

OCTOBER 2018

OFFER CIRCULAR



**SOCIETE GENERALE
GHANA**

CIRCULAR TO SHAREHOLDERS IN RESPECT OF THE RENOUNCEABLE RIGHTS ISSUE OF **208,570,990 ORDINARY SHARES** OF NO PAR VALUE AT **GHS 0.81 PER SHARE** IN A RATIO OF **1 NEW SHARE FOR EVERY 2.400 SHARES CURRENTLY HELD** BY A QUALIFYING SHAREHOLDER

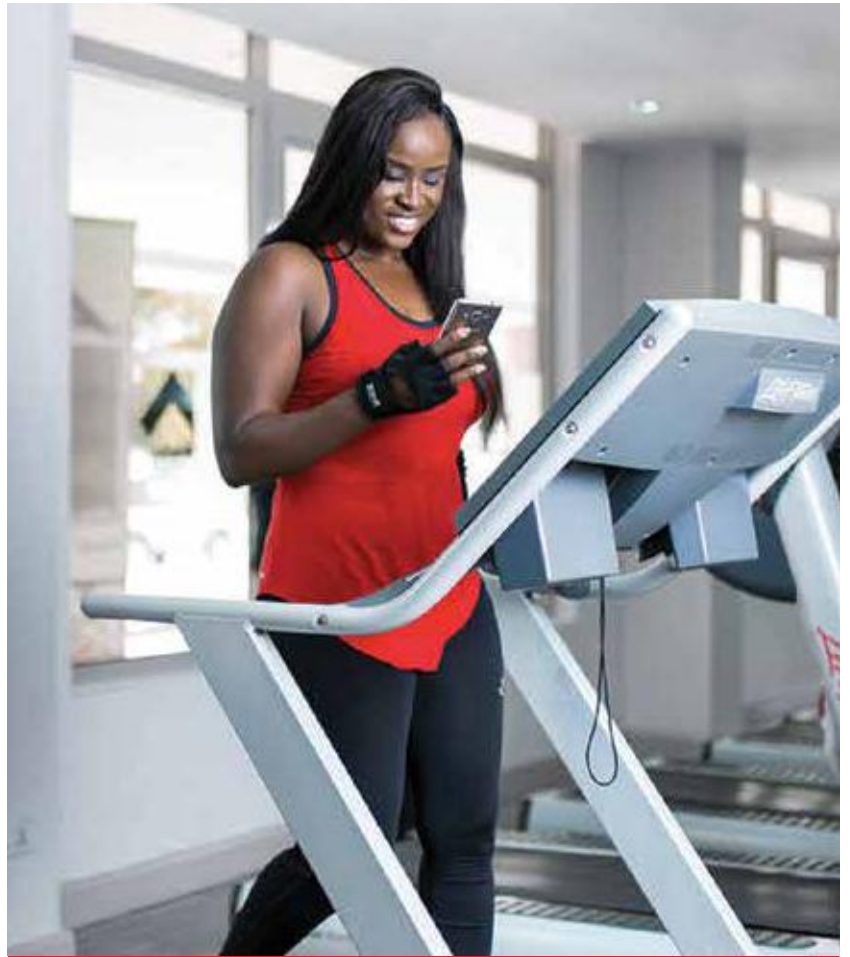
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This Circular is important and should be read carefully. If you have any questions about its contents or actions to take, please consult your stockbroker, banker and legal professional or other professional advisors for guidance.



(Incorporated as a public limited liability company in the Republic of Ghana under registration number "CS011472016")

CIRCULAR TO SHAREHOLDERS

in respect of

the Renounceable Rights issue of **208,570,990 ordinary shares** of no par value at **GHS 0.81 per share** in a ratio of **1 new share for every 2.400 shares currently held** by a Qualifying Shareholder.

Offer opens: 3 October 2018
Offer closes: 24 October 2018

TRANSACTION ADVISORS

Financial Advisor & Sponsoring Broker



Legal Advisor



Reporting Accountant



This Circular is dated: **29 August 2018**

SOCIETE GENERALE GHANA

(Incorporated as a public limited liability company in the Republic of Ghana under registration number "CS011472016")

CIRCULAR TO SHAREHOLDERS

in respect of

the Renounceable Rights issue of **208,570,990 ordinary shares** of no par value at **GHS 0.81 per share** in a ratio of **1 new share for every 2.400 shares currently held** by a Qualifying Shareholder.

Societe Generale Ghana Limited ("**SOGEGH**", the "**Issuer**", the "**Bank**") is a public limited liability company incorporated under the Companies Act of Ghana, 1963 (Act 179) (the "**Companies Act**") and listed on the Ghana Stock Exchange (the "**GSE**"). SOGEGH is licensed by the Bank of Ghana to operate as a universal bank in Ghana under the Banks and Specialised Deposit – Taking Institutions Act, 2016 (Act 930) (the "**Banks and SDI Act**")

SOGEGH intends to undertake the Rights Issue (as defined), under which it will issue the Shares on Offer (as defined) at **GHS 0.81 per share** in a ratio of **1 new share for every 2.400 shares currently held** by a Qualifying Shareholder (as defined). All terms for the Rights Issue as well as a description of SOGEGH and its business activities have been set out in this offer circular (the "**Offer Document**" or "**Circular**").

The Shares on Offer will carry the right to vote and to participate in all future dividends to be declared and paid on the ordinary issued shares of the Bank. The Shares on Offer will rank *pari passu* with the existing issued shares of SOGEGH, are freely transferable and are not subject to any restrictions on marketability or any pre-emptive rights on transfer.

This Circular has been reviewed and approved by the Securities and Exchange Commission ("SEC") in accordance with Section 3 of the Securities Industry Act, 2016 (Act 929) (the "Securities Industry Act") and the Securities and Exchange Commission Regulations, 2003 (LI 1728) (the "SEC Regulations"). In its review, the SEC examined the contents of the Circular to ensure that adequate disclosures have been made. To ascertain the financial soundness or value of the securities on offer, investors are advised to consult a dealer, investment adviser, or other professionals duly authorised under the Securities Industry Act for appropriate advice.

An application has been made to the GSE, for the listing of the Shares on Offer on the GSE. Provisional approval has been obtained from the GSE for permission to deal in and for quotation of all the Shares on Offer. Such approval is granted subject to fulfilling all the additional listing requirements.

A copy of this Circular has been delivered to the Registrar Generals Department (the "**RGD**") for filing in accordance with section 279 of the Companies Act.

Neither the GSE, nor the SEC, nor the RGD assumes any responsibility for the correctness of any statements made, opinions expressed or reports contained in this Circular. Neither the GSE, nor the SEC, nor the RGD has verified the accuracy and truth of the contents of this Circular or any other documents submitted to it, and the SEC, the GSE and the RGD will not be liable for any claim of any kind whatsoever. Approval of the issue and/or listing of the Shares on Offer by the GSE or the SEC is not to be taken as an indication of the merits of the Issuer or of any issue of the Shares on Offer.

A. GENERAL INFORMATION

The Issuer accepts responsibility for the information contained in this Circular for each Share on Offer. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts as at the date hereof and does not omit anything likely to affect the import of such information.

To the best of the knowledge and belief of the Lead Manager, the Sponsoring Broker, the Financial Advisor, the Reporting Accountant and the Legal Advisors (or any of their respective directors, Affiliates, advisors or agents), the Circular constitutes full and fair disclosure of all material facts about the Rights Issue and the Issuer.

The Lead Manager, the Sponsoring Broker, the Financial Advisor, the Reporting Accountant and the Legal Advisor have not independently verified the information contained herein. Accordingly, no representation or warranty, expressed or implied, is made by the Lead Manager, the Sponsoring Broker, the Financial Advisor, the Reporting Accountant or the Legal Advisor (or any of their respective directors, Affiliates, advisors or agents) with respect to the accuracy or completeness of such information, at any time, of this Circular. Nothing contained in this Circular, is to be construed as, or shall be relied upon as, a promise, warranty or representation, whether to the past or the future, by the Lead Manager, the Sponsoring Broker, the Financial Advisor, the Reporting Accountant and the Legal Advisor (or any of their respective directors, Affiliates, advisors or agents) in any respect.

No person is authorised to give any information or make any representation not contained in this Circular in connection with the Rights Issue, and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or the Lead Manager.

The distribution of this Circular and the Offer in certain jurisdictions may be restricted by law. Neither the Issuer nor the Lead Manager represents that this Circular may be lawfully distributed, or that the Shares on Offer may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer which is intended to permit an offering of the shares or distribution of this Circular in any jurisdiction where action for that purpose is required. Accordingly, no Shares on Offer may be offered or sold, directly or indirectly, and neither this Circular nor any advertisement or other offering material may be distributed or published, in any jurisdiction, except in circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Circular comes are advised to inform themselves about, and observe any such restriction, on the distribution of this Circular and the Offer.

Neither the delivery of this Circular nor any sale of the Shares on Offer shall, under any circumstances, create any impression that there has been no change in the affairs of the Issuer since the date hereof or that the information contained herein is correct as of anytime subsequent to this date. Any material change (relevant to the Rights Issue) in the affairs of the Issuer during the Offer Period (as defined) will be communicated to the SEC and the investing public.

This Circular does not constitute an offer and may not be used for the purpose of an offer to or solicitation by anyone in any jurisdiction or in any circumstances in which such an offer or solicitation is not authorised or is unlawful. The Issuer accepts no responsibility for any violation by any person of any such restrictions.

Before deciding whether to apply for the Shares on Offer, you should consider whether the Shares on Offer are a suitable investment for you. Their value can go down as well as up. Past performance is not necessarily indicative of future performance. If you need advice, you should consult a suitable professional adviser.

The contents of this Circular do not constitute and are not to be construed as legal, business or tax advice. Each Qualifying Applicant (as defined) should consult his/her/its own legal advisor, financial advisor or tax advisor for legal, financial and tax advice. **To ascertain the financial soundness or value of the Shares on Offer, investors are advised to consult a dealer, investment advisor or other professional for appropriate advice.**

B. ADVISORS

African Alliance Securities Ghana Limited ("**African Alliance**") is acting as Lead Manager, Sponsoring Broker and Financial Advisor for the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. African Alliance confirms that to the best of its knowledge and belief, this Circular constitutes a full and fair disclosure of all material facts about the issue and the Issuer as required by the Securities Industry Act and the SEC Regulations.

PricewaterhouseCoopers ("**PwC**") is acting as the reporting accountant to the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. Reports issued by PwC on the historical financial information extracted from the signed financial statements for the five years ended 31 December 2017 and the financial projections for the three years ending 31 December 2018, 2019 and 2020 are set out in part 3 of this Circular. PwC confirms that to the best of its knowledge and belief, this Circular constitutes a full and fair disclosure of all material facts as required by the Securities Industry Act and the SEC Regulations. PwC has not withdrawn its written consent to the statement or report being included in the Circular, in the form and context in which it is included.

Bentsi-Enchill, Letsa & Ankomah ("**BELA**") is acting as legal advisor to the Issuer in respect of the Rights Issue and consents to act in the capacity stated and to its name being stated in this Circular. BELA confirms that to the best of its knowledge and belief, this Circular constitutes a full and fair disclosure of all material facts as required by the Securities Industry Act and the SEC Regulations. BELA has not withdrawn its written consent to the statement or report being included in the Circular, in the form and context in which it is included.

C. FORWARD-LOOKING STATEMENTS

This Circular includes "forward-looking statements". All statements other than statements of historical facts included in this Circular, including without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Such forward-looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. These forward-looking statements speak only as of the date of this Circular. The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Prospective purchasers of the Shares on Offer should not place undue reliance on any forward-looking statements, and are cautioned that any forward-looking statements are not guarantees of future results, performance or achievements of the Issuer.

D. ROUNDING

Some numerical figures included in this Circular may have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain figures may not be an arithmetic aggregation of the figures that precede them.

E. MARKET SHARE AND INDUSTRY INFORMATION

Generally, information as to the market and competitive position data included in this Circular has been obtained from published financial information and surveys or studies conducted by third-party sources that are believed to be reliable. No assurance can be given, however, as to the accuracy and completeness of such information, and such market and position data has not been independently verified. The Issuer accepts responsibility only for the correct reproduction of this information.

F. DIRECTORS' RESPONSIBILITY STATEMENT

The Issuer and its Directors accept responsibility for the information contained in this Circular. This Circular has been seen and approved by the Directors, who, collectively and individually, accept full responsibility for the accuracy of the information given and, after making all reasonable inquiries and to the best of their knowledge and belief, there are no facts the omission of which would make any statement in this Circular misleading.

No Director has been involved in any of the following events: (a) a petition under bankruptcy laws in any jurisdiction filed against such person or any partnership in which s/he as a partner or any corporation of which s/he was a director or chief executive officer; (b) conviction by such person for fraud, misappropriation or breach of trust or any other similar offence; (c) such person being the subject of any order, judgement or ruling of any court of competent jurisdiction or administrative body preventing him from acting as an investment advisor, dealer's representative, investment representative, a director of a financial institution or engaging in any type of business or professional activity.

Signed on behalf of Societe Generale Ghana Limited

By:



Signature:

Traore Ibrahim, director



Signature:

Sionle Yeo, Director

CONTENTS

DIRECTORS AND CORPORATE INFORMATION	9
ADVISORS TO THE TRANSACTION	10
DEFINITIONS	11
PART 1 – THE RIGHTS ISSUE	14
1.1 LEGAL BASIS FOR THE RIGHTS ISSUE	14
1.2 RATIONALE FOR THE RIGHTS ISSUE	14
1.3 USE OF RIGHTS ISSUE PROCEEDS	14
1.4 NUMBER OF SHARES AND PRICE	14
1.5 FRACTIONAL SHARES	14
1.6 PRICING OF THE SHARES	14
1.7 OVERSUBSCRIPTION	15
1.8 MAJORITY SHAREHOLDER’S COMMITMENT	15
1.9 DEALINGS	16
1.10 QUALIFYING DATE AND DISTRIBUTION OF THIS CIRCULAR	16
1.11 FORM OF THE SHARES ON OFFER	16
1.12 TRADING IN THE RIGHTS	16
1.13 APPLICATION	16
1.14 QUALIFYING SHAREHOLDERS AND RENOUNCEES	16
1.15 PAYMENT	16
1.16 LODGEMENT OF COMPLETED APPLICATION FORMS	17
1.17 ESCROW ACCOUNT	17
1.18 ALLOTMENT	17
1.19 REFUND	18
1.20 COST OF THE OFFER	18
1.21 OFFER STATISTICS	18
1.22 DECLARATION OF INTERESTS BY ADVISORS	19
1.23 DOCUMENTS AVAILABLE FOR INSPECTION	19
PART 2 – SOCIETE GENERALE GHANA LIMITED	20
2.1 CORPORATE HISTORY AND BACKGROUND OF SOGEGH	20
2.2 CAPITAL STRUCTURE OF SOGEGH	20
2.3 TOP 20 SHAREHOLDERS	21
2.4 BOARD OF DIRECTORS AND CORPORATE GOVERNANCE STRUCTURES	22
2.5 BOARD COMMITTEES	25
2.6 HUMAN RESOURCES AND SENIOR MANAGEMENT	25
2.7 ORGANISATIONAL STRUCTURE OF SOGEGH	28
2.8 COMPENSATION SCHEMES	28
2.9 REMUNERATION OF DIRECTORS	28
2.10 DISCLOSURE OF INTERESTS BY DIRECTORS	29
2.11 DIVIDEND POLICY AND PAYMENT HISTORY	29
2.12 IMMOVABLE PROPERTIES	29

2.13	INSURANCE	31
2.14	LITIGATION.....	33
2.15	THE ULTIMATE PARENT COMPANY, SOCIETE GENERALE S.A.	34
2.16	MATERIAL CONTRACTS	35
2.17	RELATED PARTY TRANSACTIONS	35
2.18	RISK MANAGEMENT FRAMEWORK.....	35
2.19	RISK FACTORS.....	35
2.20	ADDITIONAL INFORMATION	37
LEGAL ADVISOR'S COMPLIANCE CERTIFICATE.....		38
PART 3 – FINANCIAL STATEMENTS & REPORTS		42
3.1	REPORTING ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION	42
3.2	HISTORICAL FINANCIAL STATEMENTS.....	43
3.3	REPORTING ACCOUNTANTS' REPORT ON FINANCIAL PROJECTIONS	47
3.4	ASSUMPTIONS UNDERLYING THE PROJECTIONS	48
3.5	PROJECTED FINANCIAL STATEMENTS	50
PART 4 – THE GHANAIAN ECONOMY AND BANKING INDUSTRY		53
4.1	GENERAL OVERVIEW OF THE ECONOMY	53
4.2	STRUCTURE OF THE ECONOMY	54
4.3	FISCAL DEVELOPMENTS	54
4.4	MONETARY DEVELOPMENT	55
4.5	MACROECONOMIC OUTLOOK	56
4.6	HISTORY AND BACKGROUND OF GHANA'S BANKING INDUSTRY	56
4.7	REGULATORY FRAMEWORK	58
4.8	MARKET PARTICIPANTS	59
4.9	PROFITABILITY	60
4.10	ASSET QUALITY	60
4.11	INDUSTRY PERFORMANCE	60
4.12	INDUSTRY OUTLOOK	61
PART 5 – OVERVIEW OF THE GHANA STOCK EXCHANGE		62
5.1	BACKGROUND	62
5.2	TRENDS AND DEVELOPMENTS	62
5.3	TRADING INFORMATION	62
5.4	PERFORMANCE OF THE GSE'S MAIN MARKET.....	63
5.5	OUTLOOK OF THE GSE	63
5.6	GFIM	63
5.6.1	HISTORICAL OVERVIEW.....	63
5.6.2	MARKET OVERVIEW.....	64
5.6.3	MARKET STRUCTURE AND PERFORMANCE	65
5.6.4	GFIM OUTLOOK.....	65
PART 6 – TERMS & CONDITIONS AND ADDITIONAL INFORMATION		67

6.1	OPTIONS AVAILABLE TO A QUALIFYING APPLICANT.....	67
6.2	KEY CONDITIONS OF THE OFFER	67
6.3	ACCEPTANCE OF OFFER	68
6.4	PAYMENT FOR SOGEGH SHARES ON OFFER	68
6.5	RENUNCIATION	68
6.6	PROCEDURE IN RESPECT OF RIGHTS NOT TAKEN UP OR RENOUNCED	69
6.7	WARRANTIES.....	69
6.8	SUPPLY AND DISCLOSURE OF INFORMATION	69
6.9	CREDITING OF QUALIFYING APPLICANTS DEPOSITORY ACCOUNTS	69
6.10	EXCHANGE CONTROLS.....	69
6.11	TAXATION	69
6.12	MISCELLANEOUS	70
PART 7 – GUIDE TO COMPLETING THE APPLICATION FORM.....		71
7.1	GENERAL INSTRUCTIONS FOR COMPLETING THE APPLICATION FORM	71
7.2	QUALIFYING APPLICANT’S OPTIONS AND ACTIONS	71
7.3	SPECIFIC INSTRUCTIONS FOR COMPLETING THE APPLICATION FORMS	71

OFFER TIME TABLE

Activity	Date	Time
Ex-Rights Date	Thursday, 13 September 2018	3:00 p.m.
Qualifying Date	Monday, 17 September 2018	5:00 p.m.
Book Closure Date	Wednesday, 19 September 2018	9:00 a.m.
Commencement of the Offer	Wednesday, 03 October 2018	8:30 a.m.
Commencement of Trading in Rights	Wednesday, 03 October 2018	9:30 a.m.
Closure of Trading in Rights	Tuesday, 16 October 2018	3:00 p.m.
Deadline for Acceptance of Application Forms	Wednesday, 24 October 2018	4:30 p.m.
End of Offer	Wednesday, 24 October 2018	4:30 p.m.
Allotment Begins	Thursday, 25 October 2018	9:00 a.m.
Allotment Ends	Wednesday, 31 October 2018	4:30 p.m.
Results of the Offer Submitted to the SEC & GSE	Monday, 05 November 2018	4:30 p.m.
Crediting of Shares unto the CSD	Friday, 09 November 2018	1:00 p.m.
Listing of the shares on offer on the GSE	Tuesday, 13 November 2018	9:30 a.m.

All dates provided are subject to change by African Alliance in consultation with the directors of SOGEGH (subject to obtaining the necessary regulatory approvals). Any amendment will be published in a national daily newspaper not later than 72 hours of receipt of regulatory approvals. All times provided are in Greenwich Mean Time (GMT), the time zone of the Republic of Ghana.

