



PRESS RELEASE

PR. No 074/2017

**SOCIETE GENERALE GHANA (SOGEGH) -
FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2016**

SOGEGH has released its Financial Statements for the year ended December 31, 2016, as per the attached.

Issued in Accra, this 9th
day of March, 2017.

- E N D -

att'd.

Distribution:

1. All LDMs
2. General Public
3. Company Secretary, SOGEGH
4. NTHC Registrars, (Registrars for SOGEGH shares)
5. Central Securities Depository
6. SEC
7. GSE Council Members
8. GSE Notice Board

For enquiries, contact:

**General Manager/Head of Listings, GSE on 0302 669908, 669914,
669935**

*JEB



**SOCIETE GENERALE
GHANA**

**SOCIETE GENERALE GHANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Societe Generale Ghana Limited

Report and financial statements

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Societe Generale Ghana Limited

Directors, Officials and Registered Office

Directors:	Kofi Ampim	-	Chairman
	Siorle Yebo	-	Managing Director
	Francois Marchal	-	Deputy Managing Director
	Arnaud Crouzet	-	Chief Operating Officer
	Alexandre Maymat		
	Michel Miaille		
	Pierre Wolmarans		
	Teresa Ntini		
	Nii Adja Nabliah		
	Kofi Asamoah		
Hakim Ouzzan	-	Appointed 16 th November 2016	
Christian Celin	-	Resigned 4 th October 2016	

Secretary: Angela Nananasa Bonnu
Societe Generale Ghana Limited
2nd Crescent Royal Castle Road
Ring Road Central
P.O. Box 13119
Accra - Ghana

Registered Office: 2nd Crescent Royal Castle Road
Ring Road Central
P.O. Box 13119
Accra - Ghana
Accra - Ghana

Auditors: Ernst & Young Chartered Accountants
No 6 15 Building
Airport Residential Area
White Avenue
Accra Ghana
PO Box KA 16009
Airport, Accra, Ghana

Registrars: NTHC Limited
Martico 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

Societe Generale Ghana Limited
Report of the Directors

The directors in submitting to the shareholders the financial statements of the Bank for the year ended 31 December 2016 reports as follows:

	2016 GH¢	2015 GH¢
The Bank recorded net profit before taxation	91,888,031	64,387,599
From which is deducted taxation of	(27,988,176)	(19,782,522)
Giving a net profit after taxation of	63,899,855	44,605,077
There was transfer to statutory reserves of	(15,859,777)	(11,151,260)
Leaving a profit for the year after taxation and transfer to statutory reserves of	48,040,078	33,453,808
When added to the opening balance on the income surplus account as of 1 January of	50,505,724	50,345,751
From which is deducted a reclassification adjustment of	-	(319,732)
From which is deducted a bonus issue transferred to Stated Capital	-	(34,662,687)
From which is deducted a right issue expenses	(1,182,701)	-
And Adjusting it with Transfer from Capital Surplus	-	-
And Adjusting it with Transfer from Other Reserves	-	-
From which is deducted a withholding tax on Bonus Issue	-	(2,682,476)
From which is deducted final Dividend Paid of	(27,913,376)	-
Leaving a balance of	69,449,724	46,134,664
And adjusting it with transfer from Credit Risk Reserve of	9,153,547	4,371,060
It leaves a closing balance on the Income Surplus account of	78,603,271	50,505,724

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 Banking Act 2004 Act 673 as amended by the Banking Amendment Act 2007 Act 738.

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

Alexandre Maymat: He holds Statistics and Economic Administration degrees from the Polytechnics School and from the National School of Statistics and Economic Administration. He has a vast experience in the public service of France and of the European Union Economic. Within the Societe Generale Group, he has held the following positions: Chief Inspector, Regional Manager of the Franche-Comté area, Director and CEO of Société Générale de Banque in Cameroon, and he is now the Deputy Head of the Group's International Retail Banking Division. He joined the Board of Directors on 15th November 2012.

