



PRESS RELEASE

PR. No 137/2021

SOCIETE GENERALE GHANA PLC (SOGEGH) -
2020 AUDITED FINANCIAL STATEMENTS

SOGEGH has released its Audited Financial Statements for the period ended 31 December, 2020 as per the attached.

Issued in Accra, this 22nd
Day of April, 2021.

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att'd.

Distribution:

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

For enquiries, contact:

Head of Listings, GSE on 0302 669908, 669914, 669935

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SOCIETE GENERALE GHANA PLC

2020 AUDITED FINANCIAL STATEMENTS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

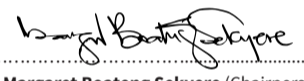
	2020 GH¢	2019 GH¢
Interest income	519,463,379	454,048,757
Interest expense	(114,251,411)	(88,235,057)
Net interest income	405,211,968	365,813,700
Fees & commission income	77,148,106	74,304,756
Fees & commission expense	(22,847,209)	(23,154,024)
Net fees and commission income	54,300,897	51,150,732
Net trading revenue	41,660,244	34,516,774
Net income from other financial instruments carried at fair value	52,417,416	39,746,459
Other operating expense /income	(4,644,872)	17,828,591
Total other operating income	89,432,788	92,091,824
Operating income	548,945,653	509,056,256
Net impairment loss on financial assets	(33,349,574)	(54,922,666)
Personnel expense	(128,691,845)	(123,237,364)
Depreciation and amortization	(33,588,164)	(33,180,681)
Other operating expenses	(131,686,035)	(121,024,195)
Profit before income tax	221,630,035	176,691,350
Income tax expenses	(67,421,120)	(48,149,164)
Profit after tax expense	154,208,915	128,542,186
Other comprehensive income		
Fair value on available for sale financial instrument	1,781,205	-
Less tax	(445,301)	-
Other comprehensive income, net of income tax	1,335,904	-
Total comprehensive income for the period	155,544,819	128,542,186
Earnings per share:		
Basic earnings per share (Gh¢)	0.217	0.181
Diluted earnings per share (Gh¢)	0.217	0.181

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
Assets		
Cash and cash equivalents	1,561,983,616	1,295,640,731
Non-pledged trading assets	67,896,476	57,523,936
Debt instruments at fair value through other comprehensive income	108,961,776	-
Debt instruments at amortised cost	427,587,822	83,104,992
Loans and advances to customers	2,562,706,675	2,643,394,001
Equity investments	12,236,465	8,862,900
Other assets	66,511,519	62,514,235
Property, plant and equipment	290,748,100	290,868,619
Intangible assets	1,264,470	1,728,565
Deferred tax assets	15,309,433	271,230
Total assets	5,115,206,352	4,443,909,209
Liabilities		
Deposits from banks	3,945,938	25,675,390
Deposits from customers	3,481,343,321	3,169,705,971
Borrowings	366,266,787	177,695,977
Current tax liabilities	25,752,524	35,751,330
Other liabilities	312,302,893	233,119,110
Total liabilities	4,189,611,463	3,641,947,778
Shareholders' fund		
Stated capital	404,245,427	404,245,427
Income surplus	149,907,074	66,161,749
Revaluation reserve	123,670,260	123,670,260
Statutory reserve	246,436,224	207,883,995
Other reserves	1,335,904	-
Total shareholders' fund	925,594,889	801,961,431
Total liabilities and shareholders' fund	5,115,206,352	4,443,909,209

The accompanying notes form an integral part of these financial statements.
Approved by the Board on 24 March 2021 and signed on its behalf as follows:


Margaret Boateng Sekyere (Chairperson)
22 April, 2021


Hakim Ouzzani (Managing Director)
22 April, 2021

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 GH¢	2019 GH¢
Cash flow from operating activities		
Operating profit before taxation	221,630,035	176,691,350
Adjustments for:		
Impairment provision	(37,969,111)	698,214
Fair value adjustment on equity investment	1,038,501	(109,751)
Fair value adjustment on available for sale instrument	1,781,205	-
Fair value adjustment on non pledged trading assets	797,756	(213,919)
Depreciation and amortization	33,588,164	33,180,681
Unrealized gain/loss on forex and revaluations	5,918,445	(15,797,088)
Profit on sales of property, plant and equipment	-	(623,961)
Operating profit before working capital changes	226,784,995	193,825,526
Changes in operating and other assets and liabilities		
Change in non-pledged trading assets	(11,170,296)	18,408,477
Change in loans and advances to customers	118,656,437	(978,808,015)
Change in other assets	(3,997,284)	(7,066,831)
Change in derivative financial assets	-	5,380,060
Change in deposit from banks	(21,729,452)	22,008,019
Change in deposit from customers	311,637,350	1,008,323,373
Change in other liabilities	79,183,783	53,059,612
	472,580,538	121,304,695
Income tax paid	(92,903,430)	(45,634,918)
Net cash generated from operating activities	606,462,103	269,495,303
Cash flow from investing activities		
Change in investment securities	(453,444,606)	608,312,282
Equity investments	(4,412,066)	(5,946,107)
Purchase of property, plant and equipment	(32,605,733)	(33,670,292)
Purchase of intangible assets	(397,817)	(662,615)
Proceeds from sale of property, plant and equipment	-	762,100
Net cash (used in)/generated from investing activities	(490,860,222)	568,795,368
Cash flow from financing activities		
Proceeds from borrowings	202,544,707	-
Repayment of borrowings	(13,973,897)	(171,917,428)
Dividend paid	(31,911,361)	(28,365,655)
Net cash (used in)/generated from financing activities	156,659,449	(200,283,083)
Change in cash and cash equivalents	272,261,330	638,007,588
Net foreign exchange difference	(5,918,445)	15,797,088
Cash & cash equivalents as at 1 January	1,295,640,731	641,836,055
Cash and cash equivalents as at 31 December 2020	1,561,983,616	1,295,640,731
Operational cash flows from interest:		
Interest received	516,115,683	437,858,960
Interest paid	111,882,687	85,814,071
Dividend received	133,640	-