DIRECTORS AND CORPORATE INFORMATION

Directors: Kofi Ampim – Chairman
Hakim Ouzzani– Managing Director
Bilankalama Ibrahim Traore – Chief Operating Officer
Sionle Yeo – Non-Executive Director
Michel Miaille – Non-Executive Director
Teresa Ntim– Non-Executive Director
Joseph Torku– Non-Executive Director
Laurette Otchere– Non-Executive Director

Registered Office: Societe Generale Ghana Limited
2nd Cresent, Royalt Castle Road
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Company Secretary: Angela Nanansaa Bonsu
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Ultimate Holding Company Societe Generale incorporated in France

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DEFINITIONS

The following definitions apply in this Circular, unless the context requires otherwise:

“AASG” or “African Alliance”	African Alliance Securities Ghana Limited, which is acting as Lead Manager, Financial Advisor and Sponsoring Broker to SOGEGH in respect of the Offer
“Advisors”	African Alliance; BELA; and PwC
“AGM”	Annual General Meeting of SOGEGH
“Applicable Laws”	Any constitution, statute, law, rule, regulation, ordinance, judgment, order, decree, consent of a governmental authority, or any published directive, guideline, requirement or other governmental restriction that has the force of law, or any determination by, or interpretation of any of the foregoing by, any judicial authority, that is binding on SOGEGH whether in effect as of the date hereof or as of any date thereafter
“Application Form”	Application form for the Rights Issue
“Application Funds”	Capital raised from subscription to the Rights
“BELA”	Bentsi-Enchill, Letsa & Ankomah, which is acting as Legal Advisor to SOGEGH in respect of the Rights Issue
“BoG”	Bank of Ghana
“Book Closure Date”	The time period when SOGEGH will not handle adjustments to the Register of Members, or requests to transfer shares
“Business Day”	Monday to Friday (8am to 5pm) excluding statutory public holidays in Ghana
“Circular” or “Offer Document”	This offer circular dated 29 August 2018
“Companies Act”	The Companies Act of Ghana 1963 (Act 179) as amended
“CSD”	Central Securities Depository (GH) Limited
“CSD Account”	An electronic account held with the CSD where a successful Qualifying Applicant’s SOGEGH Shares will be deposited
“Directors” or “Board” or “Board of Directors”	The board of directors of SOGEGH
“Escrow Account”	A temporary account set up with Standard Chartered Bank (Ghana) Limited where all Application Funds collected will be deposited until paid into SOGEGH’s account after the close of the Rights Issue
“Escrow Account Agreement”	A written agreement between SOGEGH, African Alliance and Standard Chartered regarding the movement of Application Funds in the Escrow Account during the Offer Period and at the close of the Offer Period
“Ex-Rights Date”	13 September 2018 the date from which if an investor purchases SOGEGH shares on the GSE, such investor will not Qualify for the Rights

“Extra Shares”	Additional shares over and above those that each Qualifying Shareholder is entitled under the Offer
“GDP”	Gross Domestic Product
“Ghana”	The Republic of Ghana
“GHS”	Ghana Cedi
“GoG”	Government of Ghana
“GRA”	Ghana Revenue Authority
“GSE” or “the Exchange”	The Ghana Stock Exchange
“IFRS”	International Financial Reporting Standards
“Listing”	The listing of the Shares on offer On the GSE
“Listing Date”	12 November 2018
“Offer” or “Rights Issue” or “the Transaction”	Renounceable rights issue of 208,570,990 shares of no par value at GHS 0.81 per share in a ratio of 1 new share for every 2.400 shares held by a shareholder of SOGEGH as at the Qualifying Date.
“Offer Closure Date”	The closing date of the Offer, being 24 October 2018 , being the last day a Qualifying Applicant can subscribe to the Offer
“Offer Commencement Date”	The opening date of the Offer, being 4 October 2018 , being the first day on which a Qualifying Applicant can subscribe to the Offer
“Offer Period”	The period from the Offer Commencement Date and the Offer Closure Date
“Offer Price”	GHS 0.81 per share under this Offer
“P/E Ratio”	Price/Earnings ratio
“PwC”	PricewaterhouseCoopers, a firm of Chartered Accountants registered in Ghana, which is acting as Reporting Accountants to SOGEGH for the Offer
“Qualifying Applicant”	Either a Qualifying Shareholder or a Qualifying non-SOGEGH Shareholder who is a natural person 18 years or over, or a corporation, partnership or other unincorporated associations who are resident/incorporated in Ghana or some other state, or country (and including a Qualifying Shareholder) provided that the offer to and acceptance by such a Qualifying Applicant of the Offer is not in contravention of any Applicable Law
“Qualifying Date”	The date 17 September 2018 , on which persons whose names appear on the Register of members qualify for the Rights Issue
“Qualifying Shareholder ”	SOGEGH shareholders on the register of shareholders as at the Qualifying Date, and who have no legal restrictions barring them from partaking in the Offer

“Qualifying non-SOGEGH Shareholder”	A non-SOGEGH shareholder in whose favour a Qualifying shareholder has renounced his/her/its Rights and who has no legal restrictions barring him/her/it from partaking in the Offer or a non-SOGEGH shareholder who had purchased Rights during the Rights Trading Period
“Receiving Agent”	African Alliance or SOGEGH Branches who will be receiving applications and payments from Qualifying Applicants under the Offer.
“Refund Commencement Date”	9 November 2018 on which the applicants’ funds are returned to the Receiving Agents either as a result of a failure to meet the minimum subscription amount or an unsuccessful application for Extra Shares.
“Register of Members”	The register held by the Registrar that records the names and addresses of the shareholders of SOGEGH
“Registrar”	NTHC Limited being the registrar of SOGEGH at the date of this Circular
“Regulations”	the regulations of SOGEGH
“Renouncee”	A Qualifying Applicant, in whose favour a Qualifying Shareholder has renounced his/her/its Rights
“Renouncer”	A Qualifying Shareholder who has renounced some of all of his/her/its Rights in favour of another person or legal entity
“Rights”	The legal and financial right of Qualifying Shareholders to partake in the Offer, which Right may be traded to other persons or legal entities for value, in which case the Right is traded on the GSE, or which Right could be renounced in favour of another person or legal entity
“Rights Trading Period”	The period from 3 October 2018 to 16 October 2018 when SOGEGH Rights can be traded on the GSE
“SEC”	Securities and Exchange Commission of Ghana
“SGFSH”	SG Financial Services Holding, a subsidiary of the Societe Generale Group and the majority shareholder of SOGEGH
“Shares on Offer”	Up to 208,570,990 new ordinary shares of SOGEGH to be issued pursuant to the Rights Issue in accordance with the terms of the Rights Issue
“SOGEGH” or the “Bank” or the “Issuer”	Societe Generale Ghana Limited
“SOGEGH Shares”	All 500,570,377 issued ordinary shares of SOGEGH and Shares on Offer to be issued pursuant to the Offer
“SSNIT”	Social Security and National Insurance Trust
“Uploading Date”	9 November 2018 or any other date determined by the Directors and Advisors and approved by SEC and GSE, being the date when the new shares are credited to the CSD Accounts of successful Qualifying Applicants.

PART 1 – THE RIGHTS ISSUE

1.1 Legal Basis for the Rights Issue

At the 38th AGM of SOGEGH, held on 28 March 2018, the shareholders of SOGEGH authorised the Board of Directors to increase the stated capital of the Bank to four hundred million Ghana Cedis (GHS 400 million). The increase is through a bonus issue (GHS 97 million) and a renounceable rights issue (to raise up to GHS 170 million), subject to applicable regulatory approvals.

The Rights Issue was approved by the Board of Directors at its meeting held on 15 February 2018.

1.2 Rationale for the Rights Issue

SOGEGH is undertaking this Rights Issue as part of its strategy to enable the Bank meet the BoG's new minimum capital requirement of GHS 400,000,000 for banks pursuant to a notice (BG/GOV/SEC/2017/19) issued by the BoG on 11 September 2017. Under the notice, all existing banks are required to raise their minimum capital to GHS 400,000,000 by 31 December 2018.

1.3 Use of Rights Issue Proceeds

The Directors, in conjunction with the management team of SOGEGH will utilize the proceeds from the Offer as follows:

Expense Item	Amount GHS
Working Capital	165,944,516
Offer Related Expenses	2,997,986
Total	168,942,502

1.4 Number of Shares and Price

The Offer comprises a Rights Issue of 208,570,990 ordinary shares at GHS 0.81 per share to Qualifying Shareholders in a ratio of **1** new share for every **2.400** existing ordinary shares held. The shares to be issued under the Offer will rank *pari passu* with the ordinary shares of SOGEGH already in issue and listed on the GSE.

1.5 Fractional Shares

The ratio in which the Rights to ordinary shares are allocated to Qualifying Shareholders may result in fractional entitlements. Fractional entitlements of 0.50 shares and above will be rounded up to a new share, whilst those below 0.50 shares will not be allotted to Qualifying Shareholders but will be consolidated and allotted by the Directors to Qualifying Applicants as per the allotment strategy (as described in 1.18).

1.6 Pricing of the Shares

The offer price of GHS 0.81 is a 35% discount to the average 21-daily closing price of SOGEGH from 28 August 2018. The table below shows the highs and lows of SOGEGH shares price over selected periods.

Period	Price, GHS	
	High	Low
Annual		
2013	0.87	0.48
2014	1.17	0.63

Period	Price, GHS	
	High	Low
2015	1.05	0.78
2016	0.85	0.60
2017	0.82	0.62
Average	0.95	0.62
Quarterly		
Q1-2016	0.85	0.80
Q2-2016	0.81	0.76
Q3-2016	0.80	0.73
Q4-2016	0.73	0.60
Q1-2017	0.80	0.62
Q2-2017	0.77	0.73
Q3-2017	0.77	0.75
Q4-2017	0.82	0.74
Average	0.79	0.72
Monthly		
Jan-2018	1.31	0.82
Feb-2018	1.74	1.33
Mar-2018	2.31	1.80
Apr-2018	2.40	2.10
May-2018	2.40	2.03
Jun-2018	2.01	1.26
Jul-2018	1.26	1.22
Aug-2018	1.23	1.22
Average	1.83	1.47

1.7 Oversubscription

Should the Bank receive applications for shares whose value is in excess of GHS 170million, the Directors shall not issue additional SOGEGH Shares to satisfy the extra applications. Any monies received in respect of applications which are not allotted shares, after the consideration of Directors of the excess applications, will be returned to the applicants within 10 Business Days of the allotments. Refunds after this period will attract interest at the Bank of Ghana policy rate.

1.8 Majority Shareholder's Commitment

SGFSH intends to:

- (i) subscribe fully for its Rights of **118,202,727** shares representing 56.67% of shares under the Offer;
- (ii) may apply for extra shares; and
- (iii) in order to ensure the success of the Offer, take-up additional shares under the Offer that are not subscribed for by Qualifying Shareholders.

SGFSH does not intend to exceed 75% shareholding in SOGEGH. However, in executing this commitment, should it become necessary to exceed 75% shareholding, SOGEGH shall seek the required waiver from the GSE in compliance with its Listing Rules and all other applicable regulations

1.9 Dealings

The GSE has granted approval to list the Shares on Offer on the GSE, alongside the already listed 500,570,377 ordinary SOGEGH Shares. It is expected that dealings in the Shares on Offer will start on the Listing Date.

1.10 Qualifying Date and Distribution of this Circular

The Shares on Offer will be offered to the SOGEGH shareholders whose names appear in the Register of Members as at the Qualifying Date. The Registrar has sent a provisional letter of allotment containing the allotment details and where to obtain copies of the Circular through the post to shareholders of SOGEGH on record on the Qualifying Date. Shareholders can obtain copies of the Circular from the offices of African Alliance, any SOGEGH Branch and the Registrar. The Circular can also be downloaded from www.societegenerale.com.gh

1.11 Form of the Shares on Offer

The Shares on Offer, when issued, will be held in dematerialised form. Qualifying Shareholders and Renounees who do not have a CSD Account will be issued letters of allotment. Qualifying Shareholders and Renounees who receive letters of allotment are however encouraged to open depository accounts and use their letter of allotment to dematerialise their shares into electronic form.

Qualifying Shareholders and Renounees who have CSD Accounts will have their respective CSD Accounts credited with the new shares allotted to them. Share certificates will not be issued.

1.12 Trading in the Rights

The Rights pertaining to the Offer may be traded on the GSE only during the Rights Trading Period. Shareholders who desire to sell all or some of their Rights on the GSE should contact their stockbrokers, or the Sponsoring Broker at the address below;

African Alliance Securities Ghana Ltd
2nd Floor, Heritage Tower, Ridge, Accra
Email: securities.gh@africanalliance.com
Tel: +233 30 2679761 – 2

1.13 Application

All applications for shares under the Offer must be in whole numbers and no purported application for fractions of a share will be accepted.

1.14 Qualifying Shareholders and Renounees

Shareholders wishing to take-up some or all of their Rights must complete the appropriate sections of the accompanying Application Form in order to exercise their Rights. Qualifying Shareholders are allowed to apply for Extra Shares (more than their entitlement under the Offer). Please refer to Part 7- Guide to Completing the Application Form for how to make an application for Extra Shares.

Shareholders are allowed to renounce in part or in full their Rights in favour of a third party at their own option. Please refer to Part 7 - Guide to Completing the Application Form for how to renounce in favour of a third party(ies).

1.15 Payment

Payment for the Offer must be in full on application. Payment by instalments will not be accepted. African Alliance reserves the right to reject multiple applications, applications not paid for in full or to be paid by instalments. Payments must be made in GHS. Payment may be in cash, cheque and money

order. Cheques and money orders, which will be presented for payment, should be made payable to **SOGEGH RIGHTS ISSUE** and should be crossed and marked “**COMMISSION TO DRAWER'S ACCOUNT**”. This endorsement must be signed by the drawer. Applications in respect of which cheques are returned unpaid will be rejected. Bank commissions and the transfer charges on application monies must be paid by the applicant.

1.16 Lodgement of Completed Application Forms

All Qualifying Applicants resident in Ghana must deliver or lodge their duly completed Application Forms at the offices of the Receiving Agents by 4.30pm on the Offer Closure Date.

Qualifying Applicants not resident in Ghana must deliver or lodge their duly completed Application Forms by scanning and emailing them to the Sponsoring Broker at **securities.gh@africanalliance.com**. Original completed Application Forms should then be mailed to African Alliance through registered mail service.

Qualifying Applicants who choose to mail their Application Forms to the Receiving Agents are advised to use registered mail services. However, all documents mailed to the Receiving Agents by Qualifying Applicants will be at the Qualifying Applicant's own risk, and SOGEGH may treat applications not received by 4.30pm on the Offer Closure Date as invalid. Qualifying Applicants are to note that Application Forms must be lodged at the same Receiving Agent office where payment is made for the shares applied for. The Receiving Agent will acknowledge receipt of Application Forms and funds from Qualifying Applicants.

1.17 Escrow Account

All Application Funds collected will be deposited into the Escrow Account held at of **Standard Chartered Bank Ghana Limited** with the following details:

Account name:	SOGEGH Rights Issue
Account number:	0104205571300
Branch:	Head Office
Swift Code:	SCBLGHAC

Applicants should NOT make payments into the Escrow account. Payments for application by Qualifying Applicant should be made directly to any of the Receiving Agents named in this Circular.

1.18 Allotment

The allotment of shares to Qualifying Applicants shall be approved by the Board and will be in the following order of priority:

- a. satisfy all duly completed applications from Qualifying Applicants as pertains to Qualifying Applicants' Rights under the Offer;
- b. satisfy all duly completed applications from Qualifying Applicants for Extra Shares provided there remains unsubscribed Rights after **1.18a** has been completed. The Extra Shares will be allotted among Qualifying Applicants pro-rating according to the number of Rights held by each Qualifying Applicant.;
- c. SGFSH shall be allotted any shares not taken-up by Qualifying Applicants.

1.19 Refund

If any application is not accepted or is accepted for a smaller number of shares than applied for, the balance of the amount paid on application will be returned to the Receiving Agents for onward distribution to Qualifying Applicants within ten (10) days after the allotment of shares. SOGEGH will announce such refunds through a national daily newspaper with wide circulation within 72 hours of the making of such refunds as well as on local radio stations on how and where subscribers can collect their refunds.

If SOGEGH does not make refunds of extra application monies to the Receiving Agent by for onward distribution to applicants within ten (10) days then SOGEGH will pay to investors, interest (calculated on a per annum basis) on the unpaid amounts after the Refund Commencement Date at the prevailing Bank of Ghana prime rate for each day of default until the refund is made to the Receiving Agent.

1.20 Cost of the Offer

The total cost of the Offer is not anticipated to exceed 1.76% of the amount being raised. SOGEGH will pay all fees out of the proceeds of the Rights Issue. Below are the summarized details of the cost of the Offer:

Item	Amount GHS	% of amount to be raised
Professional and Advisory Fees		
Financial advisory	541,381	0.32%
Legal advisory	264,375	0.16%
Reporting accountant	235,000	0.14%
Registrar	49,930	0.03%
Regulatory Fees		
SEC	85,000	0.05%
GSE	461,050	0.27%
CSD	11,250	0.01%
RGD	850,000	0.50%
Printing, mailing and miscellaneous	500,000	0.29%
Total Estimated Costs	2,997,986	1.76%

1.21 Offer Statistics

Key details of the Offer are:

Authorized shares	1,000,000,000
Issued shares	500,570,377
Price per share (GHS)	0.81
Ordinary shares to be issued under the Offer	208,570,990
Expected shares outstanding after Offer	709,321,367
Expected proceeds from the Offer (GHS)	168,942,502

1.22 Declaration of Interests by Advisors

As at the date of this Circular:

- a. African Alliance does not hold any SOGEGH Shares. Winston Nelson Jr, CEO of African Alliance holds 865 SOGEGH shares. No other employee or principal of the company holds any interest in SOGEGH Shares
- b. BELA does not hold SOGEGH Shares. No employee or partner of the firm or any of its associated persons holds or has any interest in SOGEGH Shares.
- c. PwC does not hold any SOGEGH Shares. No employee or partner of the firm or any of its associated persons holds or has any interest in SOGEGH Shares.

1.23 Documents Available for Inspection

Copies of the following documents in respect of the business and affairs of SOGEGH and the Offer may be inspected at the registered office of SOGEGH during normal business hours of any Business Day during the Offer Period and at the offices of African Alliance whose contact details are located in the 'Advisors to the Issue' section of this Circular:

- a. The extract of minutes of the meeting of the Board of Directors which was held on 15 February 2018 authorizing the Rights Issue;
- b. The extract of minutes of the AGM of SOGEGH which was held on 28 March 2018 authorising the Rights Issue;
- c. The Bank's audited annual reports for the last five years;
- d. The Circular;
- e. The Reporting Accountants report on the historical and forecast financials
- f. The Escrow Account Agreement; and
- g. The Bank's Regulations.

PART 2 – SOCIETE GENERALE GHANA LIMITED

2.1 Corporate History and Background of SOGEGH

SOGEGH was incorporated on 7 February 1975 as a private limited liability company to provide banking services in Ghana, with SSNIT as its sole shareholder. The Bank was incorporated as Security Guarantee Trust Limited. In 1976, the Bank's name was changed to Social Security Bank Limited and it received a license to operate as a bank in that same year. Social Security Bank however commenced its banking operations in 17 January 1977.

As part of the restructuring of the Ghanaian banking system in 1994, the Bank and the National Savings & Credit Bank (owned by GoG and BoG) were merged. In 1995, the GoG divested a 21% stake in the Bank and the Bank was converted into a public limited liability company as part of preparations toward an initial public offer. Following a successful public offer, Social Security Bank Limited was listed on the GSE on 13 October 1995.

The Bank's name was changed to SSB Bank Limited on 31 March 1998. In March 2003, Societe Generale of France acquired a controlling interest in SSB Bank Limited and changed the bank's name to SG-SSB Limited on 2 April 2004.

On 3 April 2013, the bank's name was once again changed from SG-SSB to Societe Generale Ghana Limited to achieve greater convergence with the Societe Generale Group.

SOGEGH's mission is to create the preferred banking institution which employs team spirit, innovation, and responsibility & commitment to provide quality products and services that best satisfy the needs of its customers.

SOGEGH currently has 38 branches, 4 agencies and 9 offsite ATMs across Ghana.

2.2 Capital Structure of SOGEGH

As of the date of this Circular, SOGEGH's has an authorized shares of 1,000,000,000 of which 500,570,377 has been issued and a stated capital of GHS 235,302,925. Below is the share issue history of SOEGH since 2015:

Year	Authorised Shares	Issued Shares			Action	Stated Capital (GHS)
		Opening	Additions	Close		
2015	500,000,000	333,893,894	33,387,375	367,281,269	Bonus	100,000,000
2016	500,000,000	367,281,269	61,778,911	429,060,180	Rights	138,302,924
2018	1,000,000,000	429,060,180	71,510,197	500,570,377	Bonus	235,302,925

Services, Products and Key Business Activities

SOGEGH is licensed as a universal bank and authorised to carry out the business of banking to corporate customers, individuals, and small and medium scale enterprises. It primarily provides retail banking and business banking products and services. Other services include corporate banking, specialised financial activities such as leasing and consumer credits as well as acting as other financial intermediaries.

a. Retail Banking

The Retail Banking division of SOGEGH has extensive understanding of the needs of its large customer base, develops and delivers a wide range of products and services to satisfy the needs

of their clients in the different consumer segments. Its main product offering includes Packages (bundled Current and Savings Accounts), Credits (loans & overdrafts), Money Remittance Services, placement and E-Products (Mobile Banking, E-Queue). Additionally, they offer Banc assurance products, Term Deposits, Card Services, a Mobile Branch, and privilege banking services to mention a few.

b. Corporate Division

The Corporate Coverage division of SOGEGH applies experience and pooling expertise from the Societe Generale network to help both large and medium businesses achieve their objectives through the Bank's diverse range of products. The division is made up of two main business focus departments, namely;

The Corporate Banking Department which provides a multi –sectorial, expert and dedicated services to corporate customers of the Bank in a timely and professional manner. The department is staffed with highly qualified experts in key sectors of the economy like oil & gas, agriculture, mining among others to provide excellent solutions to their customer needs. The team together with its specialized business partners in Structured Finance, Cash Management and Transactional Banking, Trade and Treasury are able to design bespoke and general solutions to address the specific needs of its customers.