Kofi Asamoah: He holds an Honorary Doctorate degree for outstanding Leadership from Columbia University Washington DC Global Centre for Transformational Leadership. He also holds a Master of Arts degree in Philosophy and Labour Development from the Columbia University Washington District of Columbia; a Post Graduate Diploma in Labour Studies from the University of Hirtadrut Tel Aviv Israel; a Post Graduate Diploma in Social Political Science Institute of Social Sciences Moscow Russia; a Post Graduate Diploma in Labour Policies Studies from the University of Cape Coast. He is the immediate past Secretary General of the Trade Unions Congress ("TUC"). He joined the Board of Directors on 20th November 2013.

Nii Adja Nabliah: He is a Chartered Accountant by profession and holds an MBA (Finance) from the University of Wales and University of Manchester UK. He has extensive experience in the Implementation and Review of Accounting Systems, Procedures and Controls and Financial Systems Analysis. He is the Deputy Director General at the Social Security and National Insurance Trust (SSNIT). Before joining SSNIT he worked with KPMG, a practicing firm of Chartered Accountants offering Audit, Taxation, Management Consultancy and other services. Directorships held are the Trust Bank, NTHC Company Limited, NTHC Properties, and Kumasi Catering Resthouse Limited. He joined the Bank's Board of Directors on 24th November 2010.

Teresa Ntim (Mrs): She holds a BSc and MSc. in Agricultural Economics. Her career spans over 33 years with the Bank of Ghana serving in different capacities in the Research, Rural Finance, Development Finance and Foreign Operations departments and was Head of Treasury from 1993 to 1997. She also served as Special Advisor to the Governor of the Bank of Ghana and retired in 2004. She joined the Board of Directors on 7th February, 2005.

Election of a Director

In accordance with Regulation 72(1) and 90 of the Regulations of the Bank Mr Hakim Ouzzani appointed during the year offers himself for election.

Report of the Directors - continued

Hakim Ouzzani: He holds a Bachelors of Arts degree in Economics and a Master of Arts degree in Organisation Sociology from the Ecole Nationale Supérieure d' Administration et de Gestion National School of Management and Administration. He also holds a Diploma of the third cycle in Bank and Finances from the Institute of Financing of the Development Tunis. Mr Ouzzani also holds a Diploma of Higher Education from the Arab Maghreb Development Financing Institute.

He is presently the Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Ghana, Cameroon, Chad, Congo Brazzaville, Equatorial Guinea, and Guinea Conakry. From 2012 to 2016 he was the Chief Executive Officer of Societe Generale Tchad. He also held various positions within the Societe Generale as Group Deputy General Manager SG Algeria; Network and Sales Manager SG Algeria; Network Development Manager SG Algeria. From 1999 to 2002 he was the General Manager. From 2000 to 2002 he was managed the Corporate Branch of the Union Bank Brokerage. In 1998 he was the New Products Development Manager at the Union Bank. He had also worked as a Professor at the Ecole Supérieure de Banque. He also worked with the Central Bank of Algeria as a Senior Officer Loans & Refinancing; and Licensing & Regulatory Direction. Mr Ouzzani was appointed to the Board of Directors of Societe Generale Ghana in November 2016 with Bank of Ghana granting approval to the said appointment in January 2017.

Directors' Interest

Two Directors holding office at the end of the year owned a total of 4,884 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 a dividend payment of GH¢0.033 per share for the year ended 31 December 2016.

Bonus Issue

There has been no proposal for the issue of bonus shares during the year under review.

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 the 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.

