plant and equipment	(19,575,866)	(12,553,617)
Purchase of intangible assets	(656,459)	(261,078)
Proceeds from sale of property, plant and equipment	2,560	525,471
<b>Net cash generated/(used in) from investing activities</b>	<b>(964,587,244)</b>	<b>13,028,110</b>
<b>Cash flow from financing activities</b>		
Dividend paid	-	(28,365,655)
Change in borrowings	334,507,412	141,710,522
<b>Net cash used in financing activities</b>	<b>334,507,412</b>	<b>113,344,867</b>
Change in cash and cash equivalents	(420,942,522)	74,907,280
Net foreign exchange difference	(5,754,543)	9,230,391
Cash & cash equivalents as at 1 January	1,295,640,731	641,836,054
<b>Cash and cash equivalents as at 30 June</b>	<b>868,943,666</b>	<b>725,973,725</b>
<b>Operational cash flows from interest:</b>		
Interest received	<b>184,266,098</b>	<b>193,343,591</b>
Interest paid	<b>51,041,660</b>	<b>41,037,962</b>

### STATEMENT OF CHANGES IN EQUITY

FOR THE HALF YEAR ENDED 30 JUNE 2020

	Stated capital GH¢	Income surplus GH¢	Revaluation reserve GH¢	Statutory reserve GH¢	Total shareholders' funds GH¢
<b>For the half year ended 30 June 2020</b>					
Balance as at 1 January 2020	404,245,427	66,161,749	123,670,260	207,883,995	801,961,431
Movements during the Quarter:					
Profit for the period	-	65,684,902	-	-	65,684,902
Other movements in equity:					
Transfer to statutory reserve	-	(32,842,451)	-	32,842,451	-
Dividend paid	-	-	-	-	-
<b>Balance as at 30 June 2020</b>	<b>404,245,427</b>	<b>99,004,200</b>	<b>123,670,260</b>	<b>240,726,446</b>	<b>867,646,333</b>
<b>For the half year ended 30 June 2019</b>					
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 movements in equity:					
Transfer to statutory reserve	-	(23,959,415)	-	23,959,415	-
Dividend paid	-	(28,365,655)	-	-	(28,365,655)
<b>Balance as at 30 June 2019</b>	<b>404,245,427</b>	<b>25,850,071</b>	<b>123,670,260</b>	<b>167,572,317</b>	<b>721,338,075</b>

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020 THE REPORTING ENTITY

Societe Generale Ghana Limited is a public limited liability company incorporated under the Companies Act, 2019 (Act 992) . 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 Act, 2019 (Act 992) and the Banking and Specialised Deposit Taking Institutions Act, 2016 (Act 930) and the 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 2020

### Statement of compliance

The financial statements of the Bank for the half year ended 30 June 2020 have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and accounting requirements as dictated by the guide for financial publication 2017 issued by the Bank of Ghana. Except as otherwise specified by the guide for financial publication, the financial statements were prepared in accordance with IFRS.

### Accounting policies

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

### Basis of preparation

The financial statements of the Bank have been prepared on a historical cost basis, except for Financial assets and liabilities held-for-trading, Derivative financial instruments and Equity investments which are at fair value. Land and buildings are also carried under the revaluation model.

## QUANTITATIVE DISCLOSURES

	2020	2019
Capital adequacy ratio	17.70	19.5
Non-performing loan ratio	5.85	10.7
Leverage ratio	9.41	9.84
Liquid ratio	83.65	73.92

## QUALITATIVE DISCLOSURES RISK MANAGEMENT

1. The Bank is exposed to the following risks: credit, liquidity, interest rate, market and other operational risks. Over a 3 year period, these risks have been relatively stable with a decreasing outlook.
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.

## DEFAULTS IN STATUTORY LIQUIDITY

	2020	2019
Number of defaults in Statutory Liquidity	1	Nil
Sanctions (GHS)	37,734	Nil