The Middle Market Department is specially structured to provide business solution to the unique banking needs of our medium enterprises. A team of professionals spread countrywide are available to provide flexible solutions to meet clients' banking requirements, applying experience and pooling resources from the Societe Generale network. The range of products and services described above are offered through the 42 branches of the Bank across Ghana.

2.3 Top 20 Shareholders

As at 30 June 2018, the 20 largest shareholders of SOGEGH were:

	Shareholder	Number of Shares	% of Issued Capital
1	SG-Financial Services Holding,	283,686,544	56.67
2	Social Security and National Insurance Trust,	96,891,109	19.36
3	Mr Daniel Ofori	36,431,470	7.28
4	SCGN/Enterprise Life Ass. Co. Policy Holders	8,180,852	1.63
5	Amenuvor,Gideon	3,693,934	0.74
6	Societe General Employees' Share Ownership	3,348,127	0.67
7	SCGN/Citibank Kuwait Inv Authority	2,366,937	0.47
8	Mrs Beatrice e Adjepon-Yamoah	1,982,930	0.40
9	ENO International LLC	1,750,000	0.35
10	SCGN/Databank Balanced Fund Limited	1,591,445	0.32
11	SCGN/Citibank London Robeco Afrika Fonds N.V	1,548,175	0.31
12	SCGN/Caceis Bank Re:HMG Globetrotter	1,500,456	0.30
13	HFCN/ EDC Ghana Balanced Fund Limited	1,381,333	0.28
14	Teachers Fund,	1,232,616	0.25
15	SCGN: Enterprise Life, c/o Standard Chartered Bank Ghana	1,078,957	0.22
16	MBG ESSPA Scheme	1,009,233	0.20
17	Mr Philip Opoku-Mensah	1,000,067	0.20

	Shareholder	Number of Shares	% of Issued Capital
18	SCGN/SSB Eaton Vance Tax-, Managed Emerging Market Fund	949,667	0.19
19	Metlife Classic a/c, STD Noms TVL PTY/Metlife Gold Plan Fund	818,883	0.16
20	std noms tvl pty/data bank ark fund	794,305	0.16
	Sub-total	451,237,040	90.14
	Others	49,333,337	9.86
	Total	500,570,377	

Movement in Major Shareholders' Holdings over the Past 3 Years

	Shareholder	2015 (%)	2016(%)	2017(%)	8M18(%)
1	SG-Financial Services Holding,	52.24	56.67	56.67	56.67
2	Social Security and National Insurance Trust,	22.14	18.95	19.36	19.36
3	Mr Daniel Ofori	7.22	7.27	7.28	7.29
4	SCGN/Enterprise Life Ass. Co. Policy Holders	0.62	0.62	1.63	1.63
5	Amenuvor,Gideon	0.64	0.67	0.74	0.74
6	SCGN/SSB & Trust AS Cust For Kimberlite Frontier Africa Master Fund, LP-RCKM	2.55	2.65	-	-
7	Societe General Employees' Share Ownership	0.78	0.74	0.67	0.67

2.4 Board of Directors and Corporate Governance Structures

SOGEGH 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 and the management team are responsible for ensuring that SOGEGH achieves and maintains a high standard of corporate governance and practices.

a. Board of Directors

SOGEGH has a nine-member Board comprising three executive directors and six non-executive directors. The Board consists of highly qualified individuals with diverse professional experiences as shown the table below:

Name	Nationality	Age	Position	Appointed	Profession & Directorships held
Kofi Ampim	Ghanaian	71	Chairman	2003	Investment Banker • Total Oil Co. Ltd • Alliance Ghana Ltd • Belstar Ltd
Hakim Ouzzani	French	49	Executive	2017	Banker
Bilankalma Ibrahim Traore	Burkinabe	48	Executive	2017	IT Specialist
Sionle Yeo	Ivorian	59	Non-executive	2015	• SG Ghana Ltd • SSB Investment Co. Ltd

Name	Nationality	Age	Position	Appointed	Profession & Directorships held
Teresa Ntim	Ghanaian	73	Non-executive	2005	<ul style="list-style-type: none"> • Lower Pra Rural Bank; • Isser Development Fund; • Ave Maria Health Farm • Telecom International Ghana Ltd
Lauretta Korkor Otchere	Ghanaian	56	Non-executive	2017	<ul style="list-style-type: none"> • Deputy Director General of the Social Security and National Insurance Trust • Barrister at Law • Human Resources Experience
Joseph Torku	Ghanaian	55	Non-executive	2017	Chartered Accountant
Michel Miaille	French	74	Non-executive	2003	Retired Banker

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.

b. Profiles of Board Members

Kofi Ampim, Board Chairman, Ghanaian, 71 years

He holds a Bachelor's degree and a Master's degree in International Business and Finance from Pace University, Lubin School of Business in New York. He is an investment banker and a Director of Total Petroleum Ghana Limited. He is the Chairman of Belstar Capital Limited and Allianz Insurance Ghana Limited. He joined the Board of Directors on 26 March, 2003.

Hakim Ouzzani, French, Managing Director, 49 years

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 in Banking and Finances from the Institute of Financing of the Development Tunis. Mr Ouzzani has a Diploma of Higher Education from the Arab Maghred Development Financing Institute. He is presently the Senior Executive Regional Manager with Societe Generale International Banking Financial Services in charge of Cameroun,

Chad, Congo Brazzaville, Equatorial Guinea, Ghana and Guinea Conakry. From 2012 to 2016, he was the CEO of Societe Generale Chad. He also held various positions within the Societe Generale Group as Deputy General Manager SG Algerie, Network and Sales Manager SG Algerie and Network Development Manager SG Algerie. From 1999 to 2002, he was the General Manager. From 2000 to 2002, he managed the Corporate Branch of the Union Bank Brokerage. In 1998, he was the New Products Development Manager at the Union Bank. Mr Ouzzani was appointed to the Board of Directors of SOGEGH on 16 November 2016 with the BoG granting approval to the said appointment on 23 January 2017. He was appointed Managing Director on 11th April 2018 with the BoG giving its approval on 6th August 2018.

Bilankalama Ibrahim Traore, Chief Operating Officer, Burkina Faso, 48 years

He holds a Bachelor's degree in Business Management majoring in Management Information Systems (MIS) from the University of Quebec-Montreal Canada and a Master's degree in Banking and Finance from Saint-Etienne University France. He has worked in various capacities as Information System Deputy General Manager in Societe Generale Burkina Faso (SGBF) and as Information System General Manager in Societe Generale Madagascar (BFV-SG), as Chief Information Officer for SOGEGH, as Africa Sub-Saharan Programs Manager in Societe Generale Shared Service Center based in Cote d'Ivoire covering 12 countries. As the Chief Operating Officer, he manages five strategic departments; Organization and Projects, Logistics and Support, Centralized Back Offices, Purchasing and Security. He joined the Board on 1 December 2017.

Sionle Yeo, Ivorian, 59 years

He holds a Post Graduate ITB degree from Institute Technique de Banque CNAM Paris. He is also a graduate of Engineering ENSIEG from Ecole Nationale Supérieure d'Ingenieurs Electriciens de Grenoble group ING specialising in Automation and Industrial Computer Science with honours. He also holds an Engineer ESIM degree from Ecole Supérieure d'ingenieurs de Marseille, with cross training option in Civil Engineering. Prior to joining SOGEGH in July 2015, he served as the CEO of Societe Generale Burkina Faso from August 2011. Prior to this, Mr Yeo was the Deputy Managing Director of Societe Generale Cote d'Ivoire from 2008 to July 2011 and was instrumental in re-launching the Bank after the Ivorian crisis. He joined the Board of Directors on 1 August 2015.

Teresa Ntim (Mrs), Ghanaian, 73 years

She holds a Bachelor of Science and Master of Science degrees 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 BoG and retired in 2004. She joined the Board of Directors on 7 February 2005.

Laurette K Otchere, Ghanaian, 56 years

She is a Barrister at Law and a Deputy Director General; Operations and Benefits at SSNIT. She holds a Juris Doctor, a Bachelor of Arts degree in Economics and a Certified Professional in Human Resources (SHRM-CP). She is a member of the Ghana Bar, State of New Jersey Bar and the United States District Court, District of New Jersey. She is also an Adjunct Professor at Rutgers University School of Management and Labour Relations and the Society for Human Resource Management. She has extensive working and professional experience internationally and locally. She joined the Board of Directors in July 2017 with BoG granting approval on 6 September 2017.

Mr Joseph Torku, Ghanaian, 55 years

He is currently the Managing Partner of Palmfields Investments Limited, an independent investment advisory firm in Ghana. He has previously been Managing Director of Gold Key Properties Limited in Ghana; Chief Finance Officer for Ecobank Group in East Africa and Executive Director of Finance at Shell Oil Company in Ghana. Mr Torku also spent several years at SSNIT as an Investment Analyst

with responsibility for banking and hospitality investments. Mr Torku is a member of the Institute of Chartered Accountants (ICA) Ghana. He holds a degree in Economics and Diploma in Education from the University of Cape Coast, a Diploma in Finance from UC-Berkeley, USA and Master of Business Administration degree in Banking and Finance from CESAG in Senegal. He joined the Board of Directors in July 2017 with BoG granting approval on 6 September, 2017.

Michel Mialle, French, 74 years

He holds a Bachelor's degree in Law. He joined Société Générale in 1971. From 1980 to 1986 he was the General Manager of Société Générale Nigeria. From 1986 to 1990 he was the General Manager for a Société Générale affiliate in Oman in the Middle East. From 1990 to 1994 Mr Mialle was the General Manager for Société Générale Taiwan. From 1994 to 1999, he was the Managing Director for Société Générale Cameroon. His last position was Managing Director of Société Générale de Banques Cote d'Ivoire. He joined the Board of Directors on 26 March 2003.

2.5 Board Committees

a. Credit Risk Committee

This committee identifies and monitors the key risks of the Bank and evaluates their management. It ensures that appropriate policies and organisation are in place to manage the risks to which the bank is exposed in the area of market and credit risk. Specifically regarding counterparty risks, the Credit Risk Committee 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 Group norms, adequacy of the level of provision for the risks incurred and the efficiency of debt collection. The Committee reports its findings to the Board of Directors with the requisite recommendations.

b. Audit and Accounts Committee

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, the Chief Compliance Officer and where necessary, the Bank's External Auditors.

c. Nomination and Compensation Committee

This Committee ensures the Bank has a competent and effective board and is adequately charged to carry out its responsibility in the best interest of the Bank and its shareholders. The committee makes recommendations to the Board in respect of succession plans, appointments and competitive compensation packages for Management officers of the Bank.

2.6 Human Resources and Senior Management

SOGEGH's human resource policy is to recognise and celebrate the achievements of its employees. The Bank believes in the creation of a nurturing work environment where the Bank and its employees are guided by its values. The Bank therefore strives to build great relationships between its managers and other employees. Working conditions in SOGEGH ensures that the Bank stands out among jobseekers as it continues to attract the best talent in Ghana and other countries.

The table below shows the average staff strength of the bank since 2015:

Year	Permanent employees	Contract employees)	Total employees
2015	547	114	661
2016	469	110	579
2017	465	107	572

Below are the profiles of SOGEGH's senior management team:

Edmund Wireko Brobbey, Managing Director's Advisor, Ghanaian, 69 years

He holds a Master's degree in Business Administration (Finance) from the Fordham University, New York USA and a Bachelor of Science degree in Management from the New York Institute of Technology, USA. He joined the Bank in 1981 and has served in different capacities as Head Corporate Department; Head of Marketing Department; Head Business Development; Head Priority Banking Service; Head Privilege Banking Unit; Head Retail Sales Department and Head Development and Bank Strategy Department. He has over 30 years banking experience.

Irene Owiredu Akrofi, General Manager, Treasury, Ghanaian, 57 years

She holds an Executive Master of Business Administration (Finance) and a Bachelor of Science degree in Administration from the University of Ghana and two professional qualifications (ACIB) from the Chartered Institute of Bankers in London and (ACI) Association Cambiste Internationale based in Paris. Over her 20-year career she has built expertise in retail banking, product development, card payment systems, operational risk management and control, project management, treasury business development and sales, and executive management. She is charged with the responsibility of managing the Bank's assets and liabilities.

Angela Nanansaa Bonsu, General Manager, Company Secretariat, Ghanaian, 52 years

She holds a Master's degree in Business Administration from the Middlesex University Business School UK and an honours degree in Law from the Birkbeck College, University of London UK. She is a professionally qualified member of good standing with the Institute of Directors Ghana. She is richly experienced in Company Secretaryship, Compliance, Corporate Governance, Business Integration, Global Employee Share Ownership Programmes, Legal Administration, Human Resource, and Project Management with over 20 years' experience working in various capacities. Ms Bonsu has oversight responsibility for the Legal Department, Communications, Sustainable Development & CSR.

Fred Obosu, General Manager Corporate Banking, Ghanaian, 48 years

He holds a Master's degree in Business Administration from the Kwame Nkrumah University of Science & Technology; Bachelor of Arts (Hons) degree in Economics from the University of Cape Coast; Bachelor of Science degree (Hons) in Banking Practice and Management from IFS School of Finance UK; Professional Post Graduate Diploma in Marketing from the Chartered Institute of Marketing UK. With over (14) years' experience in the banking industry, He has gained significant experience in Commercial/SME banking, Product & Business Development, Cash Management, Supply/ Value Chain Financing, International Trade Finance spanning various industries/ sectors.

Obed Hoyah, General Manager, Retail Banking, Ghanaian, 52 years

He holds a Master of Science degree In Management from University of Maryland University College (Graduate School of Management & Technology) in Maryland, USA and a Bachelor of Science degree in Accounting from Rhode Island College, Providence, RI, USA. Obed is a seasoned banker who has worked in different capacities in the bank, as Head of SME, Pre-Recoveries, and Credit & Operational Risk before taking on a role at Retail Banking. He was the Project Manager for the RUBI Project which transformed the structure of the network from an Operational organization to a Sales and Service outfit. He has over 20 years of experience in the industry both in Ghana and the USA, where he started his banking career.

Bernice Allotey, General Manager, Organization & Projects, Ghanaian, 47 years

She holds an Executive Master's degree in Business Administration (Finance) and a Bachelor of Science degree in Computer Science and Statistics from the University of Ghana, Legon and was accredited as a Prince 2 Practitioner by the Association of Project Managers Group in 2005. She has extensive knowledge and proven expertise in Project and Change Management and process improvement/ procedure writing with over 16 years' experience in the banking industry. She has handled projects

relating to various functions of the banking industry and provided support for the Core Banking Application. As the Head of Organization and Projects, she is responsible for the SOGEGH Project Portfolio and Methods & Procedures.

Lawrence Ribeiro, Assistant General Manager, Logistics & Support, Ghanaian, 45 years

He holds Bachelor of Science degree in Electrical/Electronic Engineering from the Kwame Nkrumah University of Science and Technology and an Executive Master's degree in Business Administration (Finance option) from the University of Ghana, Legon. In the last thirteen years he has built extensive experience in enterprise IT management. He worked in various capacities as Head of Data Centre Operations, Head of Network and Systems, Head of IT Security and business Continuity Planning and Head of Information Systems and Technology.

Albert Ofori, Assistant General Manager Human Resources Management, Ghanaian, 52 years

He is a professionally qualified member of good standing with the Institute of Human Resource Management Practitioners (Ghana). He holds a Master's degree in Industrial-Organization Psychology and a Bachelor of Arts degree in Psychology with Philosophy from the University of Ghana. He is an Associate member of the Institute of Professional Financial Managers (IPFM) and the Society for Human Resource Management (SHRM). He has over 15 years' experience in Generalist and Specialist Roles in Human Resource Management and 6 years' experience in Retail Banking.

Mohamed Fehri, Chief Financial Officer, Tunisian, 38 years

He holds a Bachelor's and Master's degree in Accounting Science from Institut Supérieur de Comptabilité et d'Administration des Entreprises. He also holds a Master's degree in Tax Law and a Master's degree in Financial Risk Management. Mr Fehri has a certificate in Accounting "IFRS" from Ecole Supérieure de Commerce de Paris (ESCP) and a certificate in leadership and Innovation from McGill University- Institut des Cadres. Mr Fehri is a member and treasurer of "Cercle des Financiers de la Tunisie". He was also a member of the National Committee of Tax of Tunisia. He was a lecturer in Accounting, Financial management and taxation at various Tunisian business schools and the Tunisian banking college. He joined Societe Generale Group in Tunisia in 2007 where he acted as Head of Tax, Head of Financial Reporting and Tax before becoming Head of Control and Management Direction of Societe Generale Group in Tunisia.

Dorcas Hazel Quaye, Chief Compliance Officer, Ghanaian, 58 years

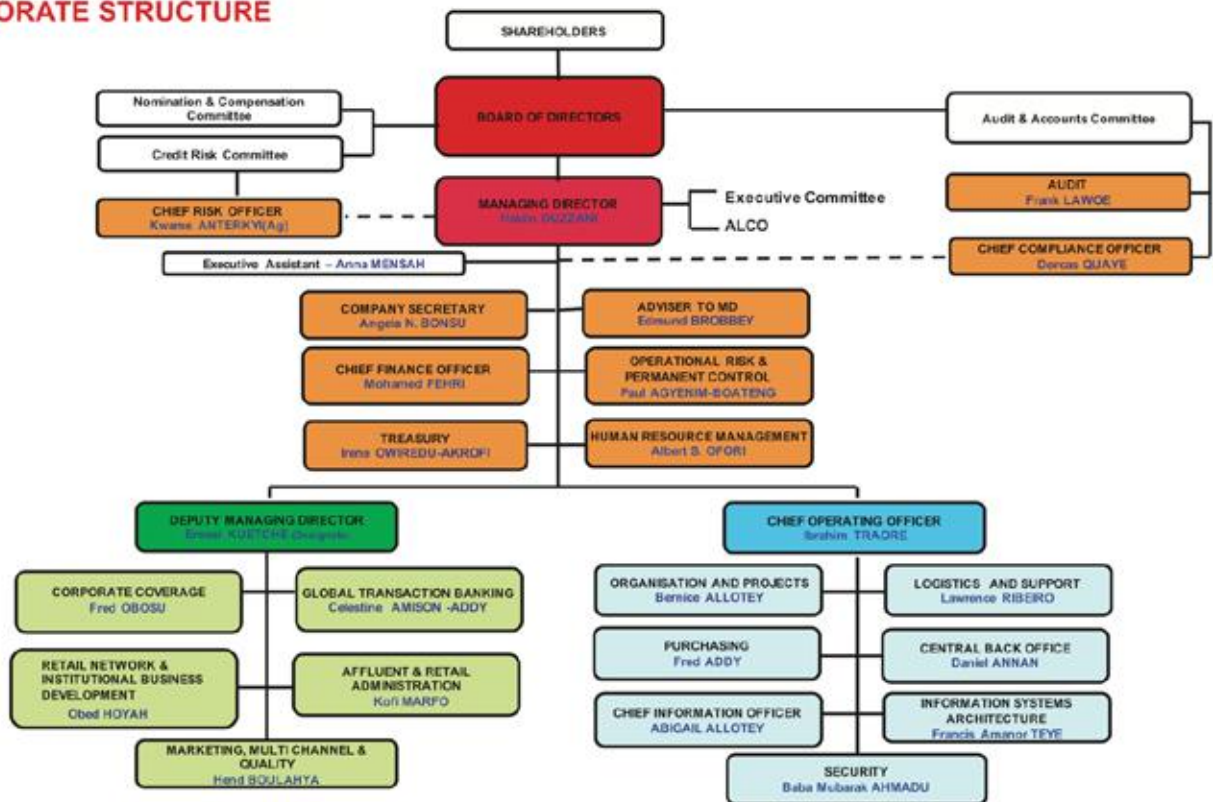
She holds a Bachelor of Arts degree in Economics, Law and English from the Kwame Nkrumah University of Science and Technology. She has 29 years of rich dedicated banking experience in SOGEGH where she was the first woman appointed branch manager in the 1990s. Then, after being Head of SME Department, she was chosen to act as the first Head of Compliance, AML&CFT when this unit was created in the Bank. In October 2015, she took on her current position as Head of Permanent Control and Operational Risk, with oversight responsibility for Permanent Supervision, Business Continuity and Crisis Management, Compliance, Anti-Money Laundering and Operational Risk.

Hend Boulahya, Head, Marketing Multi Channel and Quality, Tunisian, 48 years

She holds a Master's degree in Management and Marketing from the University of Paris XIII. She joined Societe Generale Group in Tunisia in 2003 where she acted as Head of Multichannel Department of Societe Generale Tunisia UIB before becoming Head of Marketing and Communication. She previously held for 6 years the position of Head of E-cash Management and E-banking in Citibank Tunisia. Before joining the banking sector, Hend Boulahya was Sales Manager for Abou Nawas Resorts in Tunisia.

2.7 Organisational Structure of SOGEGH

CORPORATE STRUCTURE



2.8 Compensation Schemes

SOGEGH operates a three-tiered pension scheme under the National Pensions Act, 2008 (Act 766) for its employees. These are:

a. Tier 1

SOGEGH is required to deduct, from the monthly salary of each of its employees, an amount equal to 5.5% of the employee's salary. SOGEGH is also required to pay, in respect of each employee, a matching monthly contribution of 13% of the employee's salary.