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 at all times in what he believes to be in 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 skillful 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 - continued

Types and duties of outside board and management positions

Name	Nationality	Age	Position	Appointed	Profession & Directorships held
Kofi Ampim	Ghanaian	70	Chairman	2003	Investment Banker - Total Oil Co. Ltd - Allianz Ghana Ltd - Belstar Ltd.
Sionle Yeo	Ivorian	57	Executive	2015	Bank Chief Executive - Societe Generale Ghana; - SSB Investment Co. Ltd
Francois Marchal	French	36	Executive	2014	Banker Advans Ghana Limited
Arnaud Crouzet	French	50	Executive	2014	Banker
Alexandre Maymat	French	49	Non-executive	2012	Statistician/Economist/Banker
Teresa Ntim	Ghanaian	72	Non-executive	2005	Consultant - Lower Pra Rural Bank; - Isser Development Fund; - Ave Maria Health Farm - Telecom International Ghana Ltd
Michel Miaille	French	73	Non-executive	2003	Retired Banker
Nii' Adja Nablah	Ghanaian	56	Non-executive	2011	- The Trust Bank - NTHC Limited - NTHC Properties - Kumasi Catering Resthouse Ltd
Pierre Wolmarans	South African	57	Non-executive	2005	Bank Chief Executive
Kofi Asamoah	Ghanaian	63	Non-executive	2013	Retired Trade Unionist
Hakim Ourzani	French	48	Non-executive	2016	Banker

Number of outside board and management positions held by the Directors

The company does not have a policy limiting the number of board positions any one director can hold.

Professional development and training activities

Once Directors are appointed as members of the Board, they are provided with furnished with a copy of the Regulations of the Bank; The Banking Act 2004 (Act 673); The Banking Amendment Act 2007 (Act 738), the latest Annual Report and a Memorandum of Directors Responsibilities, Duties and Obligations for their learning. During the Reporting Period an Executive Director and a Non-Executive Director received training on board matters. This training was provided jointly by the Bank of Ghana and the International Finance Corporation

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

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.

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 the Section 85(3) of the Regulations of the Bank for should the need arise to address conflicts of interest situations should this arise.

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
- Reviews the work done by Periodic and Permanent Control.

Report of the Directors - continued

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 directions 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 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 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 matters 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 2016 during the Bank's Annual General Meeting. Thus, they are in their first year of providing auditing services to the bank. They replaced Messrs Deloitte & Touche who provided this service for five (5) years. 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.

Increase in the Stated Capital of the Bank

The stated capital of the Bank is now GHS138,302,925 after a successful Rights Issue undertaken during the period under review.

Substantial Shareholders

Details of the Bank's twenty largest shareholders are disclosed in note 28a 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 Ouzzani	-	Member
Sionle Yeo	-	Member
Francois Marchal	-	Member

This Committee reviews and makes recommendations to the Board of Directors on all aspects of the Credit and Market risks. In attendance is the General Manager for Credit and Market Risk of the Bank. The 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 Credit Risk Committee shall reviews the content of and changes to the portfolio per type of facility and debtor, the regulatory ratios and key indicators, changes to the quality of commitments: sensitive, irregular, non-performing files, Compliance with the conditional authorizations issued by the Societe Generale Group, adequacy of the level of provision for the risks incurred, the efficiency of debt collection. The Committee reports its findings to the Board of Directors with the requisite recommendations.

Audit and Accounts Committee

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

Nii Adja Nablah	-	Chairman
Alexander Maymat	-	Member
Hakim Ouzzani	-	Member
Michel Miaille	-	Member
Kofi Ampien	-	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.

- Keeps up-to-date with changes in the legal and regulatory environment affecting the work the committee monitors for proper execution
- Reviewing and validating 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 Groups 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, 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 - continued

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 Nnim	-	Chairperson
Kofi Asamoah	-	Member
Kofi Ampim	-	Member
Nii Adja Nablal	-	Member
Michel Mialle	-	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 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 2016. 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 performed the audit in accordance with International Standards on Auditing.

By order of the board

.....
Managing Director

(Sionle Yeo)

ACCRA

15 February, 2017

.....
Director

(Nii Adja Nablal)

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.