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Stated Capital GH¢	Income surplus GH¢	Revaluation Reserve GH¢	Statutory reserve GH¢	Other reserves GH¢	Total shareholders' equity GH¢
For the year ended 31 December 2020						
Balance as at 1 January 2020	404,245,427	66,161,749	123,670,260	207,883,995	-	801,961,431
Movements during the year:						
Profit for the period	-	154,208,915	-	-	-	154,208,915
Other movements in equity	-	-	-	-	1,335,904	1,335,904
Dividend	-	(31,911,361)	-	-	-	(31,911,361)
Transfer to statutory reserve	-	(38,552,229)	-	38,552,229	-	-
Balance as at 31 December 2020	404,245,427	149,907,074	123,670,260	246,436,224	1,335,904	925,594,889
For the year ended 31 December 2019						
Balance as at 1 January 2019	404,245,427	30,256,311	123,670,260	143,612,902	-	701,784,900
Movements during the year :						
Profit for the period	-	128,542,186	-	-	-	128,542,186
Other movements in equity:						
Dividend	-	(28,365,655)	-	-	-	(28,365,655)
Transfer to statutory reserve	-	(64,271,093)	-	64,271,093	-	-
Balance as at 31 December 2019	404,245,427	66,161,749	123,670,260	207,883,995	-	801,961,431

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 Act, 2019 (Act 992) and the Bank 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 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, 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

NOTES TO THE SUMMARY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

REPORTING ENTITY

Societe Generale Ghana PLC (the Bank) is a limited liability company incorporated in Ghana 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 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.

STATEMENT OF COMPLIANCE

These financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and accounting requirement 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 adapted by the bank 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	17.06%	15.06%
Common Equity Tier 1 / RWA	15.06%	13.06%
Leverage Ratio	9.91%	9.30%
Loan Loss Provision Ratio	7.43%	8.63%
Liquidity Ratio	88.27%	67.56%
Gross Non-performing Loan Ratio	6.70%	8.83%
Off-Balance Sheet Exposures (GH¢ M)	665.07	766.49

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.
4. Over the year under review, the Board of Directors have assessed the dominant risks faced by the bank as generally stable over a three year period.

DEFAULTS IN STATUTORY LIQUIDITY

	2020	2019
Number of Defaults in Statutory Liquidity	Nil	Nil
Sanctions	Nil	Nil

REGULATORY BREACHES

During the year under review, the bank breached four sections of the Specialised Deposit -Taking Institutions Act, 2016 (Act 930). The Bank was levied an amount of GH¢ 677,799.94 in accordance with the relevant sections of the act.

REPORT OF THE INDEPENDENT AUDITOR ON THE SUMMARY FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SOCIETE GENERALE GHANA PLC

Opinion

The summary financial statements, which comprise the statement of financial position as at 31 December 2020, statement of comprehensive income, statement of cash flows for the year then ended and related notes, are derived from the audited financial statements of Societe Generale Ghana Plc for the year ended 31 December 2020.

In our opinion, the accompanying summary financial statements are consistent, in all material respects, with the audited financial statements, in accordance with the basis of preparation and the notes to the summary financial statements.

Summary financial statements

The summary financial statements do not contain all the disclosures required by International Financial Reporting Standards (IFRS), the Companies Act, 2019 (Act 992) and the Banks and Specialized Deposit-Taking Institutions Act, 2016 (Act 930). Reading the summary financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited financial statements and the auditor's report thereon.

The audited financial statements and our report thereon

We expressed an unmodified audit opinion on the audited financial statements in our report dated 22 April 2021. That report also includes the communication of other 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.

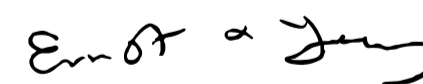
Directors' responsibility for the summary financial statements

The Directors are responsible for the preparation of the summary financial statements in accordance with the Bank of Ghana guide for financial publication for banks and Bank of Ghana (BOG) licensed financial Institutions.

Auditor's responsibility

Our responsibility is to express an independent opinion on whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with International Standards on Auditing (ISA) 810 (Revised), Engagement to Report on Summary Financial Statements.

The Engagement Partner on the audit resulting in this independent auditor's report is Pamela Des Bordes (ICAG/P/1329).



Ernst & Young (ICAG/F/2021/126)
Chartered Accountants
Accra, Ghana
22 April, 2021