Of the total contribution of 18.5%, SOGEGH is required to remit 13.5% to SSNIT, within 14 days from the end of each month, on behalf of each employee.

b. Tier 2 Pension Scheme

SOGEGH is required to remit 5% of the total pension contribution of 18.5% (referred to under section 2.9(a) above) to the custodian appointed under this scheme, within 14 days from the end of each month, on behalf of each employee.

c. Tier 3 Pension Scheme (Provident Fund)

SOGEGH has a provident fund scheme for staff under which the Bank contributes 10% of staff basic salary for junior staff and senior staff. The obligation under the pension fund scheme is limited to the relevant contribution.

2.9 Remuneration of Directors

As at the date of this Circular and the most recently available audited financials of SOGEGH, the aggregate remuneration of all the Directors are as follows:

Title	FY2015 (GHS)	FY2016 (GHS)	FY2017 (GHS)	Est FY2018 (GHS)
Executive Directors	2,605,754	2,697,520	4,226,395	4,860,354
Non-Executive Directors	339,851	384,466	553,877	636,959
Total	2,945,605	3,081,986	4,780,272	5,497,313

2.10 Disclosure of Interests by Directors

As at the date of this Circular, the following Director holds SOGEGH Shares:

Director	Number of shares
Teresa Ntim	2,490

Teresa Ntim does not have any intention to realise or transfer any part of her interests in the issue within a period of two years of the date of this Circular.

2.11 Dividend Policy and Payment History

SOGEGH does not have a dividend policy. Dividend payouts decisions are made annually after directors take into consideration profitability, capital adequacy and planned capital expenditures to be funded. The table below shows final dividends paid 2013 to 2017:

Financial Year	DPS (GHS)	Payout ratio (%)
2017	-	-
2016	0.033	22.2
2015	0.08	62.6
2014	-	-
2013	0.06	55.1

2.12 Immovable Properties

SOGEGH owns, leases and rents property for its operations. The details of the Bank's leasing arrangement in respect of its business premises are as follows:

	Property	Legal Status	Lease started in	Lease expires in
1	Head Office	Leasehold	2009	2035
2	Silver Cup	Freehold	1985	N/A
3	Faanofaa Building	Freehold	1989	N/A
4	Faanofaa Car Park	Leasehold	2005	2035
5	Accra Newtown Building	Freehold	2008	N/A
6	Kaneshie Market Branch	Leasehold	2001	2051
7	Plot C-RRC	Leasehold	2006	2054
8	Madina Branch	Leasehold	1905	2022
9	Switch Back Road Property	Leasehold	2001	2051
10	Achimota Plot	Leasehold	2017	2081
11	Fishing Harbour Branch Building	Leasehold	1997	2032
12	Spintex Rd	Leasehold	2008	2042
13	No. 6 Adweso Estates, Koforidua	Leasehold	1989	2049

	Property	Legal Status	Lease started in	Lease expires in
14	Akim Oda Branch	Leasehold	1989	2066
15	SH 6 Mawuli Estate	Leasehold	1987	2047
16	Pedu Estates –Branch Manager's Residence	Leasehold	1983	2043
17	Bibiani Branch	Leasehold	2009	2059
18	Takoradi Branch	Leasehold	1994	2019
19	Takoradi Manager's Res.	Leasehold	1985	2045
20	KCB	Leasehold	1987	2038
21	No. B 171 Buokrom Estate	Leasehold	1987	2076
22	No. D 2 Buokrom Estate	Leasehold	1989	2076
23	No. D 8 Buokrom Estate	Leasehold	1987	2076
24	No. 0 17 Tonsuom	Leasehold	1987	2047
25	H/NO. O 32 Sunyani	Leasehold	1987	2047
26	Tamale Branch building	Leasehold	2000	2050
27	Tamale Manager's Residence	Leasehold	1986	2046
28	Bolgatanga Branch	Leasehold	1985	2038
29	Bolga .Br Managers Res.	Leasehold	1985	2046
30	Wa Branch. Manager's Res.	Leasehold	1988	2048
31	OSU H/N. 53Oxford St.Osu RE	Leasehold	2017	2043
32	BOMSO	Leasehold	2017	2082
33	Tudu Branch	Rented	2018	2020
34	NIA Branch	Rented	2018	2020
35	Okaishie Branch	Rented	2018	2020
36	Adum Branch	Rented	2019	2021
37	Berekum Branch	Rented	2016	2020
38	Wa Branch	Rented	2012	2018
39	Premier Towers Branch	Rented	2017	2018
40	Cape Coast Branch	Rented	2018	2018
41	Sunyani Branch	Rented	2018	2018
42	TC2 Branch	Rented	2018	2018
43	Tarkwa Branch	Rented	2016	2017
44	Dunkwa Branch	Rented	2017	2022
45	Koforidua Branch	Rented	2017	2017
46	Ho Branch	Rented	2014	2019
47	Asafo Branch	Rented	2013	2018
48	Kejetia Branch	Rented	2011	2020
49	Wool Worth ATM	Rented	2016	2019
50	Korle-Bu ATM	Rented	2016	2017
51	La ATM	Rented	2016	2017
52	37 ATM	Rented	2016	2017

	Property	Legal Status	Lease started in	Lease expires in
53	Kanda ATM	Rented	2016	2017
54	Koforidua ATM	Rented	2013	2018
55	Tema Motorway Spot Bank	Rented	2017	2017
56	Pig Farm Spot Bank	Rented	2017	2017
57	Burma Camp	Rented	2017	2019
58	KASOA Br.	Rented	2013	2018
59	Tema C1	Rented	2013	2018
60	Takoradi Market Circle	Rented	2013	2023
61	Ashiaman	Rented	2014	2019
62	East Legon	Rented	2015	2022
63	Airport Branch	Rented	2015	2020
64	Dansoman	Rented	2016	2020
65	Junction Mall ATM	Rented	2016	2021
66	New Suame	Rented	2017	2022
67	New Site Tarkwa	Rented	2017	2022
68	New Kasoa	Rented	2018	2023
69	New Kejetia	Rented	2018	2028
70	Kumasi Technical University	Rented	2018	2021
71	University of Development Studies	Rented	2018	2019
72	University of Ghana	Rented	2018	2019
73	Methodist University	Rented	2018	2020
74	Koforidua Technical University	Rented	2018	2020
75	Kempiski ATM	Rented	Document under processing	
76	Tarkwa Manager's Res.	Leasehold	Documents under processing	
77	SSNIT Flat Block A Room 8 Takoradi	Leasehold	Documents under processing	
78	Lotteries Branch	Leasehold	Documents under processing	
79	Plot A-RRC	Freehold	Subject of litigation	

2.13 Insurance

SOGEGH holds insurance policies covering the following designated risks and assets:

Property/Interest Covered	Policy Type	Insured Value (GHS)	Maturity
Head Office	Assets All Risk	89,800,040.00	1 July 18 - 30 June 19
Silver Cup	Assets All Risk	4,664,120.00	1 July 18 - 30 June 19
Faanofaa Building	Assets All Risk	4,809,000.00	1 July 18 - 30 June 19
Faanofaa Car Park	Assets All Risk	51,000.00	1 July 18 - 30 June 19
Plot A	Assets All Risk	10,400.00	1 July 18 - 30 June 19
Plot C	Assets All Risk	6,000.00	1 July 18 - 30 June 19
Kaneshie Branch	Assets All Risk	1,375,000.00	1 July 18 - 30 June 19

Property/Interest Covered	Policy Type	Insured Value (GHS)	Maturity
Lotteries	Assets All Risk	377,850.00	1 July 18 - 30 June 19
Switch Back Road Property	Assets All Risk	28,800.00	1 July 18 - 30 June 19
Accra Newtown Building	Assets All Risk	2,964,600.00	1 July 18 - 30 June 19
Madina Branch	Assets All Risk	592,200.00	1 July 18 - 30 June 19
Osu Branch	Assets All Risk	8,800,00.00	1 July 18 - 30 June 19
Tema Fishing Harbour Branch	Assets All Risk	8,702,000.00	1 July 18 - 30 June 19
Spintex Road Branch	Assets All Risk	612,840.00	1 July 18 - 30 June 19
No.6 Adweso Est.-Koforidua	Assets All Risk	320,400.00	1 July 18 - 30 June 19
Akim Oda Branch	Assets All Risk	1,460,800.00	1 July 18 - 30 June 19
SH.6 Mawuli Est.	Assets All Risk	232,200.00	1 July 18 - 30 June 19
Bibiani Branch	Assets All Risk	1,534,609.00	1 July 18 - 30 June 19
Tarkwa Mgrs Res.	Assets All Risk	240,674.00	1 July 18 - 30 June 19
Takoradi Branch	Assets All Risk	6,952,971.00	1 July 18 - 30 June 19
Takoradi Mgrs Res.	Assets All Risk	333,951.00	1 July 18 - 30 June 19
SSNIT Flat Block A Room 8, Takoradi	Assets All Risk	80,965.00	1 July 18 - 30 June 19
Kumasi Central Branch	Assets All Risk	11,486,710.00	1 July 18 - 30 June 19
No. B171, Buokrom Est	Assets All Risk	314,538.00	1 July 18 - 30 June 19
No. D002, Buokrom Est	Assets All Risk	222,375.00	1 July 18 - 30 June 19
No. D8, Buokrom Est	Assets All Risk	207,900.00	1 July 18 - 30 June 19
House No. 017	Assets All Risk	307,342.00	1 July 18 - 30 June 19
House No. O32, Sunyani	Assets All Risk	125,675.00	1 July 18 - 30 June 19
Tamale Branch	Assets All Risk	5,158,946.00	1 July 18 - 30 June 19
Tamale Branch Mgrs Residence	Assets All Risk	299,459.00	1 July 18 - 30 June 19
Bolgatanga Branch	Assets All Risk	2,626,383.00	1 July 18 - 30 June 19
Bolga Branch Mgrs Residence	Assets All Risk	248,907.00	1 July 18 - 30 June 19
Wa Branch Mgrs Residence	Assets All Risk	220,477.00	1 July 18 - 30 June 19
House No. 143, Pedu Estate	Assets All Risk	246,700.00	1 July 18 - 30 June 19
TOTAL		155,416,332.00	

2.14 Litigation

At the date of this Circular, SOGEGH was involved in the following litigations:

Parties	Description	Status	Reliefs
Sabat Motors v. SG Ghana, Estate of Patrick Ahadzi & Others	The plaintiff had accounts with SG Ghana. On the instructions of a director of the plaintiff (now deceased), funds were siphoned from the plaintiff's accounts to a private account of that director and the account of that director's company. The plaintiff brought the action against the defendants for the amounts allegedly withdrawn from its accounts	SG Ghana opened its defence and cross-examination by the Plaintiff's lawyer has commenced. The matter has been fixed for December 17, 2018 for further hearing.	GHS 288,025 and USD 103,000
James Quaigraine and Co. v. SG Ghana	The plaintiff alleges that on August 30, 2012 the Osu branch (then Ring Road Central branch) received a letter in respect of the withdrawal of George Afedzi Hayford as a signatory to its account at a meeting of the board of directors of the Plaintiff held on August 27, 2012. However, the bank continued to honour cheques drawn by George Afedzi Hayford. The plaintiff brought the action against SG Ghana for reimbursement of the USD 111,000 due to negligence and non-compliance its mandate	SG Ghana filed its defence on February 1, 2018. The Pre-Trial Hearing was fixed for July 6, 2018 but the Plaintiff was not in court. A new date is yet to be fixed by the Court.	USD 111,000
Isaac Kwasi Poku Adwere & 11 Ors v. SG Ghana	The Plaintiffs contend that they are each entitled to an amount equivalent to 6 weeks of their respective salaries multiplied by their respective number of years served or to a cap of 3 years respective salary in accordance with the Collective Agreement rather than the respective payments made to them. The plaintiffs brought the action against SG Ghana for their alleged entitlements under the Collective Agreement.	The matter has been adjourned to October 22, 2018 for hearing to commence	GHS 693,000
Vodafone v. SG Ghana	SG Ghana issued a guarantee on behalf of its customer (Mobile Phone People) to the plaintiff. When the guarantee was called on by the plaintiff, SG Ghana refused to pay on the basis that an action had been instituted by the customer against the plaintiff and one of the reliefs was an injunction against the plaintiff from calling in the guarantee	Hearing ended on June 27, 2017. The court has fixed October 17, 2018 for judgment the Judgment	GHS 947,000

2.15 The Ultimate Parent Company, Societe Generale S.A.

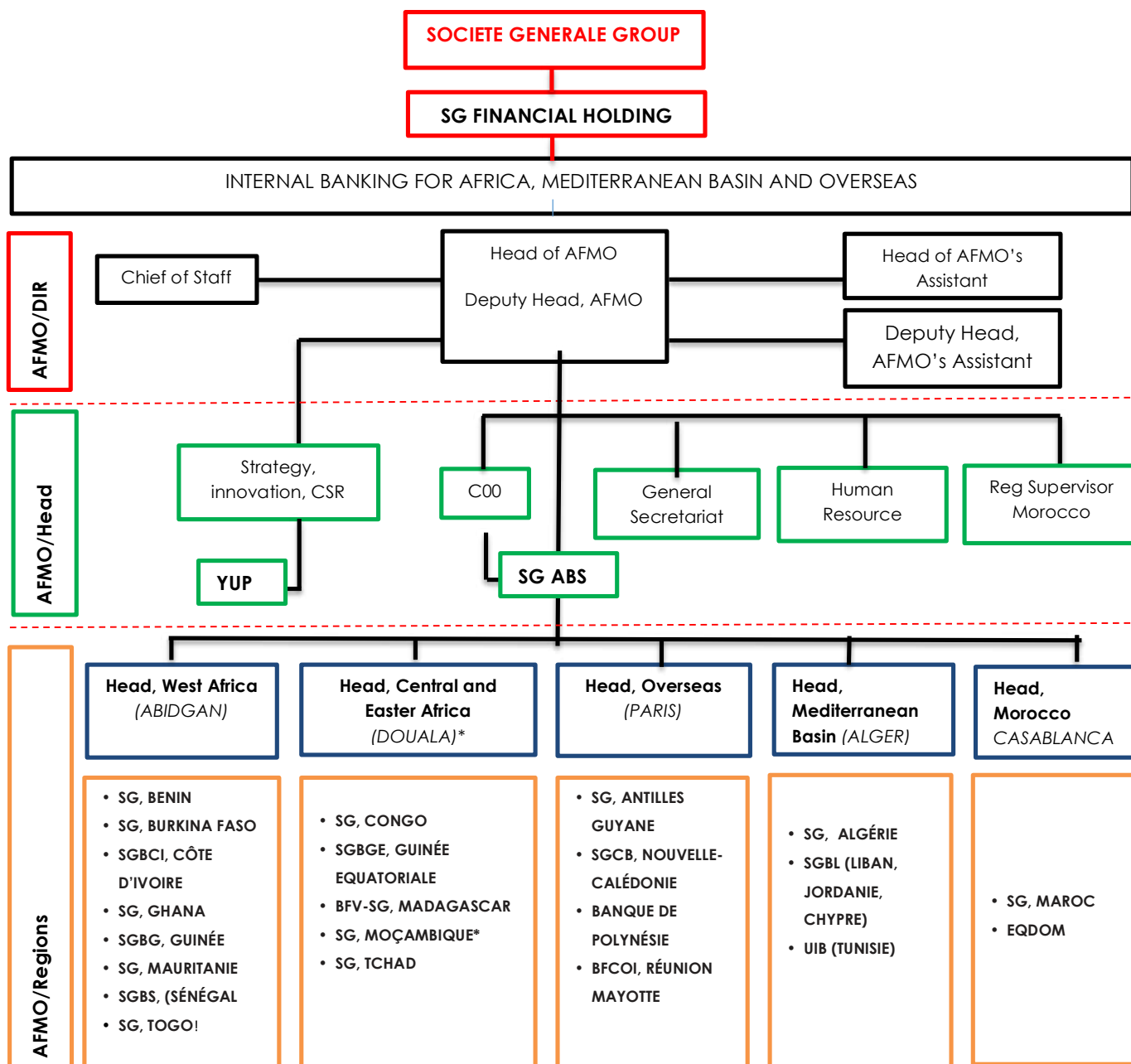
a. Overview

Societe Generale S.A. is one of Europe's largest financial services groups. Societe Generale S.A. was founded in France in 1864 and has been headquartered in Paris since incorporation. It offers a diversified universal banking model combining financial solidity with a strategy of sustainable growth.

Societe Generale S.A, through its wholly-owned subsidiary, SFSH currently holds 283,686,544 ordinary shares representing 56.7% of the total shareholding in SOGEGH.

b. Group Structure

Below is the Group Structure



2.16 Material Contracts

As at the date of this Circular, SG Ghana does not have an operational management and technical services agreement. The management and technical services agreement between SG Ghana and Societe Generale SA dated 1 October 2012, expired on 29 September 2017. SG Ghana has presented a draft management and technical services agreement to the GIPC for approval. The GIPC is yet to complete its review.

2.17 Related Party Transactions

Below is a summary of related party transactions from 2015 to 2017:

Lending to related parties (GHS '000):	2015	2016	2017
Officers and employees other than Directors	24,159	31,772	40,167
Placement with Societe Generale Group	139,990	24,639*	290,004
Nostro Account Balances with Societe Generale Group	215,952	194,737	109,775
Compensation to key management personnel of the Bank			
Fees	585	559	450
Directors expenses	340	384	554
Salaries and other allowances	2,606	2,698	4,226
	3,531	3,641	5,230

Party (GHS '000)	2015		2016		2017	
	Interest paid	Interest received	Interest paid	Interest received	Interest paid	Interest received
Societe Generale S.A.	8,880	64	2,816	86	165	107

*In 2016, SOGEGH entered into an FX Swap transaction (exchanged foreign currency for Ghana Cedis) resulting in lower foreign currency balances available for placement

2.18 Risk Management Framework

The Board of Directors is responsible for the overall risk management approach and for approving the risk management framework. The Bank's Risk Committees have the responsibility for the development of the risk strategy and implementing principles, frameworks, policies and limits. The Risk Committees are responsible for managing risk decisions and monitoring risk levels. The main Risk Committees are; Credit Risk Committee which meets quarterly, Asset and Liabilities Committee – Weekly, Structural Risk Committee - Quarterly; Market Risk Committee – Quarterly and Operational Risk Committee (Periodic and Permanent Control, Business Continuity Planning and Compliance) - Quarterly.

2.19 Risk Factors

Investing in the equities of any entity entails some risks. In considering a subscription to the Rights Issue, prospective investors should carefully consider the following potential risks and all other relevant information contained in this Circular.

a. Political Risk

Potential political unrest is a risk to the operations of any company operating in Ghana including SOGEGH as it could adversely impact its sales targets. However, Ghana has successfully conducted peaceful elections since the beginning of the fourth Republic in 1992. The democratic process prevailing in the country reduces the risk of significant political unrest.

b. Economic Risk

The operational results and income of SOGEGH may depend to an extent on the stability of Ghana's macro-economy. SOGEGH like all entities operating within the borders of Ghana is exposed to economic risks associated with the country. The Bank's experienced and qualified management team ensures that procedures and systems are in place to minimise the Bank's exposure to adverse economic conditions. However, this cannot provide an assurance that adverse economic conditions will not hamper SOGEGH's performance.

c. Credit Risk

This is the risk that the Bank will incur a loss because its customers or counterparties fail to discharge their contractual obligations. The Bank manages and controls credit risk by setting limits on the amount of risk it is willing to accept for individual counterparties and for geographical and industry concentrations and by monitoring exposures relating to such limits. The Bank also monitors its counterparty risk through adherence to BoG prudential requirements.

d. Interest Rate Risk

This risk is the incurred risk in case of interest rate variation because of all on-and off-balance sheet operations except operations subject to market risk. Global interest rate risk is corresponding to interest rate on the banking portfolio. The strategic management of liquidity is done at a high level of senior management; reviewing of results on weekly basis in line with competition and economic conditions and also ensuring that regulatory requirements are met.

e. Market Risk

A market risk is defined as a risk of loss on market underlyings (foreign exchange, interest rates, equities), cash and derivatives. Following from the above, Market Risk therefore includes: Foreign Exchange (FX) or Currency Risk, Interest Rate Risk, Credit Risk, Equity Risk and Commodity Risk. The bank is currently engaged in Interest Rate Risk, Credit Risk and Foreign Exchange (FX) Risk Transactions. The principal objective of the Market Risk set-up is to identify all risk inherent in the bank's Market/Treasury operations, identify control processes for mitigating these risks and monitoring of these controls to prevent any uncontrolled loss to the bank. To manage market risk effectively, the bank possesses an operational markets structure organised for the execution of transactions and also for their independent management and control.

f. Currency Risk

This risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The open positions of currencies are held and monitored on a daily basis. The objective of monitoring the open position in foreign currency is to manage foreign exchange risk due to movements in rates as well as changes in liquidity positions.

g. Operational Risk

This is the exposure to financial or other damage arising through unforeseen events or failure in operational processes and systems. Examples include inadequate controls and procedures, human error, deliberate malicious acts including fraud and business interruptions. These risks are controlled and monitored through system controls, segregation of duties, exception and exposure reporting, business continuity planning, reconciliations, internal audit and timely and reliable management reporting.

h. Share Liquidity Risk

SOGEGH Shares are listed on the GSE to enable trading in the Bank's shares. However, it is possible that there could be inadequate liquidity in SOGEGH Shares on the GSE at certain periods, meaning

that investors may not be able to sell or buy SOGEGH Shares whenever they want to and at their desired price.

i. Dilution Risk

A Qualifying Shareholder who chooses not to participate or partially participate in the Offer may have his/her/its shareholding diluted if his/her/its unsubscribed Rights are allotted to other shareholders of SOGEGH or Renounces under the Offer.

j. Regulatory Framework

The Ghanaian financial services sector continues to develop with the regulator, the BoG, having required participants in the financial services sector to increase their capital quite significantly over the past 4 years. Although SOGEGH has currently met all its capital obligations, any subsequent increases in the capital requirement by BoG will have to be met by SOGEGH and its shareholders and may have an impact on SOGEGH's business operations. It can be noted that SOGEGH has not had any difficulty meeting its capitalisation obligations to date.