The above statement should be read in conjunction with the statement of the auditors' responsibilities on page 11, 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

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 14 to 59, which comprise the statement of financial position as at 31 December 2016, and 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 2016, 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 Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738).

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 Federation of Accountants' Code of Ethics for Professional Accountants (IFAC 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 IFAC Code, and in accordance with other ethical requirements applicable to performing the audits 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.



Building a better
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Key Audit Matter	How the matter was addressed in the audit
<p>Impairment of loans and advances in line with IFRS</p> <p>Due to the significance of the bank's loans and advances to customers (which represent 38% 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 Banks accounting policies regarding estimating these have been disclosed in note 2.15c and note 19.</p> <p>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 an 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.</p>	<p>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.</p>
<p>Adequacy of regulatory credit risk provisioning</p> <p>Aside application of IFRS impairment rules, Bank of Ghana has specific rules governing regulatory provisions as disclosed in note 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 banks financial statements including the accuracy of its capital adequacy computations and other key industry performance indicators. The balance on the bank's regulatory credit risk reserve at 31 December 2016 amounted to GHS6.3m.</p>	<p>We assessed the systems and related controls instituted by management to ensure the accurate determination of these provisions.</p> <p>We reviewed the process for aging and categorisation of the various loan buckets and the application of related regulatory provision rates.</p> <p>We tested a sample of these provisions based on our overall risk assessment of this account.</p>



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Other Information

The directors are responsible for the other information. The other information comprises Corporate Information and report of the Directors. 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.

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 Banking Act, 2004 (Act 673) as amended by the Banking (Amendment) Act 2007 (Act 738), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 group or to cease operations, or have no realistic alternative but to do so.

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 misstatement, 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.



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- Obtain an understanding of internal control 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 group 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 the financial statements. We are responsible for the direction, supervision and performance of the group 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 control 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;



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- 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 are in agreement with the books of account.

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

- The accounts give a true and fair view of the state of affairs of the bank and its results for the period.
- We were able to obtain all relevant information and explanations required for the efficient performance of our functions.
- The bank's transactions were within the powers of the bank and
- The bank has generally complied with the provisions of the Banking Act, 2004 (Act 673), as amended.



Pamela Des Bordes (ICAG/P/1329)
For and on behalf of Ernst & Young (ICAG/F/2017/126)
Chartered Accountants
Accra, Ghana

Date: 8 March 2017

Societe Generale Ghana Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

	Note	2016 GH¢	2015 GH¢
Interest Income	5	259,746,071	226,751,618
Interest Expense	6	(61,803,444)	(53,422,038)
Net Interest Income		197,942,627	173,329,580
Fees & Commission Income	7	71,765,799	64,583,434
Fees & Commission Expense	7a	(14,147,517)	(12,564,792)
Net Fees and Commission Income		57,618,282	52,018,642
Net Trading Revenue	8a	19,905,271	6,724,734
Net income from other financial instruments carried at fair value	8b	41,040,230	21,506,828
Other Operating Income	10	11,943,658	17,082,402
Total Other Operating Income		72,889,160	45,313,964
Operating Income		328,450,068	270,662,186
Net impairment loss on financial assets	11	(39,513,455)	(37,912,719)
Personnel Expense	12	(95,946,310)	(81,684,827)
Depreciation and Amortization	24a	(11,236,207)	(10,451,037)
Other Expenses	13	(89,866,065)	(76,226,004)
Profit before Income Tax		91,888,031	64,387,599
Income Tax Expenses	15	(27,988,176)	(19,782,522)
Profit after Tax Expense	14	63,899,855	44,605,077
<i>Other comprehensive income, net of income tax</i>			
<i>Items that may be reclassified subsequently to profit & loss:</i>			
- Available for sale financial assets			
Net fair value (loss) on available-for-sale financial assets during the year		1,463,155	(379,043)
Reclassification adjustment relating to available for sale financial assets disposed of in the year		-	453,478
Other comprehensive income for the period (net of tax)		1,463,155	74,435
Total Comprehensive Income for the period		65,363,011	44,679,512
Profit attributable to:			
Controlling Equity holders of the bank		36,212,048	23,301,692
Non-controlling interest		27,687,807	21,303,385
Profit for the period		63,899,855	44,605,077
Total Comprehensive Income attributable to:			
Controlling Equity holders of the bank		37,041,218	25,319,879
Non-controlling interest		28,321,793	19,359,633
Total Comprehensive Income for the period		65,363,011	44,679,512
Earnings Per Share:			
Basic and diluted earnings per share (GH¢)	15	0.17	0.12

Statement of Financial Position

As at 31 December 2016

	Note	2016 Ghc	2015 Ghc
Assets			
Cash and Cash Equivalents	16	735,207,151	850,155,014
Non-pledged Trading assets	17	70,023,376	51,080,883
Pledged Trading assets		-	-
Derivative assets held for risk management		-	-
Investments (other than securities)	18	406,500	406,500
Loans and Advances to Customers	19	942,307,572	900,961,822
Investment securities	20	540,724,245	75,663,667
Current Tax Assets	21	597,611	1,047,500
Deferred tax assets		-	1,769,371
Intangible Assets	22	2,973,027	1,424,092
Other Assets	23	29,271,430	23,719,331
Property, Plant and Equipment	24	87,325,289	86,002,995
Total Assets		2,448,536,201	1,992,231,175
Liabilities			
Trading liabilities		-	-
Derivative liabilities held for risk management	25	6,496,857	-
Deposits from banks	27	2,166,497	1,110,020
Deposits from customers	27	1,791,064,063	1,397,430,483
Borrowings	26	200,733,796	235,981,582
Current tax liabilities		-	-
Deferred Tax Liabilities	14b	4,521,586	-
Retirement benefit liabilities		-	-
Other Liabilities	28	111,297,978	93,728,889
Total Liabilities		2,116,280,777	1,728,250,974
Shareholders' Fund			
Stated Capital	29	138,302,925	100,000,000
Income Surplus	40c	78,142,526	50,505,724
Revaluation Reserve	40d	17,983,906	23,978,541
Statutory Reserve	40f	89,999,883	74,140,106
Credit Risk Reserve	40g	6,279,392	15,432,939
Other Reserves	30	1,386,046	(77,109)
Share Deals	40e	-	-
Total Shareholders' Fund		332,094,678	263,980,201
Total Liabilities and Shareholders' Fund		2,448,375,455	1,992,231,175

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

Approved by the Board on 15 February 2017 and signed on its behalf as follows:

FOR Chairman 
08/03/2017


Managing Director
08/03/2017

Statement of Changes in Equity

For the year ended 31 December 2016

	Stated Capital GHe	Income surplus GHe	Revaluation Reserve GHe	Statutory reserve GHe	Credit risk reserve GHe	Other reserves GHe	Share deals GHe	Total shareholders' equity GHe
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
Reclassification Adjustment	-	-	-	-	-	-	-	-
<i>Movements during the Year :</i>								
Profit for the period	-	63,439,110	-	-	-	-	-	63,439,110
Other comprehensive income	-	-	-	-	-	1,463,155	-	1,463,155
<i>Other Movements in Equity</i>								
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)	-	-	-
Transfer from Share Deals Account	-	-	-	-	-	-	-	-
Transfer from Income Surplus	-	-	-	-	-	-	-	-
Withholding Tax on Income Surplus Transfer	-	-	-	-	-	-	-	-
Deferred Tax On Capital Surplus	-	-	(5,994,635)	-	-	-	-	(5,994,635)
Balance at 31 December 2015	138,302,925	78,142,526	17,983,906	89,999,883	6,279,392	1,386,046	-	332,094,678