2.20 Additional Information

Save as disclosed in this Circular, there has been no material change in the financial or operating position of SOGEGH other than in the ordinary course of business since 31 December 2017 the date to which the last audited accounts of SOGEGH were prepared.

Save as disclosed in this Circular, SOGEGH has not engaged in any litigation or arbitration of material importance to affect its financial position, and the Directors are not aware of any such litigation or arbitration.

LEGAL ADVISOR'S COMPLIANCE CERTIFICATE



S117s14

11-Jul-18

The Director-General
Securities and Exchange Commission
30, Third Circular Road
Cantonments, Accra
Ghana

The Managing Director
The Ghana Stock Exchange
5th Floor, Cedi House
Accra

Dear Sirs,

SOCIETE GENERALE GHANA LIMITED: RIGHTS ISSUE AND ADDITIONAL LISTING OF SHARES ON THE GHANA STOCK EXCHANGE

1. Introduction

We have acted as legal counsel to Societe Generale Ghana Limited ("**SG Ghana**"), a public limited liability company incorporated under the laws of Ghana, in connection with its proposed rights issue to raise up to GHS 170,000,000 (the "**Capital Raising**") and an additional listing of new issued shares on the Ghana Stock Exchange (the "**Additional Listing**").

2. Documents examined

- 2.1** For the purpose of giving this opinion we have examined a draft copy of the shareholders' circular for the Capital Raising (the "**Circular**").
- 2.2** Unless otherwise indicated, all expressions defined in the Circular have the same meanings when used in this opinion.
- 2.3** In addition, we have examined originals or copies certified to our satisfaction of the following documents:
 - 2.3.1** the certificate of incorporation of SG Ghana dated January 20, 2016;
 - 2.3.2** the certificate to commence business of SG Ghana dated January 20, 2016;
 - 2.3.3** the regulations of SG Ghana amended by special resolution dated July 20, 1995 (the "**Regulations**");
 - 2.3.4** the banking licence of SG Ghana dated November 12, 2013;
 - 2.3.5** an extract of the minutes of a meeting of the board of directors of SG Ghana held on February 15, 2018 which indicates that the Capital Raising and Additional Listing were approved by the board of directors of SG Ghana; and

LEX  MUNDI

LEGAL PRACTITIONERS, NOTARIES PUBLIC & TRADEMARK AGENTS

LEXAfrica 

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In association with
Lex Mundi
Lex Africa
Udo Ulloma & Belo-Osagie

2.3.6 an extract of the minutes of a meeting of the shareholders of SG Ghana held on March 28, 2018, which indicates that the Capital Raising and Additional Listing were approved by the shareholders of SG Ghana.

2.4 We have also examined such other documents and certificates, searches and records as are necessary under the laws of Ghana to enable us to give this opinion.

3. Scope and purpose of the opinion

3.1 We are qualified to practise law in Ghana. This opinion is limited to matters of Ghanaian law as in force and applied at the date of this opinion. We have not investigated the laws of any country other than Ghana and we express no opinion on the laws of any other jurisdiction.

3.2 This opinion is given on the basis of the assumptions set out in the Schedule (Assumptions).

4. Opinion

We are of the opinion that:

4.1 Incorporation

4.1.1 SG Ghana is a public limited liability company duly incorporated under the laws of Ghana.

4.1.2 SG Ghana has perpetual corporate existence and capacity to sue or be sued in its name and to carry on its business as currently conducted.

4.1.3 To the best of our knowledge and upon due enquiry, SG Ghana has all the necessary power and authority to own its property and assets and to carry on its business as currently conducted and no steps have been taken (or are being taken) to appoint any administrator, receiver, liquidator or analogous person or body over, or to wind up or dissolve, SG Ghana (or to take any analogous action) nor has a moratorium been declared on the payment of any indebtedness of SG Ghana.

4.2 Authorisations

SG Ghana is duly authorised to engage in the business of banking.

4.3 Regulatory Approvals and Consents

4.3.1 The approval of the Securities and Exchange Commission is required for the Capital Raising.

4.3.2 The approval of the Ghana Stock Exchange is required for the Additional Listing.

4.3.3 Apart from the approvals referred to under paragraph 4.3.1 to paragraph 4.3.2, no other regulatory approvals, consents or licenses or authorisations are required or advisable under Ghanaian law for the Capital Raising and/or the Additional Listing.

4.4 Circular

The Circular complies with the relevant provisions of Schedule 5 of the Securities and Exchange Commission Regulations, 2003 (L.I. 1728) and Schedule 7 of the Companies Act.

4.5 Contractual Obligations

To the best of our knowledge and upon due enquiry, there are no contractual agreements, obligations or undertakings preventing SG Ghana from undertaking the Capital Raising and the Additional Listing.

4.6 The Regulations

4.6.1 The Regulations comply with all legal requirements on the contents of the regulations of a public company.

4.6.2 The Regulations comply with the requirements of Part V of the GSE Listing Rules.

4.6.3 The Capital Raising and the Additional Listing do not contravene any provision of the Regulations or any applicable laws in Ghana.

4.7 Taxes

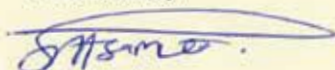
4.7.1 The statements in the Circular regarding taxation in Ghana are correct in all material respects.

4.7.2 The proceeds of the Capital Raising will be subject to a capital duty (at the rate of 0.5%) payable by SG Ghana.

4.8 Registrations and Filings

Subject to the filing of the final Circular at the Companies Registry, no registration or filing is required at any registry in Ghana in order for the Capital Raising to be valid, binding and enforceable in accordance with the terms of the Circular.

Yours faithfully,



Seth Asante
Partner/Head: Financial Institutions & Capital Markets
Bentsi-Enchill, Letsa & Ankomah

Schedule

Assumptions

In giving this opinion, we have assumed, and this opinion is given on the basis, that:

1. all original documents supplied to us are complete, authentic and up to date, and that all copy documents supplied to us are complete and conform to the originals;
2. the authorising resolutions were duly passed at properly convened meetings of SG Ghana's shareholders and board of directors; and
3. all disclosures made to us by SG Ghana and its officers as reflected in the Circular are materially correct as at the date of this opinion and no event has occurred which undermines or may undermine the correctness of those disclosures.

We have found nothing to indicate that the above assumptions are not justified.

PART 3 – FINANCIAL STATEMENTS & REPORTS

3.1 Reporting Accountants' Report on Historical Financial Information



To: The Board of Directors
Societe Generale Ghana Limited
2nd Crescent Royal Castle Road
Ring Road Central
Accra, Ghana

REPORT OF THE INDEPENDENT ACCOUNTANT ON THE SUMMARISED HISTORIC FINANCIAL INFORMATION DERIVED FROM THE AUDITED FINANCIAL STATEMENTS OF SOCIETE GENERALE GHANA LIMITED FOR THE YEARS ENDED 31 DECEMBER 2013, 31 DECEMBER 2014, 31 DECEMBER 2015, 31 DECEMBER 2016 AND 31 DECEMBER 2017.

The accompanying summarised historic financial information comprising the summarised statements of financial position, summarised statements of comprehensive income, summarised statements of cash flows and summary of significant accounting policies has been derived from the audited financial statements of Societe Generale Ghana Limited for the years ended 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017. This summarised historic financial information is the responsibility of the Bank's management. Our responsibility is to express an opinion on whether this summarised historic financial information is consistent, in all material respects, with the financial statements from which they were derived.

The financial statements of the Bank as of 31 December 2013, 31 December 2014, 31 December 2015, 31 December 2016 and 31 December 2017 were audited by the Bank's statutory auditor whose report, dated 14 February 2014, 26 February 2015, 23 February 2016, 8 March 2017 and 2 March 2018 respectively, expressed an unqualified opinion on those statements. We conducted our examination in accordance with The International Standard on Assurance Engagements (ISAE) 3000 "Assurance engagements other than audits or reviews of historical financial information".

In our opinion, the accompanying summarised historic financial information is consistent, in all material respects, with the financial statements from which it was derived.

For a better understanding of the Bank's financial position at 31 December 2017, the results of its operations for the year ended and the scope of our review, the summarised historic financial information should be read in conjunction with the audited financial statements, from which the summarised historic financial information was derived.

Restriction of the use of our report

This summarised historic financial information has been prepared solely for the purpose of the rights issue to raise not more than GHe170 million additional capital by the Bank which will be listed on the Ghana Stock Exchange and may, therefore, not be appropriate for another purpose. Our report is intended solely for the directors and for the purpose described above and should not be used by other parties.

The partner on this engagement resulting in this report of the independent accountant on the summarised historic financial information is Oseini Amui (ICAG/P/1139).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2018/028)
Chartered Accountants
Accra, Ghana
10 July 2018

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Partners: Michael Asiedu-Antwi · Oseini Amui · Maxwell Darkwa · Sarah-Mary Frimpong
George Arhin · Wyczynsky Ashiagbor

3.2 Historical Financial Statements

The tables below capture SOGEGH's audited financial statements from 2013 to 2017:

Income Statements					
(All amount are in millions of Ghana cedis)					
12 months to December	2017	2016	2015	2014	2013
Interest and similar revenue	321.8	259.7	226.8	199.7	131.9
Interest and similar expense	(60.2)	(61.8)	(53.4)	(44.2)	(24.1)
Net interest income	261.6	197.9	173.4	155.5	107.8
Fees and commission income	75.9	71.8	64.6	50.3	37.3
Fees and commission expense	(16.7)	(14.1)	(12.6)	(10.1)	(6.2)
Net Commission income	59.2	57.7	52.0	40.2	31.1
Trading revenue	24.0	19.9	6.7	33.7	19.3
Net income from other financial instruments carried at fair value	34.8	41.0	21.5	7.2	4.0
Other operating income	6.0	11.9	17.1	6.3	4.9
Total other operating income	64.8	72.8	45.3	47.2	24.2
Total operating income	385.6	328.4	270.7	242.9	167.1
Credit loss expenses	(39.0)	(39.5)	(37.9)	(38.6)	(16.8)
Net operating income	346.6	288.9	232.8	204.3	150.3
Personnel expense	(100.5)	(99.5)	(81.7)	(60.2)	(53.6)
Other operating expenses	(105.5)	(86.3)	(76.2)	(65.2)	(40.8)
Depreciation and amortisation	(13.6)	(11.2)	(10.5)	(7.8)	(5.7)
Total operating expenses	(219.6)	(197.0)	(168.4)	(133.2)	(100.1)
Profit before tax	127.0	91.9	64.4	71.1	50.2
Income tax expenses	(36.5)	(28.0)	(19.8)	(21.3)	(13.8)
Profit after tax expense and national stabilisation levy	90.5	63.9	44.6	49.8	36.4
Other comprehensive income					
Items that may be reclassified subsequently to profit and loss:					
Net fair value gain/(loss) on available for sale financial assets and revaluation gains on fixed assets during the year	110.1	1.5	0.1	(0.8)	0.7
Total comprehensive income for the year	200.6	65.4	44.7	49.0	37.1

Balance Sheets					
(All amount are in millions of Ghana cedis)					
12 months to December	2017	2016	2015	2014	2013
Assets					
Cash and cash equivalents	757.8	775.2	850.2	350.9	225.7
Non-pledged trading assets	74.3	70.0	51.1	53.9	26.0
Investment securities	234.0	540.7	75.7	283.3	113.9
Loans and advances to customers	1,409.6	942.3	901.0	873.6	733.2
Investments (other than securities)	1.9	0.4	0.4	0.4	3.6
Current tax assets	-	0.6	1.0	0.3	4.1
Other assets	31.1	29.3	23.6	19.8	14.3
Deferred tax assets	-	-	1.8	-	1.0
Property, plant and equipment	278.8	87.3	86.0	82.8	86.5
Intangible assets	2.3	3.0	1.4	1.5	1.0
Total assets	2,789.8	2,448.8	1,992.2	1,666.5	1,209.3
Liabilities					
Derivative liabilities held for risk management	-	6.5	-	-	-
Deposits from banks	5.6	2.2	1.1	6.3	8.4
Deposits from customers	1,988.3	1,791.1	1,397.4	1,122.6	918.9
Borrowings	104.2	200.7	236.0	238.5	35.5
Current tax liabilities	1.7	-	-	-	-
Other liabilities	133.0	111.2	93.8	76.4	53.5
Deferred tax liabilities	38.1	4.5	-	0.8	-
Total liabilities	2,270.9	2,116.2	1,728.3	1,444.6	1,016.3
Shareholders' fund					
Stated capital	138.3	138.3	100.0	62.4	62.4
Income surplus account	142.8	78.6	50.5	50.3	36.0
Revaluation reserve	123.7	18.0	24.0	24.0	30.7
Share deals account	-	-	-	2.9	2.9
Statutory reserve fund	112.6	90.0	74.1	63.0	50.5
Regulatory credit reserve	-	6.3	15.4	19.8	7.3
Other reserves	1.5	1.4	(0.1)	(0.5)	3.2
Total shareholders' fund	518.9	332.6	263.9	221.9	193.0
Total liabilities and shareholders' fund	2,789.8	2,448.8	1,992.2	1,666.5	1,209.3

Cash Flow Statements					
(All amount are in millions of Ghana cedis)					
	2017	2016	2015	2014	2013
Cash flow from operating activities					
Operating profit before taxation	127.0	91.9	64.4	71.1	50.2
Adjustments for:					
Depreciation and amortisation	13.5	11.2	10.5	7.8	5.7
Unrealised gains/(losses)	0.4	(3.8)	13.2	9.3	(0.7)
Profit on sale of property, plant and equipment	(0.4)	(0.1)	(0.4)	(13.4)	(3.4)
Operating profit before working capital changes	140.5	99.2	87.7	74.8	51.8
Changes in operating and other assets and liabilities					
Decrease/(increase) in non-pledged trading assets	(4.4)	(18.7)	2.8	(28.0)	(8.7)
Increase in other assets	(1.8)	(5.6)	(3.8)	(5.5)	(6.7)
Increase in other liabilities	21.7	17.6	27.5	22.9	19.9
Increase in customer deposit	197.2	393.6	274.0	203.7	60.9
Decrease/(increase) in loans and advances to customers	(467.2)	(41.3)	(27.4)	(140.4)	(218.0)
(Decrease)/increase in derivative liabilities held for risk management	(6.4)	6.5	(10.1)	-	-
(Decrease)/increase in Borrowings	(96.5)	5.3	(42.3)	203.0	14.3
(Decrease)/increase in amount due to banks and other financial institutions	3.4	1.1	(5.1)	(2.1)	6.9
Income tax paid	(31.3)	(23.3)	(19.4)	(10.5)	(14.9)
Capital gains tax paid	-	-	-	(1.7)	-
National stabilisation levy paid	(6.0)	(4.6)	(3.4)	(3.3)	(1.4)
Tax related to bonus issue	-	-	(2.7)	-	-
Net cash generated from /(used in) operating activities	(250.8)	429.8	277.8	312.9	(95.9)
Cash flow from investing activities					
Purchase of property, plant and equipment	(56.8)	(12.7)	(12.8)	(11.9)	(22.5)
Purchase of intangible assets	(1.0)	(1.4)	(0.7)	(0.4)	(1.0)
Proceeds from sale of property, plant and equipment	0.4	0.1	0.4	13.1	6.4
Decrease/(increase) in investment securities	306.8	(463.1)	207.8	(170.5)	(9.9)
Investments (other than securities)	(1.5)	-	-	-	-

Cash Flow Statements					
(All amount are in millions of Ghana cedis)					
	2017	2016	2015	2014	2013
Proceeds from sale of investment securities	-	-	-	11.2	-
Dividend received	-	-	-	0.2	0.1
Net cash (used in)/generated from investing activities	247.9	(477.1)	194.7	(158.3)	(26.9)
Cash flow from financing activities					
Dividend paid	(14.2)	(27.9)	-	(20.0)	(13.4)
Rights issue	-	37.1	-	-	-
Subordinated debt	-	(40.5)	40.5	-	-
Net cash used in financing activities	(14.2)	31.3	40.5	(20.0)	(13.4)
Increase/(decrease) in cash and cash equivalents	(17.1)	(78.6)	513.0	134.6	(136.2)
Net foreign exchange difference	(0.3)	(3.6)	(13.7)	(9.4)	-
Cash and cash equivalents as 1 January	775.2	850.2	350.9	225.7	361.9
Cash and cash equivalents at 31 December	757.8	775.2	850.2	350.9	225.7

3.3 Reporting Accountants' Report on Financial Projections



To: The Board of Directors
Societe Generale Ghana Limited
 2nd Crescent Royal Castle Road
 Ring Road Central
 Accra, Ghana

REPORT OF THE INDEPENDENT ACCOUNTANT ON THE PROJECTED FINANCIAL INFORMATION OF SOCIETE GENERALE GHANA LIMITED FOR THE THREE YEARS ENDING 31 DECEMBER 2018, 31 DECEMBER 2019 AND 31 DECEMBER 2020

We have examined the accompanying projected financial information ("the projections") of Societe Generale Ghana Limited (the "Bank") which comprise the projected financial position of each of the three years as at 31 December 2018, 31 December 2019 and 31 December 2020, projected income statement for each of the years ending 31 December 2018, 31 December 2019 and 31 December 2020 and the related projected cash flow statement for each of the three years ending 31 December 2018, 31 December 2019 and 31 December 2020 in accordance with International Standard on Assurance Engagements 3400 (ISAE) "The Examination of Prospective Financial Information". The Bank's directors are responsible for the preparation and presentation of the projected financial information including the assumptions on which they are based. It is our responsibility to report on the projected financial information as required by the Securities and Exchange Commission Regulations, 2003 L.I 1728 and the Ghana Stock Exchange's Listing Regulations.

These projections have been prepared for the purpose of the rights issue to raise not more than GHe170 million additional capital by the Bank which will be listed on the Ghana Stock Exchange. The projections have been prepared using assumptions about future events and management's actions which cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Consequently, we express no opinion on the validity of the assumptions on which the projections are based or on how closely the results actually achieved will compare with the projections. These projections may not be appropriate and should not be used for purposes other than that described above.

In our opinion the projections have been properly compiled on the basis of the assumptions set out in the notes and the basis of accounting used is consistent with the accounting policies of the Bank.

Even if the events anticipated under the assumptions described above occur, actual results are still likely to be different from the projections since other anticipated events frequently do not occur as expected and the variation may be material. Further, we emphasise that the projected financial information is not intended to, and do not, provide all the information and disclosures necessary to give a fair presentation in accordance with International Financial Reporting Standards (IFRS).

Restriction of the use of our report

These projected financial information have been prepared solely for the purpose described above, and may, therefore, not be appropriate for another purpose. Our report is intended solely for the directors and for the purpose described above and should not be used by other parties.

The partner on this engagement resulting in this report of the independent accountant on the projected financial information is Oseini Amui (ICAG/P/1139).

PricewaterhouseCoopers

PricewaterhouseCoopers (ICAG/F/2018/028)
 Chartered Accountants
 Accra, Ghana
 10 July 2018

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 Partners: Michael Asiedu-Antwi · Oseini Amui · Maxwell Darkwa · Sarah-Mary Frimpong
 George Arhin · Wyczyznsky Ashiagbor

3.4 Assumptions Underlying the Projections

The following are the underlying assumptions for the financial projections:

a. Customer deposits

Customer deposit is projected to increase by 26%, 25% and 24% for the years ending 31 December 2018, 2019 and 2020 respectively. The expected increase is a result of campaigns for products deployed, including cash collection services for utility companies and tertiary institutions. Management intends to invest in information technology systems and related services which are expected to attract customers and increase deposits.

b. Loans & advances to customers

Loans and advances are expected to increase by 69%, 30% and 17% for the years ending 31 December 2018, 2019 and 2020 respectively. This is expected on account of growth in financing medium and long term capital projects in the oil and manufacturing industries. Support will also be extended to cocoa purchasing companies and a new desk has been created to promote structured finance lending activities.

The retail loan promotion on-going "it is your time" with focus on institutional loans and government staff is also expected to result in growth in the retail loan book. The credit policy manual has recently been revised to support these initiatives aimed at increasing the retail loan book. The Bank's transformation programme is almost complete and is expected to deepen the centralisation of back-office operations at the headoffice and thereby shifting the focus to staff engaging in client facing activities.

c. Property, plant and equipment and intangible assets

Property, plant and equipment and intangible assets are projected to increase by 10%, 6% and 7% in the years ending 31 December 2018, 2019 and 2020 respectively. This is a result of the on-going branch expansion and refurbishment exercise and the installation of new IT infrastructure to facilitate the Bank's transformation programme. The reduction in the subsequent years is to account for depreciation and amortisation.

d. Interest income

Interest income is projected to increase by 23%, 25% and 16% for the years ending 31 December 2018, 2019 and 2020 respectively mainly from the Bank's higher credit income strategy on:

- (i) financing medium and long term capital expenditure loans for a sustained stable net interest income flow;
- (ii) term lending to minimise income volatility associated with overdrafts;
- (iii) increased volumes for loans advanced; and
- (iv) increased focus on structured finance lending activities.

The increase in the loan book to support these interest income will be funded mainly by the expected growth in customer deposits, additional capital to be raised from this right issue and foreign currency denominated borrowings.

e. Interest expense

In the projected years, the Bank's focus is geared towards mobilising cheaper sources of funds. Innovative products including deploying cash collection products (example, bill and fee payments) for corporate entities, tertiary institutions and on-site cashiering for hospitals will be implemented. Interest expense on deposits is therefore projected to increase by 49%, 15% and 14% for the years ending 31 December 2018, 2019 and 2020 respectively.

f. Net commission income

Earnings from fees and commission is projected to increase by 18%, 13% and 12% for the years ending 31 December 2018, 2019 and 2020 respectively. The key driver for the growth in the unfunded income is the launch of the Bank's improved card services solution targeted at the middle to upper class individuals and corporate entities as part of the global transaction initiatives of the Bank. A recent upward review of the Bank's tariffs which are still very competitive is expected to result in increased fee income over the projected period.

g. Trading income

Trading income is largely derived from foreign currency transactions undertaken by the Bank on behalf of customers and translation of foreign currency denominated balances at period ends. The income is a function of the margins made and volumes of these transactions on the back of expectations of the foreign currency market. The income is expected to increase by 8%, 12% and 11% in 2018, 2019 and 2020 respectively.

h. Loan impairment charge

Based on a review of the Bank's loan portfolio, impairment charge is projected to increase by 50% for the year ending 31 December 2018 as a result of the growth in the loan book and the adoption of IFRS 9. It is projected to increase by 19% and 23% in 2019 and 2020 respectively as a result of the expected growth in the loan book.

i. Operating expenses

Staff cost is expected to increase by 10% for the year ending 31 December 2018 and by 11% for the years ending 31 December 2019 and 2020 in line with inflationary trends.

Other overhead expenses are projected to increase in key operational areas such as IT network and maintenance, branch network expansion and the ongoing transformation exercise.

j. Taxation

Income tax rate of 25% and national fiscal stabilisation levy of 5% are expected to remain unchanged. Income tax rate of 25% and national fiscal stabilisation levy of 5% are expected to remain unchanged.

k. Investment securities

Investment securities are expected to decrease by 66% for the year ending 31 December 2018. The decline is driven mainly by the reduction in holdings of investment in short-term securities given the current returns and downward trend on these instruments. Investment in financial assets are projected to increase by 25% and 20% for the years ending 31 December 2019 and 2020 respectively. The Bank strives to maintain a right balance of earning assets considering risks and returns of these assets.

l. Borrowings

Borrowings are expected to increase by 173% and 4% in 2018 and 2019 due to expected increase in foreign currency denominated borrowings to fund operations of the Bank. A decrease of 8% for the year ending 31 December 2020 is projected to account for principal repayments.

m. Stated capital

Stated capital is expected to increase to GH¢400 million from the proceeds of this rights issue to raise additional GH¢170 million and a bonus issue via a transfer of the balance from income surplus to stated capital.

3.5 Projected Financial Statements

The following tables capture SOGEGH's projected financial statements from 2018 to 2020:

Income Statements (All amount are in millions of Ghana cedis)			
12 months to December	2018	2019	2020
Interest and similar revenue	396.5	497.5	574.7
Interest and similar expense	(89.4)	(102.8)	(116.7)
Net interest income	307.1	394.7	458.0
Fees and commission income	88.7	100.0	112.3
Fees and commission expense	(18.9)	(21.1)	(23.6)
Net commission income	69.8	78.9	88.7
Net trading revenue	25.9	28.9	32.0
Net income from other financial instruments carried at fair va	17.2	19.0	20.8
Other income	7.8	3.2	2.0
Total other operating income	50.9	51.1	54.8
Total operating income	427.8	524.7	601.5
Credit loss expense	(58.5)	(69.4)	(85.2)
Net operating income	369.3	455.3	516.3
Personnel expense	(111.0)	(123.2)	(136.7)
Other operating expenses	(118.9)	(133.9)	(150.5)
Depreciation and amortisation	(21.2)	(23.7)	(26.4)
Total operating expenses	(251.1)	(280.8)	(313.6)
Profit before tax expense	118.2	174.5	202.7
Income tax expenses	(35.4)	(52.3)	(60.8)
Profit after tax expense	82.8	122.2	141.9

Balance Sheets			
(All amount are in millions of Ghana cedis)			
12 months to December	2018	2019	2020
Assets			
Cash and cash equivalents	719.2	709.0	939.0
Non-pledged trading assets	80.6	85.0	85.0
Investment securities	80.0	100.0	120.0
Loans and advances to customers	2,384.7	3,091.0	3,615.6
Investments (other than securities)	1.9	1.9	1.9
Other assets	40.0	60.0	60.0
Deferred tax assets	1.8	2.0	2.2
Property, plant and equipment	307.3	326.4	347.7
Intangible Assets	14.5	14.0	13.5
Total assets	3,630.0	4,389.3	5,184.9
Liabilities and shareholders' funds			
Liabilities			
Deposits from banks	1.0	1.0	1.0
Deposits from customers	2,498.0	3,116.0	3,865.7
Borrowings	285.0	296.0	272.0
Other Liabilities	72.5	101.0	61.8
Deferred tax liabilities	45.0	43.0	42.0
Total liabilities	2,901.5	3,557.0	4,242.5
Shareholders' funds			
Stated capital	400.0	400.0	400.0
Income surplus account	55.7	119.3	187.4
Capital surplus	138.5	138.5	138.5
Statutory reserve fund	134.3	174.5	216.5
Total shareholders' funds	728.5	832.3	942.4
Liabilities and shareholders' funds	3,630.0	4,389.3	5,184.9

Cash Flow Statements			
(All amount are in millions of Ghana cedis)			
12 months to December	2018	2019	2020
Cash flow from operating activities			
Operating profit before taxation	118.2	174.5	202.7
Adjustments for:			
Depreciation and amortisation	21.2	23.7	26.4
Profit on sales of property, plant and equipment	(0.3)	(0.2)	(0.4)
Unrealised gains/(losses)	0.4	0.4	0.4
Operating profit before working capital changes	139.5	198.4	229.1
Changes in operating and other assets and liabilities			
Decrease/(increase) in non-pledged trading assets	(6.3)	(4.4)	-
Increase in other assets	(8.9)	(20.0)	-
(Increase)/decrease in other liabilities	(60.5)	28.5	(39.2)
Increase in customer deposit	509.7	618.0	749.7
Decrease/(increase) in loans and advances to customers	(1003.9)	(727.3)	(558.2)
(Decrease)/increase in Borrowings	180.8	11.0	(24.0)
(Decrease)/increase in amount due to banks and other financial institutions	(4.6)	-	-
Income tax paid	(37.1)	(52.3)	(60.8)
Net cash generated from /(used in) operating activities	(291.3)	51.9	296.6
Cash flow from investing activities			
Purchase of property, plant and equipment and intangible assets.	(61.6)	(42.1)	(46.8)
Proceeds from sale of property, plant and equipment	0.5	0.4	0.6
Decrease/(increase) in investment securities	154.0	(20.0)	(20.0)
Net cash (used in)/generated from investing activities	92.9	(61.7)	(66.2)
Cash flow from financing activities			
Rights issue	170	-	-
Withholding tax and Other expenses in Bonus and Right Issue	(9.8)	-	-
Net cash used in financing activities	160.2	-	-
Increase/(decrease) in cash and cash equivalents	(38.2)	(9.8)	230.4
Net foreign exchange difference	(0.4)	(0.4)	(0.4)
Cash and cash equivalents as 1 January	757.8	719.2	709.0
Cash and cash equivalents at 31 December	719.2	709.0	939.0

PART 4 – THE GHANAIAN ECONOMY AND BANKING INDUSTRY

4.1 General Overview of the Economy

Ghana's economy has weathered many challenging storms over the past five years. Ever since the record growth of 14.0% was recorded in 2011, the Ghanaian economy has trailed the 5.0% average for sub-Saharan Africa especially in 2015 and 2016. A decline in Ghana's key exports, cocoa oil and gold, and poor economic management choices led to massive growth in public debts. In light of these economic challenges, Ghana entered into a 3-year International Monetary Fund (IMF) support programme in 2015.

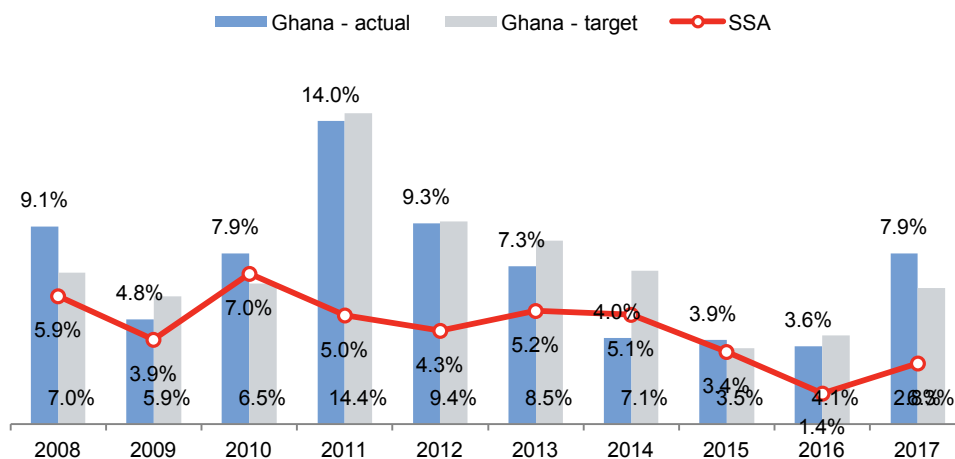
By joining the IMF program, economic policy has been mainly drawn-up in the context of IMF's extended credit facility. In January 2017, a new government was sworn into office promising to reverse the economic downturn over the past few years through fiscal consolidation and restructuring of the debt-ridden economy dominated by energy sector debt and non-performing loans and strengthening the local banking sector.

The economy seems to have responded well to the government's stimulus. The 2017 financial year saw a strong recovery in economy with real GDP growing by 8.5% (the fastest growth recorded in 5 years), interest rates declining sharply and relative stability of the Ghana Cedi against all major international currencies.

Although the original end-date for the IMF program was April 2018, the government thought it prudent to extend the program to April of 2019 to allow it enough time to understand the challenges and adopt the correct remedies. Government has broadly committed to pursuing an aggressive industrialisation program and empowering businesses in order to spur economic growth through tax reduction and a low interest rate regime.

Overall, the Ghanaian economy is in much better shape than it has been in the past five years. With the IMF program drawing to a close in early 2019, all eyes are on governments policies and conduct in a post-IMF era.

Chart 1: Real GDP Growth Rates, SSA v. Ghana



Source: Ghana Statistical Service, Ministry of Finance & Economic Planning, IMF World Economic Outlook 2016

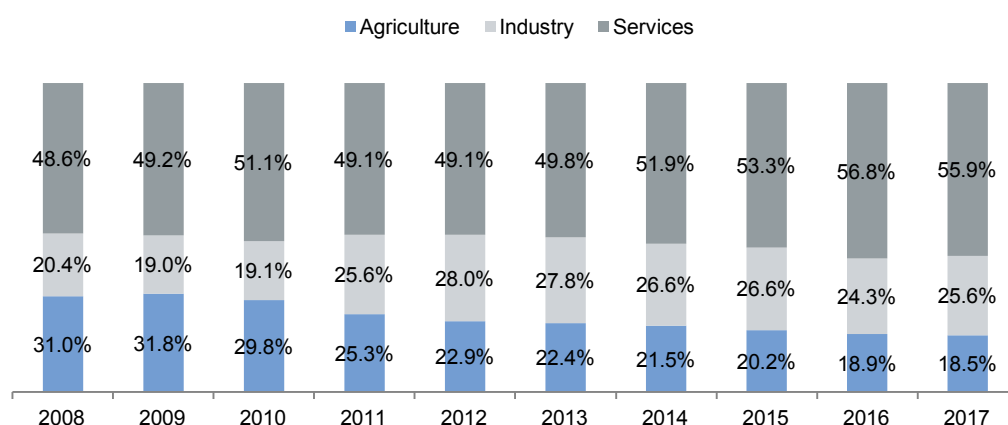
4.2 Structure of the Economy

Ghana's macro-economic structure comprises 3 main sectors; agriculture, industry and services sectors. These sectors are further categorised under subsectors as follows:

- *agriculture*: crops, livestock, forestry & logging and fishing;
- *industry*: mining & quarrying, manufacturing, electricity, construction and water & sewage; and
- *services*: trade, leisure (i.e. hotels & restaurants), transport & storage, ICT, finance and insurance, real estate, health, transportation, trade and education.

Historically, the agriculture sector was the largest in terms of percentage contribution to GDP and employment provided by the sector. Agriculture was followed by industry and services in that order. However, following the rebasing of the economy in 2010, the services sector has become the largest, followed by industry and then agriculture in that order. In 2017, the services sector accounted for 55.9% of GDP with the industry and agriculture sectors accounting for 25.6% and 18.5% respectively.

Chart 2: Sector Contribution to GDP



Source: Ghana Statistical Services

Ghana's growth has been buoyed by oil exports since 2011, with low prices of crude oil in recent years negatively impacting growth. Ghana recorded a non-oil GDP growth rate of 4.8% in 2017 compared with 5.9% over the same period in 2016. Likewise, oil has become an increasingly important share of exports, accounting for about 20% in 2017 as compared to 0.3% in 2010.

4.3 Fiscal Developments

Two major factors have accounted for the improvement in Ghana's fiscal fortunes. The first is the IMF program which provided oversight and constrained government spending, and new oil and gas production. The fiscal consolidation initially focused primarily on revenue generation with revenue being generated largely through the introduction of new taxes and removal of tax exemptions. With the coming into power of a new government in 2017, the focus shifted from using taxes as the primary tool for revenue generation to debt sustainability, industrialisation and improving the business environment so that the private sectors leads economic growth going forward.

The overall budget deficit as at September 2017 was 4.5% of GDP compared with 6.4% over the same period in 2016. Primary balance posted a surplus of 0.3% of GDP compared with the 1.6% deficit of GDP recorded in 2016. Likewise, the current account balance recorded a deficit of 0.2% of GDP (by august 2017) compared with 2.6% deficit of GDP over the same period a year ago.

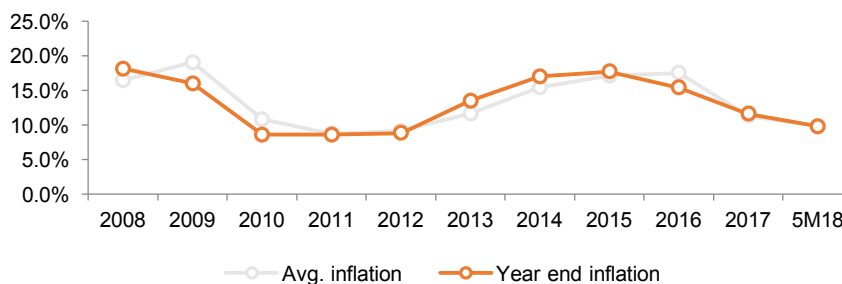
Government's public debt management strategy yielded the desired results. With no Eurobonds issued in 2017 and zero financing from the BoG, domestic financing was solely from marketable securities. Consequently, the debt-to-GDP ratio, which increased, sharply from 32% in 2008 to 73% by the end of 2016 started to decline reaching 68.8% by year-end 2017.

4.4 Monetary Development

4.4.1 Inflation

Monetary policy has remained largely hawkish in recent years as a response to high inflation brought on by the fiscal slippage in 2012. Consumer prices started rising sharply from 8.8% in 2012 peaking at a 5-year high of 19.2% in March 2016 and then starting to gradually decline. Year-end inflation for 2017 was 11.6% and it is expected to fall under 10% from mid-2018. The improvements witnessed in consumer price can be largely credited to the IMF-program which constrained government spending and enforced a zero central bank financing of government program. Due to the latter, money supply has grown at a relatively slower pace in the past few years. Other factors which are expected to drive down inflation further is the reduction in taxes and fuel and energy levies. Inflation has averaged 14.9% over the past three years.

Chart 3: CPI Inflation Trends

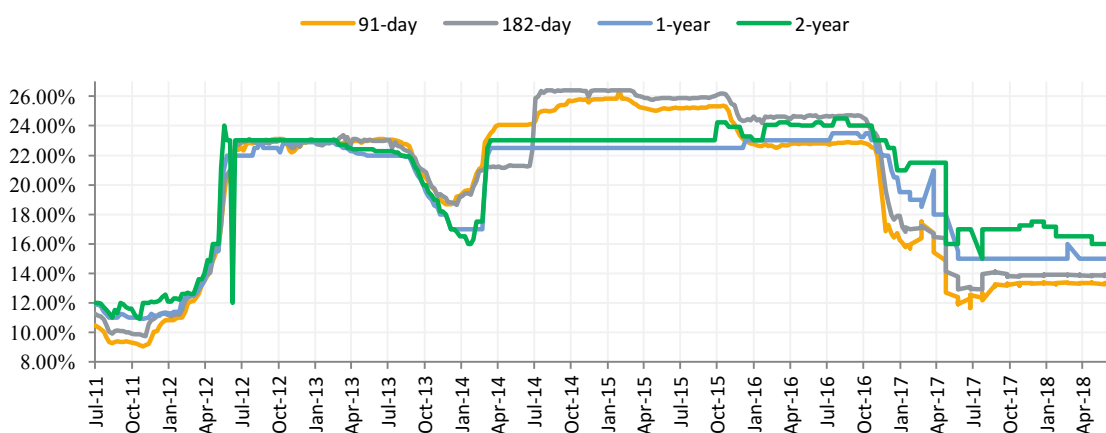


Source: Statistical Services, African Alliance Research

4.4.2 Interest rates

Interest rates remained significantly high since 2012 and only begun a sharp decline in late 2016. The policy rate which stood at a low of 12.5% in mid-2011 has been adjusted upwards eleven times and was pegged at 26% as at September 2016. The BoG announced the first interest rate cut in November 2016 by 50 basis points to 25.5%. Ever since then, there have been 6 reductions to bring the policy rate down to 17% currently. The interest rate on tradable securities have generally mimicked the trend resulting an inverted yield curve. The yield curve however begun to normalise late 2016 throughout 2017 and remained normal to date. The interest rate on the 91-day Government of Ghana treasury bill at year-end 2017 was 13.1%. That of the 182-day Government of Ghana treasury bill returned 13.38%, the 1-year note 15% and the 2-year notes stood at 17.5%.

Chart 4: Interest Rate Trends



Source: Bank of Ghana, African Alliance Research

4.4.3 Exchange rate

The exchange rates started to remain relatively stable ever since Ghana joined the IMF program. The local currency has depreciated by an average of 13% annually since redenomination in 2007. However, between 2012 and 2015, the rate of depreciation became quite steep largely due to the fiscal and budget deficits which in-turn fuelled inflationary pressures. The rate of depreciation slowed down sharply mainly due to the fiscal discipline imposed by the IMF-program and new hard-currency earnings from the oil and gas sectors which came on board from the Tweneboa, Enyenra, Ntomme (TEN) and Sankofa fields. The Ghana Cedi, for the year to October 2017, weakened by 4.0% compared to 4.3% over the same period a year ago reflecting the strong and improved macro-economic fundamentals.

4.5 Macroeconomic Outlook

Ghana's overall medium term outlook is positive and no longer in question after the sterling GDP growth recorded in 2017. Government has made the hard choice of staying with the IMF program a year longer than was originally planned. With the issuance of the energy bond to clear the impairments that have plagued the banking sector, the capitalisation directives issue to universal banks by the Bank of Ghana, the reduction in select taxes and the coming on board of new oil and gas from the TEN oil fields, interesting times lie ahead for the Ghanaian economy.

The forecast for key macro-economic indicators look very positive. Inflation is expected to decline to below 10% in 2018, the current account deficit is expected to average annually 3.5% of GDP from 2018 – 2022, while the Ghana Cedi is forecast to weaken by an annual average of 4% over the same period.

According to the IMF, Ghana's economic growth rate is expected to peak at 9.4% in 2017 and then normalise thereafter.

Chart 5: GDP growth forecast, Ghana vs SSA

		2016A	2017A	2018F	2019F	2020F
GDP growth	Ghana	5.7	8.5	7.3	5.1	3.6
	SSA	4.3	4.9	5.0	5.0	5.1

4.6 History and Background of Ghana's banking Industry

Banking in Ghana dates back to 1894 and has undergone several structural and regulatory reforms, necessitated by changing economic trends.

The periods 1983 through to 1997 witnessed various financial sector reforms as Government embarked on an Economic Recovery Programme. A new Banking Law, 1989 (PNDC 229) was passed and the Banking Act, 1970 (Act 339) was repealed. Norms for minimum capital adequacy requirements and prudential lending limits, which were not captured in the Banking Act, 1970, were provided for in the new law. In effect, the BoG shifted gradually from a direct system of monetary controls to an indirect system that utilized market-based policy instruments. As part of the process, the Central Bank rationalised the minimum reserve requirements for banks, introduced new financial instruments and open market operations for liquidity management. The Banking Act also empowered the BoG to complement these policies by improving the soundness of the banking system and the regulatory framework, strengthening banking supervision and improving the efficiency and profitability of banks including the replacement of their non-performing assets. The BoG thus introduced uniform accounting standards and licensed new banks to engender competition.