For the year ended 31 December 2015

	Stated Capital GHe	Income surplus GHe	Revaluation Reserve GHe	Statutory reserve GHe	Credit risk reserve GHe	Other reserves GHe	Share deals GHe	Total shareholders' equity GHe
Balance as 1 January 2015	62,393,558	50,345,751	23,978,541	62,988,837	19,803,999	(471,276)	2,943,755	221,983,165
Reclassification Adjustment	-	(319,732)	-	-	-	319,732	-	-
<i>Movements during the Year :</i>								
Total Comprehensive Income	-	44,605,077	-	-	-	74,435	-	44,679,512
<i>Other Movements in Equity</i>								
Transfer to Statutory Reserve	-	(11,151,269)	-	11,151,269	-	-	-	-
Transfer to regulatory Credit Reserve	-	4,371,060	-	-	(4,371,060)	-	-	-
Transfer from Share Deals Account	2,943,755	-	-	-	-	-	(2,943,755)	-
Transfer from Income Surplus	34,662,687	(34,662,687)	-	-	-	-	-	-
Withholding Tax on Income Surplus Transfer	-	(2,682,476)	-	-	-	-	-	(2,682,476)
Balance at 31 December 2015	100,000,000	50,505,724	23,978,541	74,140,106	15,432,939	(77,109)	-	263,980,201

Societe Generale Ghana Limited

Statement of Cash Flows

For the year ended 31 December 2016

	Note	2016 GH¢	2015 GH¢
Cash flow from Operating Activities			
Operating Profit before Taxation		91,888,031	64,387,599
Adjustments for:			
Depreciation and Amortization	24a	11,236,207	10,451,037
Unrealized Losses on forex and revaluations		(3,836,394)	13,414,226
Profit on Sales of Property, Plant and Equipment	10	(122,632)	(424,681)
Operating Profit before Working Capital Changes		99,165,212	87,828,181
Changes in Operating and Other Assets and Liabilities			
Change in Non-Pledged Trading assets		(18,745,458)	2,796,628
Change in Loans and Advances to Customers	19	(41,345,750)	(41,345,750)
Change in Other Assets	23	(5,552,099)	(5,552,099)
Change in Derivative liabilities held for risk management	25	6,496,857	6,496,857
Change in Borrowings	26a	5,296,788	(42,257,913)
Change in Deposit from Banks	27	1,056,477	1,056,477
Change in Deposit from Customers	27	393,633,580	393,633,580
Change in Other Liabilities	28	17,569,089	17,569,089
		358,409,484	332,396,369
Income Tax Paid	21a & 21b	(27,729,684)	(22,848,394)
		(27,729,684)	(22,848,394)
Net Cash Generated from Operating Activities		429,845,012	397,376,656
Cash flow from Investing Activities			
Change in Investment securities		(463,109,705)	207,801,292
Purchase of Property, Plant and Equipment	24b	(12,693,691)	(12,874,970)
Purchase of Intangible Assets	22	(1,422,431)	(706,044)
Proceeds from Sale of Property, Plant and Equipment		84,372	436,087
Proceeds from Sale of Investments		-	-
Dividend Received		-	-
Net Cash (used in)/generated from Investing Activities		(477,141,455)	194,656,365
Cash flow from Financing Activities			
Dividend Paid	31	(27,913,376)	-
Subordinated Debt	26a	(40,544,574)	40,544,574
Withholding Tax on Dividend		-	(2,682,476)
Right Issue		37,120,234	-
Net Cash used in Financing Activities		(31,337,727)	37,862,098
Increase in Cash and Cash Equivalents		(78,634,170)	629,895,118
Net Foreign Exchange Difference		3,686,307	(13,738,086)
Cash & Cash Equivalents as 1 January		850,155,014	350,937,287
Cash and Cash Equivalents at 31 December 2016	16	775,207,151	967,094,319
Operational Cash Flows from Interest:			
Interest Received		259,746,071	227,853,599
Interest Paid		60,915,009	52,693,280