Liberalisation of the sector in the early 2000's led to enhanced competition following the entry of several foreign owned banks mainly from Nigeria. This encouraged the introduction of strong business practices, advancement in technology and efficient risk management practices. The liberalisation also led to a review of strategy and operations in areas such as loan origination, administration, product and service pricing as well as monitoring and review. The promulgation of the universal banking policy in 2003 gave banks some latitude to operate in non-core services, setting new standards of service and efficiency across the industry. Banks with the universal banking license in effect, could engage in specialised banking operations and introduce more sophisticated products. . To modernise the regulation of banks and other specialised deposit taking institutions, the Banks and Specialised Deposit –Taking Institutions Act, 2016 (Act 930) was passed in 2016.

Following recent challenges in the sector, the BoG has taken a tougher supervisory stance to restore confidence in the banking sector. The Bod recently unearthed a number of weaknesses in the sector including solvency challenges, liquidity challenges, regulatory breaches, among others, some dating back to 2015. The BoG, in cleaning up the sector, has among others,

- Closed UT Bank and Capital Bank in August 2017, and appointed PwC as receiver to liquidate the banks
- Appointed KPMG as official administrator of uniBank Ghana in March 2018 to help protect the interest of depositors and avoid imminent collapse
- Increased the minimum capital requirements for banks from GHS 120m to GHS 400m by 31 December 2018
- Published corporate governance directive in April 2018
- Appointed an advisor to Sovereign Bank in April 2018 to advise the management of Sovereign Bank and help monitor the bank's recapitalisation efforts
- Revoked licenses of Unibank Ghana Limited, The Royal Bank Limited, Beige Bank Limited, Sovereign Bank Limited and Construction Bank Limited and appointed receivers in respect of their assets and liabilities. Deposits and selected assets and liabilities of these banks were acquired and assumed by a new bank-Consolidated Bank Ghana Limited (CBG). Consolidated Bank Ghana is 100% Government of Ghana owned

Key Developments

The table below shows key developments in the banking sector over the past 10 years:

Year	Key Developments
2008	Introduction of E-zwich; the biometric smart card
2008	The Borrowers and Lenders Act, 2008 (Act 773) and the Anti-money Laundering Act, 2008 (Act 749) came into effect
2008	BoG set the minimum capital requirement of GHS 60 million to maintain Class 1 banking status
2008	Deadline for compliance with IFRS
2009	Introduction of Cheque Codeline Clearing System
2009	Deadline for meeting new minimum capital requirements (foreign-owned banks)
2010	Establishment of Collateral Registry
2010	Financial Intelligence Centre commences operation
2010	New min. cap requirement for mortgage & leasing companies
2010	Deadline for new minimum capital requirement (local banks)

Year	Key Developments
2011	Energy Bank commences operations
2011	Issuance of micro-finance guidelines
2012	Royal Bank commences operations
2012	Ecobank merges with The Trust Bank
2012	Access merges with Intercontinental
2012	Introduction of GH-link
2012	All DMBs meet GHS60m capital requirement
2012	Strengthening of AML/CFT laws: ACT 842; L.I. 2181; L.I.2183
2012	New monetary policies introduced to stem currency depreciation
2013	Increase in minimum capital requirement of banks to GHS 120 million
2013	Limit on OTC cheques reduced to GHS 10k
2014	Restrictions on foreign currency account
2015	Harmonisations of MPR & repo rate
2016	Banks & Specialised Deposit-Taking Institutions Act passed by Parliament
2017	Bank of Ghana appoints receivers for UT Bank Limited and Capital Bank Limited
2018	Official administrator appointed for UniBank
2018	Corporate Governance Directive published
2018	Deadline to meet new capital requirement (GHS 400m)
2018	BoG introduces Ghana Reference Rate
2018	BoG revokes licenses of Beige Bank, Construction Bank, Royal Bank, Sovereign Bank and Unibank and appoints receiver in respect of their assets and liabilities
2018	Government incorporates 100% owned Consolidate Bank to assume selected assets and liabilities of the 5 banks whose licenses were revoked

4.7 Regulatory Framework

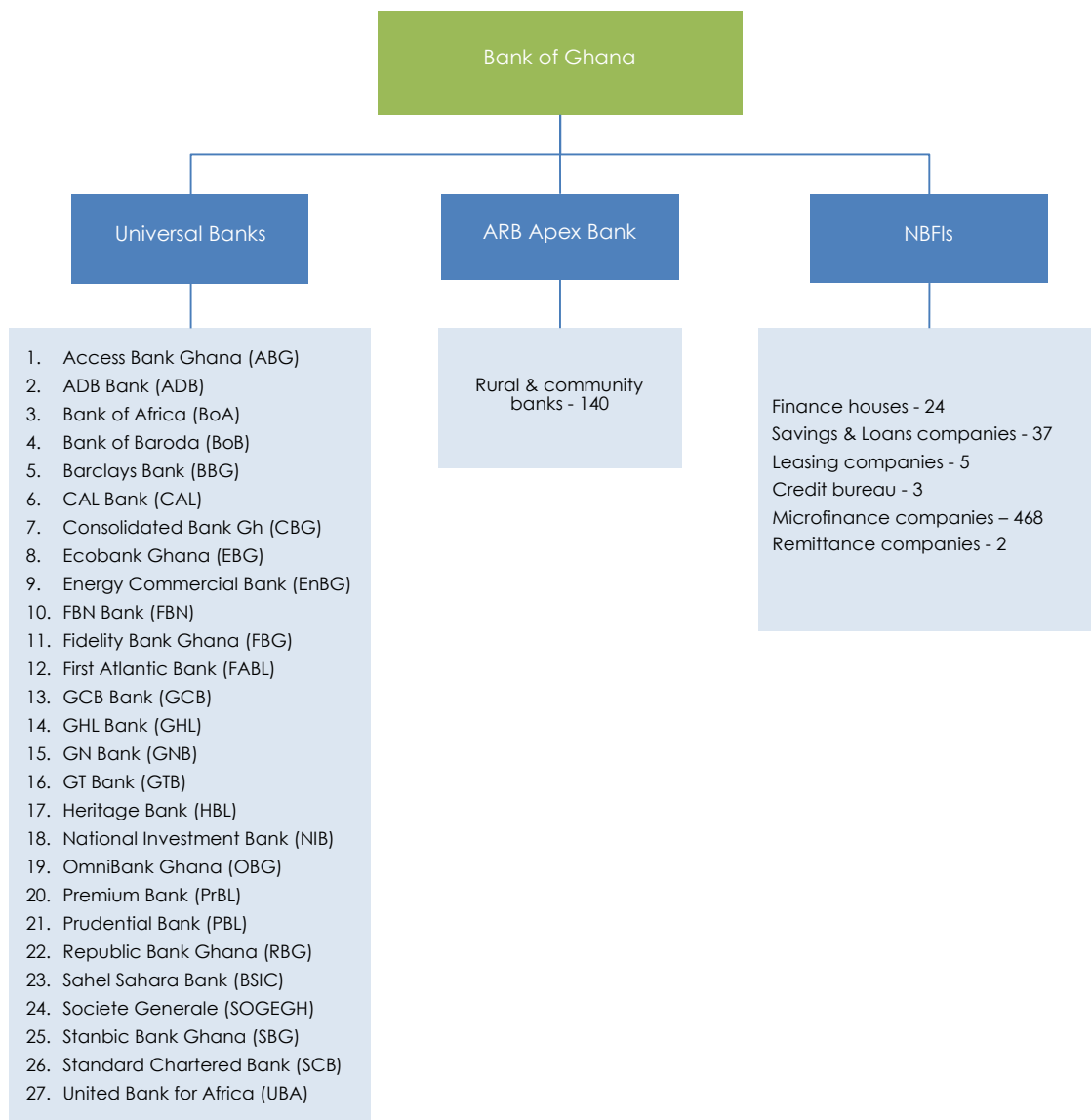
The BoG regulates the banking industry under seven (7) key statutes namely:

- the Companies Act, 1963 (Act 179), which governs the operations of all companies in Ghana;
- the Bank of Ghana Act, 2002 (Act 612), which governs the activities of the BoG;
- the Banks and Specialised Deposit-Taking Institutions Act, 2016 (Act 930) which governs the activities of the banks in Ghana;
- the Foreign Exchange Act, 2006 (Act 723), which regulates foreign exchange business and provides for related matters;
- the Credit Reporting Act 2006 (Act 723), under which credit reference bureaus are to operate;
- the Borrowers and Lenders Act, 2008 (Act 773), which regulates the lending relations between lenders and borrowers and sets up a collateral registry system;

- the Payment Systems Act, 2003 (Act 662), which governs electronic and other payment, clearing and settlement systems in Ghana;
- The Ghana Deposit Protection Act, 2016 (Act 931), which governs/protects clients' deposits;and
- The following BoG directives:
 - a. Capital Requirement Directive (June 2018)
 - b. Fit and Proper Directive (June 2018)
 - c. Mergers and Acquisitions Directive (June 2018)

4.8 Market Participants

The industry is made up of the regulator (i.e. BoG), 27 universal banks, 140 rural and community banks (who are mainly regulated by the ARB Apex bank) and a number of non-bank financial institutions. The major players in the universal banking space are: i) Ecobank Ghana Limited ii) GCB Bank Limited iii) Standard Chartered Bank Ghana Limited iv) Barclays Bank Ghana Limited v) Stanbic Bank Ghana Limited.



4.9 Profitability

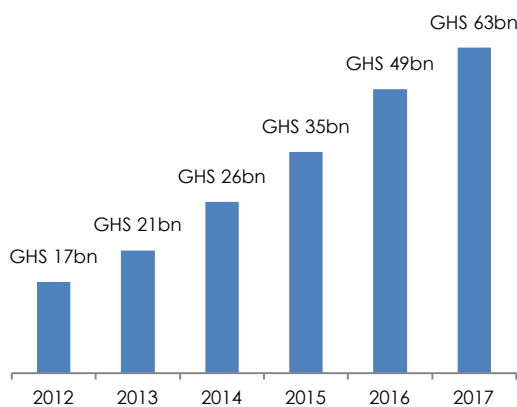
After joining the IMF program in 2016, there was a major review/stress test carried out on all the banks and this ushered in a wave of reclassification and write-off of bad loans mostly related to the energy sector in 2016. With the clean-up out of the way and a more stable macro environment, we began to see profitability slowly returning to the industry. Industry PAT stood at GHS 3bn as at December 2017 compared with GHS 2.7bn in December 2014. ROE has also suffered in the period increasing from 20.4% in 2010 to a peak of 32.3% in 2014 before declining year on year to 16.7% in 2017.

4.10 Asset Quality

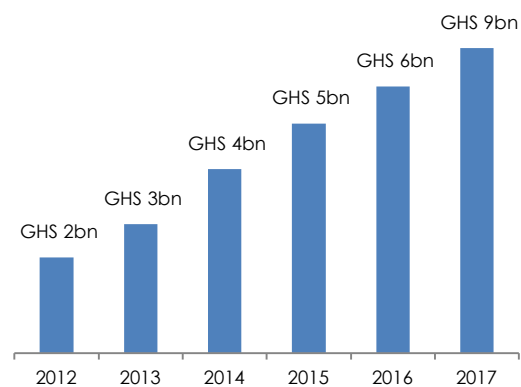
High NPL's have weighed down on asset quality of banks over the years, coming in at 22.7% in December 2017 up from 17.3% in December 2016. Recent macroeconomic pressures have weighed down on the asset quality of banks over the past year, resulting in higher impairments and subsequently higher cost of risk. The higher NPL ratio in 2017 was because of a slowdown in industry loans. The public sector accounted for 5.7% of the industry's NPLs with the private sector accounting for the remaining 94.3%. The commerce and finance sectors accounted for 34.2% of NPLs followed by the services sector (13.3%) while the mining sector contributed the least (2.3%) to the industry's NPLs.

4.11 Industry Performance

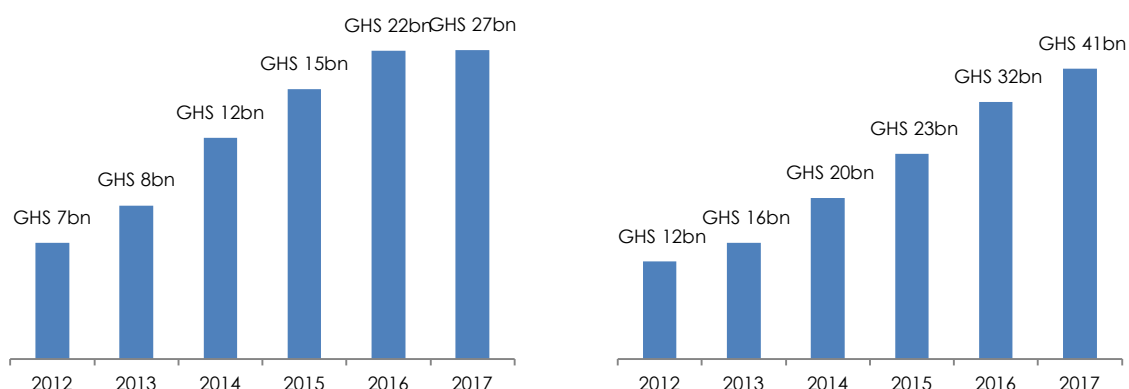
Total industry assets have increased at a Compounded Annual Growth Rate (CAGR) of 27.9% over the past five years. As at FY17, industry assets were valued at GHS 93.2bn with loans and advances accounting for 33.3%. Total liabilities also grew from GHS 23.2bn in 2012 to GHS 81bn in 2017. Deposits funded 62.5% of total assets in December 2017. As at FY17, net assets stood at GHS 12.2bn representing a CAGR of 24.9%.



Evolution of industry assets



Evolution of industry shareholders' funds



Evolution of industry loans

Evolution of industry deposits

Source: BoG

4.12 Industry Outlook

Ghana's banking industry holds very strong prospects over the medium to long-term because of positive prospects in key sectors such as power, oil and gas, telecommunication and construction. The infrastructure deficit in these growth sectors offers significant opportunities in corporate banking, while the low penetration levels and the increasing middle class presents upside for retail banking as well.

We anticipate the new minimum capital requirement will reposition banks to take advantage of the improving economy prospects and shape the phase of growth within the industry. We expect that as the Single Obligor Limits of banks go up significantly, financial transactions which were previously financed externally or via a syndicated arrangement will now be within the reach of individual banks boosting deal-making and profitability of the entire industry.

The BoG has made its intentions quite clear to operators that it is willing to promote a fast-growing, transparent, robust and disciplined banking industry. Recent actions taken to clean-up the industry by closing struggling banks, raising the capital requirement and placing weak banks under close regulatory supervision should cheer investors and renew faith in Ghana's otherwise struggling banking industry. The BoG also plans to:

- operationalise the deposit protection scheme established under the Ghana Deposit Protection Act, 2016 (Act 931)
- enforce "fit and proper person" requirements for shareholders, directors and key management personnel
- strengthen capacity and resources of its Banking Supervision Department, among others.

PART 5 – OVERVIEW OF THE GHANA STOCK EXCHANGE

5.1 Background

The GSE was incorporated as a private company limited by guarantee under the Companies Act in July 1989. It was authorised as a stock exchange in October 1990 under the repealed Stock Exchange Act, 1971 (Act 384). The Council of the GSE was inaugurated on 12 November 1990 and trading commenced on its floor on the same day. The GSE changed its status to a public company limited by guarantee in April 1994.

A 9-member council governs the GSE. The operations of the GSE are regulated by the SEC, which is empowered by the Securities Industry Act. The GSE's membership comprises 21 Licensed Dealing Members (stockbrokers) and 33 Associate Members.

5.2 Trends and Developments

Trading on the GSE began on 12 November 1990 with 11 companies listed on one market. Currently, the GSE operates 3 markets – the GSE Main Market, the GSE Alternative Market ("GAX") and the Ghana Fixed Income Market ("GFIM").

There are currently 34 equities, 1 exchange-traded fund, a depository share and a preference share listed on the Main Market, 5 listed equities on the GAX and 45 corporate debt instruments issued by 9 corporates, GoG sovereign bonds and several GoG bonds listed on GFIM.

In 2007, the Central Securities Depository Act, 2007 (Act 733) was passed to permit the issuance of dematerialised shares, where shareholders and the board of directors of an issuer have authorised this. The passing of the law paved the way for the GSE to achieve several milestones in its development. These milestones include the incorporation and operation of the CSD and GSE Securities Depository Company Limited (the GSD) and the establishment of a clearing and settlement system. In December 2013, an agreement was signed between the BoG and the GSE for the merger of the CSD and the GSD. Thus from January 2014, both the CSD and the GSD operate as a single depository, the CSD.

The GSE is working on several other key initiatives. Some of these include the West African Capital Markets Integration, which is in collaboration with the Bourse Regionale des Valeurs Mobilieres and Nigerian Stock Exchange and sponsored by the West African Monetary Institute and ECOWAS. The objective is to integrate the capital markets across the sub-region to facilitate securities trading and capital raising.

The GSE is currently in the process of developing a new 3-year strategic plan aimed at positioning the market for the future. Some of the key focus areas of the new plan are demutualisation, strategic partnerships and new products among others.

5.3 Trading Information

Table 4: Other Market Information

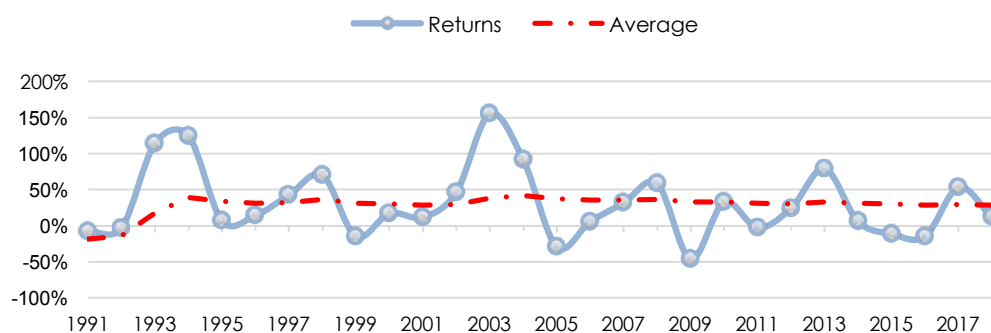
Trading Days	Trading takes place every working day
Trading Hours	Pre-opening period: 9:30hrs to 10:00hrs (GMT) Market opens for continuous trading: 10:00hrs to 15:00hrs (GMT)
Clearing & Settlement	Trade settlement is done electronically using a web-based application. Settlement occurs three (3) business days (T+3) after the trade date. The settlement house allows for mutual settlement of trade on T+0 or T+1 basis for negotiated trades

Trade and general information on the GSE can be found on the GSE website - <http://www.gse.com.gh>

5.4 Performance of the GSE's Main Market

The performance of the GSE has been remarkable in recent years, experiencing improved turnover and increased market capitalisation following automation. The market capitalisation as at 30 June 2018 was approximately GHS 55.3 billion (USD 12.2 billion). Returns on the benchmark GSE Composite Index (GSE-CI) over the past 10 year have averaged 5.4% CAGR. So far this year the GSE-CI and the GSE Financial Stock Index (GSE-FSI) have returned +11.6% and +11.81%, respectively.

GSE Returns (1990 to 2018)



Source: GSE

Some recent major primary market activities, so far this year has been the bonus issues of CAL, EGH, SCB and SOGEGH. ACCESS, EGL and RBGH have undertaken rights issues which raised GHS 221.7m, GHS 220m and GHS 323.6m respectively.

MTN Ghana also commenced its IPO during the period by offering a 35% stake to investors to raise GHS 3.45bn and list on the GSE.

5.5 Outlook of the GSE

There are plans to integrate the capital markets in the West African sub region. This will open new frontiers for investors and the growth potential of Ghana's market. Additionally, the coordinated efforts of the SEC and the Ghana Securities Industry Association to deepen capital markets and investment education will, in time, enhance market activity.

The GSE's new 3-year strategic plan, which is currently being drafted aims to remove some of the stumbling blocks which have stalled growth and place the Exchange at the heart of Ghana's capital market development strategy.

5.6 GFIM

5.6.1 Historical Overview

Between 1990 and 1999, only 5 bonds were listed on the GSE. The first bond listed was the GSE Commemorative Registered Stock with a total value of GHS 500,000 and a yield of 26%, issued on behalf of GoG to commemorate the launching of the GSE in 1990. Subsequently, Republic Bank Ghana Limited (formerly HFC Bank Limited "HFC"), then the Home Finance Company, on 17 September 1996 made a shelf registration of USD 35m bonds on the GSE, under which 4 bonds were issued as of October 1999. On 13 August 2002, HFC made another shelf registration of GBP 1.2 million bonds on the GSE.

The historical activities of the bond market (as reported in BoG's annual reports) are outlined as follows:

- 2004 – The market for both corporate and government bonds was bereft of significant trades at the secondary level in spite of deliberate attempts by the GoG to boost the long-term end of the financial market. A total of USD 734k worth of corporate bonds were traded during the year compared with USD 606.6k, which traded in 2003;
- 2005 – The corporate bond market remained relatively quiet. However, the USD denominated corporate bonds traded on the market increased by USD 41.8k to USD 115.2k;
- 2006 – During the year, GoG 2-year fixed rate notes totalling GHS 204k and 3-year fixed rate bonds amounting to GHS 41.6m were listed on the GSE. In addition, Standard Chartered Bank Ghana's (SCB's) GHS 35m medium-term notes were also issued on the GSE. On the trading side, USD 40k of HFC's corporate bonds and USD 1.2 billion of Government of Ghana's bonds exchanged hands;
- 2007 – A total of 48 GoG 2-year, 3-year and 5-year bonds amounting to GHS 1.3bn were listed on the GSE during the year. HFC also issued a corporate bond (Series J) totalling USD 3.9m. GoG bonds worth GHS 3.8m, SCB's medium-term bonds worth GHS 1.4m and HFC's corporate bonds totalling USD 20k were traded on the GSE;
- 2008 – A sum of GHS 1.2bn GoG bonds consisting of 2-year, 3-year and 5-year tenors were listed on the GSE at the end of the year. The other listed bonds on the market were HFC bonds (series H 'USD' and series J 'USD') and SCB medium term notes amounting to USD 6.4m and GHS 35.0m respectively. There were no trades in both the HFC bonds and SCB medium term notes. However, GHS 3.4m worth of government bonds were traded in 2008; and
- 2014 to 2017 – Between 2014 and 2017, 8 companies (namely, Izwe Loans Company Limited, AFB Ghana Limited, Edendale Properties Plc, PBC Limited, Bayport Financial Services Limited and Ghana Home Loans Limited, E.S.L.A. PLC and Bond Savings and Loans issued and listed corporate bonds on the GAX.

5.6.2 Market Overview

The GFIM is the market for the secondary trading of all fixed income securities. Ghana's fixed income securities include corporate bonds, corporate notes, treasury bonds, treasury notes, treasury bills and other types of money market instruments such as repurchase agreements and Bank of Ghana bills. The market was established by key stakeholders in the financial services industry including the BoG, the GSE, the CSD, the Ghana Association of Bankers, the Ministry of Finance, Financial Market Association and Licensed Dealing Members of the GSE.

The market activity and its scope of operations are governed by SEC and the BoG. The regulatory framework of the SEC mainly covers the secondary market activities while the BoG regulates the activities of primary dealers who act as market makers on the GFIM.

The main objectives of GFIM are to improve transparency, increase market efficiency, enhance price discovery as well as increase liquidity in the secondary trading of fixed income securities in Ghana. Bloomberg LPA ("**Bloomberg**") and GFIM, in September 2015, launched the Bloomberg E-Bond trading and market surveillance system. The system is a new electronic trading platform for bonds which Bloomberg began operating in August 2015. The E-Bond and the GSE's Bond trading module (Capizar) are currently the primary execution platforms for all fixed income trading.

The dealing members on GFIM are:

- Primary Dealers (“**PDs**”) authorised by the BoG and licensed by the SEC to deal in securities in Ghana. The PDs participate in the primary auction of GoG and BoG securities and make market on GFIM;
- Non-PD banks licensed by the SEC to deal in securities; and
- LDMs licensed by the SEC as broker dealers of securities in Ghana

The market infrastructure which aids the operation of the GFIM includes:

- an electronic trading and market surveillance system provided by Bloomberg;
- the GSE's bond trading module – Capizar; and
- a clearing and settlement system operated by the CSD with the BoG as the settlement bank.

5.6.3 Market Structure and Performance

The GFIM currently has 42 registered members, comprising 15 PDs, 11 non-PDs and 16 LDMs. There are currently 45 listed corporate debt securities (combined value of approximately GHS 6.3 billion) issued by 10 corporates, namely, AFB Ghana Limited, Bayport Financial Services Limited, Bond Financial Services Limited, Dalex Finance & Leasing Company Ltd, Edendale Properties Plc, E.S.L.A. Plc, Izwe Loans Limited, Ghana Home Loans, PBC Limited, and Quantum Terminals Limited. The total outstanding GoG securities at the end of 31 May 2018 was valued at approximately GHS 55.1 billion.

The GoG securities comprise of bills (91-day and 182-day), notes (1-year and 2-year) and bonds (3-year, 5-year, and 7-year). The 91-day bills which previously accounted for 28% at the end of 2017 now accounts for 8.9% of the total outstanding GoG securities, the 182-day (5.2%), the 1-year (4.3%) the 2-year note (14.7%), the 3-year bond (15.3%) and the 5-year bond (24%) the 7-year bond (7.4%), the 10-year (13.5%) and the 15-year (8.7%) of the total outstanding GoG securities.

Trading activity on GFIM is highly concentrated in the 5-year GoG securities. Nonetheless, significant level of trading in discounted bills also occurs over-the-counter.

Table 5: GFIM Market Information

Trading Days	Trading takes place every working day
Trading Hours	Pre-opening period: 9:30hrs to 10:00hrs (GMT) Market opens for continuous trading: 9:00hrs to 16:00hrs (GMT)
Clearing & Settlement	Trade settlement is done electronically using a web-based application. Settlement occurs two (2) business days (T+2) after the trade date. The System allows for mutual settlement of trade on T+0 or T+1 basis

Trade and general information on the GFIM can be found on the GSE website - <http://www.gse.com.gh>

5.6.4 GFIM Outlook

Secondary market trading on GFIM (particularly on the longer end of the market) has been much muted mainly on account of macroeconomic uncertainties and the resultant upward trend in yields. Following the change of government in 2017, yields on short term securities in particular trended downwards sharply, crossing the 15% mark, thus increasing the appeal for longer-dated securities.

Once the stability environment experienced since 2017 gains firm roots and ultimately translates into strong economic growth, we expect the possible narrowing of the bid-ask spread, culminating in enhanced market liquidity and trading activity on the fixed income market going forward.

The introduction of the GSE's trading module to run side-by-side with the E-Bond platform is expected to increase the number of participants, improve information flow to all market participants and boost confidence in the market. Once the CSD completes the interface between the e-bond platform and the CSD system, OTC trading in bonds is expected to reduce significantly since all trading in bonds (with a few exceptions) will have to go through e-bond system for a straight-through into the CSD system. This should further improve price discovery and boost trading activity.

PART 6 – TERMS & CONDITIONS AND ADDITIONAL INFORMATION

6.1 Options Available to a Qualifying Applicant

Qualifying Applicants may take any one or more of the following actions under the Offer:

- a. **Fully or partially subscribe for their Rights:** A Qualifying Applicant wishing to exercise this option must complete the relevant section of Application Form, pay the full amount due and return same to a Receiving Agent not later than 4:30 pm GMT on the Offer Closure Date.

Please refer to Part 7 - Guide to Completing the Application Form for specific instructions on how to do this.

- b. **Fully subscribe for their Rights and apply for Extra Shares:** A Qualifying Applicant may subscribe for Extra Shares (over and above their Rights allotted under the Offer), pay the full total amount due for both their Rights and Extra Shares applied for and return the completed Application Form and to a Receiving Agent not later than 4:30 pm GMT on the Offer Closure Date.

Please refer to Part 7 - Guide to Completing the Application Form for specific instructions on how to do this.

- c. **Renounce all or part of their Rights in favour of a qualifying third party:** Qualifying Shareholders may renounce all or part of their Rights, under the Offer, in favour of a third party who may or may not be a shareholder.

A Renouncer must complete and sign the relevant section of the form for each Renounee, who must submit it as part of their application to a Receiving Agent not later than 4:30 pm GMT on the Offer Closure Date.

Please refer to Part 7 - Guide to Completing the Application Form for specific instructions on how to do this.

- d. **Take no action:** Qualifying Shareholders who choose not to apply for shares under the Offer, or who fail to make payment for the shares they have applied for under the Offer, or who fail to meet the deadline of 4:30 pm GMT on the Offer Closure Date for returning the Application Form and making payment to a Receiving Agent may be deemed to have not taken any action under the Offer.

Qualifying Shareholders who take no action under these terms empower the Directors of SOGEGH to allot such unsubscribed Rights per the allotment strategy (as described in 1.18).

6.2 Key Conditions of the Offer

As a Qualifying Applicant:

- a. You offer to subscribe for the number of shares indicated on your Application Form, on these terms and conditions set out in this Circular and subject to the Regulations of SOGEGH.
- b. You agree that your application cannot be revoked after the Offer Closure Date or such later date as the Directors and Lead Manager may agree, and promise that any cheque or banker's draft will be honoured on first presentation and that this paragraph constitutes an agreement between you and SOGEGH. It becomes binding when your application is posted and received by a Receiving

Agent or in the case of delivering by hand as received by a Receiving Agent. However, the Bank will not be held liable if you use a wrong address in posting. You must pay all bank commissions, transfers and other bank charges.

- c. A thumb print on an Application Form will be accepted instead of a signature thereon only if it is duly certified in accordance with the Applicable Laws.
- d. If your Application Form is not completed correctly or is amended, or if any cheque or banker's draft is found to be less than the amount stated on your Application Form, it may still be treated as valid. In such cases, the Lead Manager's decision as to whether to treat the application as valid, and how to construe, amend or complete it shall be final. You will not, however, be treated as having offered to subscribe to a number of Shares on Offer which, when multiplied by the Offer Price, is more than the amount of remittance upon allotment of shares.
- e. An application may be rejected in whole or in part at the discretion of the Lead Manager and Board for applications which are incomplete, illegible, or if it is determined that the Qualifying Applicant is not eligible to participate in this Rights Issue.

6.3 Acceptance of Offer

- a. Acceptance of your application will be made (if your application is received, valid, processed and not rejected) by notifying the SEC of the basis of allotment and by notifying acceptance to the Receiving Agents.
- b. Acceptance may be of the whole or any part thereof.
- c. If your application is accepted (in whole or in part), there will be a binding contract under which you will be required to subscribe for the shares in respect of which your offer has been accepted.

6.4 Payment for SOGEGH Shares on Offer

- a. You undertake to pay the subscription price for the Shares on Offer in respect of which your offer is accepted. The cheque or banker's draft or other remittances may be presented for payment before acceptance of your offer, but this will not constitute acceptance of your offer, either in whole or in part.
- b. If the application is invalid, rejected or not accepted in full, or if the amount of the application divided by the Offer Price does not result in a whole number of shares, then the proceeds of the cheque or other remittances or the unused balance of those proceeds (as the case may be) will be refunded to you without interest.
- c. If the remittances are not honoured on first presentation, then at any time until the Bank has received cleared funds in respect of the Offer, the Lead Manager, on behalf of SOGEGH may terminate the agreement to subscribe to the Offer. The termination will be effected by notifying the Receiving Agent to whom you submitted your application.

6.5 Renunciation

- a. The Right of a Qualifying Shareholder may be renounced in whole or in part only by completing Section J of the Application Form in accordance with the instructions therein.
- b. Qualifying Shareholders who wish to subscribe for some of their Rights and to renounce the remainder in favour of a third party(ies), shall complete Section J of the Application Form for each

person renounced to in accordance with the instructions provided in Part 7 - Guide to Completing the Application Form.

- c. The Application Form must be lodged with any of the Receiving Agents, together with payment for the shares to be received not later than 4:30 pm GMT on the Offer Closure Date.

6.6 Procedure in respect of Rights not taken up or renounced

If a properly completed Application Form and payment in full is not received by 4:30 pm GMT on the Offer Closure Date, the Rights will be deemed to have been declined by the shareholder. These shares will then be available to shareholders of SOGEGH applying for Extra Shares under the Offer, and allotted by the Directors as per the allotment strategy (as described in 1.18).

6.7 Warranties

You warrant that:

- a. You are qualified to apply;
- b. In making your application you are not relying on any information or representation concerning the Bank and/or other offers not contained in this Circular. You agree that no person responsible for this Circular or any part of it will have liability for any such other information or representation;
- c. If any person signing, or making a thumb print on the Application Form is not the Qualifying Applicant, that person warrants that he/she has authority to do so on behalf of the Qualifying Applicant and that this authority is vested in him or her by virtue of a power of attorney which (or a copy of which certified by a solicitor) accompanies the application;
- d. If the Qualifying Applicant is other than a natural person, the person signing the Application Form warrants that he/she has authority to do so on behalf of the Qualifying Applicant.

6.8 Supply and Disclosure of Information

The Bank, the Directors, Advisors and their agents shall have full access to all information relating to, or deriving from, the cheque or banker's draft or other remittance accompanying your application, and its processing. If the Directors or their agents request any information about your application you must promptly disclose it to them.

6.9 Crediting of Qualifying Applicants Depository Accounts

Shares in respect of the ordinary shares to be issued pursuant to the Rights Issue will be deposited into the Qualifying Applicant's CSD Account by the Uploading Date.

6.10 Exchange Controls

The Foreign Exchange Act, 2006 (Act 723) allows foreigners to hold shares of a listed company without any restrictions. It also assures full and free remittance of foreign exchange in the form of original capital or principal amounts, any gains, dividends or interest payments and related earnings and refunds in respect of investments made by external residents in such securities.

6.11 Taxation

a. Withholding Tax on Dividend

Under the current Ghanaian tax legislation, dividend payments by companies attract a final dividend withholding tax rate of 8%. No further tax is payable on dividends received.

b. Tax on Capital Gains

Capital gains earned on the disposal of listed shares are exempt from capital gains tax.

c. Stamp Duty

Stamp duty is administered under the Stamp Duty Act, 2005 (Act 689). Stamp duty is not a tax on transactions but on documents prepared for the purposes of recording transactions. Stamp duty is not payable on a transfer of shares

d. Corporate Tax

The Income Tax Act, 2015 (Act 896), prescribes a corporate tax of 25% for all listed companies.

6.12 Miscellaneous

- a. The rights and remedies of the Bank and its Advisors, under these terms and conditions are in addition to any rights and remedies, which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.
- b. If any application is not accepted or is accepted for a smaller number of shares than applied for, SOGEGH will return the balance of the amount paid on application to the Receiving Agent for onwards distribution to Qualifying Applicants. SOGEGH will announce such refunds through a national daily newspaper with wide circulation within 3 Business days of the making of such refunds.
- c. A Qualifying Applicant's depository account will be credited with the shares.
- d. A Qualifying Applicant authorises the Bank to send money returnable to them through the Receiving Agent they submitted their application through.
- e. All documents and monies sent or delivered to or by Qualifying Applicant will be sent or delivered at the Qualifying Applicant's own risk. Any cheque will be made payable to Qualifying Applicant (or first person named in any joint application).
- f. A Qualifying Applicant agrees to be bound by the Regulations of SOGEGH once the shares Qualifying Applicant has agreed to subscribe for have been transferred to Qualifying Applicant.
- g. A Qualifying Applicant's application and the acceptance of that application and the contract resulting therefrom will be governed by, and construed in accordance with the Laws of Ghana. A Qualifying Applicant irrevocably submits to the jurisdiction of the Ghanaian courts in respect of the matters relating to this Transaction. This does not prevent an action being taken against the Qualifying Applicant in any other jurisdiction.
- h. Words defined in the Circular and not defined in these terms and conditions have the same meaning in these terms and conditions and in your Application Form and in the Guide to Completing the Application Form as in the Circular.

PART 7 – GUIDE TO COMPLETING THE APPLICATION FORM

7.1 General instructions for completing the Application Form

- a. Please read these instructions carefully before completing the relevant parts of the Application Form.
- b. The Application Form has various sections (A – J). Once you have made a decision after carefully evaluating your options, kindly ensure that you complete all relevant sections with the required details and return together with payment for your subscription to a Receiving Agent.
- c. Use capital letters in completing the Application Form.
- d. Only persons over 18 years of age can buy shares in their own name. Shares may be bought in trust for a child by a parent, grandparent or guardian of the child.
- e. Power(s) of attorney must be enclosed if anyone is signing on behalf of a Qualifying Applicant other than a minor.
- f. Photocopies of Application Forms will be accepted only when they are clear and legible. The submission of a photocopied Application Form presumes that the Qualifying Applicant understands and accepts the terms and conditions of the Offer.

7.2 Qualifying Applicant's options and actions

A Qualifying Applicant who wishes to:

- a. **Apply fully or partially for their Rights**
Should kindly complete **Sections A, B, C** and **G** of the Application Form and sign the relevant portion accordingly.
- b. **Apply for Extra Shares in addition to their Rights**
Should kindly complete **Sections A, B, C, D** and **G** of the Application Form and sign the relevant portion accordingly.
- c. **Apply for shares renounced to him/her/it**
Should kindly complete **Sections A, B, E** and **G** of the Application Form and sign the relevant portion accordingly. You are required to attach a copy of a duly completed Sections J signed by the Renouncer to your application.
- d. **Apply for Rights purchased on the secondary market**
Should kindly complete **Sections A, B, F** and **G** of the Application Form and sign the relevant portion accordingly.

7.3 Specific Instructions for Completing the Application Forms

a. Section A & B

Sections A & B are mandatory sections and MUST be completed by all Qualifying Applicants. Applicants are required to provide their broker's name and clearly write out their CSD Securities Account Number in the spaces provided in **Section A**. Qualifying Applicants may contact any broker to open a CSD account prior to their submission of the completed Application Form.

Section B requires applicants to insert their full name, valid phone number and a functional email address. Number of shares held and Rights should be disclosed in the spaces provided.

b. **Section C**

Accept all or part of the Rights allotted to you by indicating the number of shares subscribed for and provide the amount paid in numerals. Qualifying Applicants must make sure the amount paid tallies with the number of shares subscribed for multiplied by the price of a share.

c. **Section D**

After fully applying for their shares in **Section C**, Qualifying Applicants may opt to apply for more shares by indicating the number of Extra Shares they are subscribing for and the amount paid. Qualifying Applicants must cross-check whether the amount paid tallies with the extra number of shares subscribed for multiplied by the price of a share.

d. **Section E**

Qualifying Applicants who have shares renounced to them (Renounees) must indicate the number of shares renounced to them as well as the amount paid for those shares. A Renounee must ensure the Renouncer also completes **Section J** of the Application Form. Qualifying Applicants must ensure the amount paid tallies with the number of shares subscribed for multiplied by the price of a share.

e. **Section F**

Qualifying Applicants who wish to apply for Rights they bought on the secondary market should indicate the number of shares and the amount to be paid. Applicants must ensure the amount paid tallies with the number of shares subscribed for multiplied by the price of a share.

f. **Section G**

Qualifying Applicants should kindly sum up the number of shares applied for and total amounts due in **Section C – F** (whichever is applicable). You must ensure that the total amount paid tallies with the total number of shares subscribed for multiplied by the price of a share.

g. **Section H**

Please read the declaration carefully before signing (or thumb printing) and dating the Application Form in the space provided.

h. **Section J**

A Renounee must ensure that a Qualifying Shareholder renouncing Rights to him/her/it duly completes this section and submits it as part of their application.

The Renouncer must provide his/her/its full name, broker name and CSD code in the relevant spaces provided. The Renouncer must also indicate the number of shares held and number of shares being renounced to the Renounee. Finally, the Renouncer is required to sign the relevant section on the form, date it and add a photocopy of a valid ID before handing it over to the Renounee. The renouncer must also attach a photocopy of a valid ID to their application.



SECTION A: DEPOSITORY DETAILS

Broker Name:

CSD Client Code:

SECTION B: SHAREHOLDER INFORMATION

Name:

Phone number:

Email:

Total shareholding:

Total Rights entitled:

SECTION C: I AM APPLYING FULLY/PARTIALLY FOR MY RIGHTS

Number of shares:

Amount paid (GHS):

SECTION D: I AM APPLYING FOR EXTRA SHARES

Number of shares:

Amount paid (GHS):

SECTION E: I AM APPLYING FOR RIGHTS RENOUNCED TO ME

Number of shares:

Amount paid (GHS):

SECTION F: I AM APPLYING FOR TRADED RIGHTS

Number of shares:

Amount paid (GHS):

SECTION G: TOTAL (C+D+E+F)

Total shares subscribed for:

Total amount paid (GHS):

SECTION H: DECLARATION

I/We hereby apply for SOGEGH shares under the terms and conditions set out in the Offer Circular. I/We certify that all statements made on the Application Form to enable me/us take up/reject/renounce my/our Rights in the SOGEGH Rights Issue are correct and the responses are my/our own.

Applicant

Signature:

Date:

Joint Applicant

Signature:

Date:

SECTION I: COUNTERFOIL

Client Name:

Broker Name:

CSD Client Code:

No. of Shares:

Amount Paid (GHS):

Receiving Agent's Stamp:

Date:

SECTION J: RENOUNCEE FORM

Attach this form to the main application form when applying.

Renounee details

Name of Renounee:

Renouncer details

Name of Renouncer:

Broker name:

CSD Client Code of Renouncer:

No. of shares held :

No. of shares being renounced :

Signature of Renouncer:

Date:

SECTION J: RENOUNCEE FORM

Attach this form to the main application form when applying.

Renounee details

Name of Renounee:

Renouncer details

Name of Renouncer:

Broker name:

CSD Client Code of Renouncer:

No. of shares held :

No. of shares being renounced :

Signature of Renouncer:

Date:

SECTION J: RENOUNCEE FORM

Attach this form to the main application form when applying.

Renounee details

Name of Renounee:

Renouncer details

Name of Renouncer:

Broker name:

CSD Client Code of Renouncer:

No. of shares held :

No. of shares being renounced :

Signature of Renouncer:

Date:

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